With Tokushichi Nomura II now overseeing the general development of the Nomura enterprises, Otogo Kataoka was elected president of The Nomura Securities Co., Ltd. and all other founding members became directors. With all preparations completed, the new company was registered and The Nomura Securities Co., Ltd. was officially born. The date was December 25, 1925. The firm had a total of 84 employees.

On January 4, 1926, the company started business.
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 teamwork
   “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”)


*All members of Nomura Group are governed by applicable local laws and procedures relevant to their jurisdiction. This Report is produced by Nomura Holdings, Inc., the holding company of Nomura Group. A number of sections within the Report relate solely to activities and management systems at Nomura Securities Co., Ltd., which is the largest subsidiary of Nomura Holdings, Inc.
A year has past since we issued our first Corporate Social Responsibility (CSR) Report. The report was an excellent opportunity for us and all of our stakeholders to examine Nomura Group in terms of our role as a corporate citizen in the society at-large. Being a financial institution, we play an important role in making sure that capital circulates efficiently to those who can use it to generate economic growth. Following our first report, we were fortunate to receive many insightful comments from stakeholders. Many of our stakeholders expressed a wish for us to do even more as a corporate citizen to contribute to society at-large, and we were honored to know that a high level of leadership is expected of us in this area. At the time I felt that we could do more as a responsible corporate citizen, and I still do today. But I am happy with the progress we have made over the past year, and am proud to be able to share it with you in this report.

Responding to Changes

This past year was eventful in Japan in many ways that relate to our business. During the year, the Japanese government prepared to remove its blanket guarantee on bank deposits, there was a surge in interest in corporate takeovers, a new law protecting personal information went into effect, as did the Kyoto Protocol. These changes have provided us the opportunity to lead Japan in a new direction and demonstrate our commitment to society.

In April 2005, the Japanese government removed its blanket guarantee on individuals’ bank deposits, bringing about a welcome surge in interest in securities and other risk assets. This presents a significant business opportunity for us as a financial services group. However, it also challenges us to do what is right for society as a whole, as many new clients are first-time investors. We welcome the challenge and have responded in a number of ways. We have stepped up our programs to educate clients on the nature of investing, revamped our consulting program to meet new customers’ needs, and assembled a broad selection of financial products suitable for new investors. We will continue providing the highest level
of service for all types of investments. Over the past year, a number of high-profile hostile takeover bids by domestic companies captured the attention of people throughout Japan. This type of activity is very new to Japan, and is expected to increase going forward. Many people welcome M&A (mergers and acquisitions) activity as an effective means of further boosting corporate value and the overall economy. As a leader in the field of M&A, we are developing a market where M&A activity can occur in a fair and fully transparent manner, to the benefit of all stakeholders.

In yet another development, the Personal Information Protection Law came into effect this April. In our first CSR Report we introduced initiatives we had previously taken in relation to personal information security. With this new legislation, we have enhanced our education and training programs to protect against information leaks and will make sure that all employees remain well-trained in safely handling customer information.

New Initiatives

In addition to responding proactively and responsibly to the changes occurring in our environment, we launched a number of our own new initiatives during fiscal 2004 to enhance our role as a responsible corporate citizen. We established a new CSR Section, introduced new environmental policies, increased the accessibility of our offices, and revised our personnel system.

CSR Section

We established a new CSR Section responsible for planning and managing our growing CSR program as we expand our efforts as a responsible corporate citizen. As a financial institution, we should have high transparency and be particularly responsible as a corporate citizen. We owe this to our stakeholders. Our new CSR Section provides a centralized platform on which to launch an array of new CSR activities and we are looking forward to positive results.

We are also actively exploring how Japanese businesses and, in particular, financial institutions, can make themselves better corporate citizens. Our Nomura Securities Financial & Economic Research Center has teamed with Hitotsubashi University (a leading Japanese university) to create a think tank to study this issue. The group is preparing a set of comprehensive CSR-related guidelines to help companies become better corporate citizens.

Environmental Conservation

In last year’s CSR Report we noted that we had much room for improvement in the area of environmental conservation, and reported that enhancing efforts in this area would be an ongoing project. This led us to create a project team, centering on the CSR Section, to identify environment-related initiatives that Nomura Group could take going forward. Environmental conservation is becoming more important with each passing year. This past February the Kyoto Protocol went into effect, and the Japanese government and corporations are working to meet Japan’s targets for reducing greenhouse gas emissions.

We, Nomura Group, affect the environment primarily through our energy and paper use in our offices. Departments have implemented measures to lower their burden on the environment and across-the-board, uniform energy and resource conservation standards are currently under consideration.

Increasing Office Accessibility

Nomura Securities Co., Ltd. offices are located in a variety of buildings, many of which were not necessarily designed for universal ease of use; some were inconvenient for the elderly and for handicapped persons.
who use wheelchairs or walking aids. Modifications have since been made to ensure barrier-free access to offices across the country, beginning with the Nihonbashi Head Office. Specifically, entrance steps have been removed, handrails have been installed, and toilet facilities have been modernized to facilitate use by handicapped persons. These changes will be extended to all our offices nationwide in step with our plans for updating their facilities. This we believe is an important policy for Nomura Group as we seek to provide our services to as many people as possible.

Personnel System Revision
We recently created a new personnel system that will soon be put into place at Nomura Securities Co., Ltd. Under the new system, all employees will be given the same opportunities regardless of gender, age, or other factors. This new system will feature merit-based remuneration for all employees, and we expect it to result in increased motivation among employees and heightened competitiveness as an organization.

These changes will help us find, hire, and train staff in order to boost our competitiveness in the face of diversifying and increasingly sophisticated customer needs, as well as tougher industry competition. Along with the personnel we will be reviewing our benefits and allowances system as well, and anticipate that our efforts to create a more worker-friendly, rewarding workplace for Nomura Securities Co., Ltd. employees will in turn improve communication and strengthen our competitiveness.

Nomura Group: A Global Presence
Nomura Group, with a global network extending to 28 countries around the world, works to fulfill our corporate responsibilities in each region where we operate. Although this Report doesn’t cover all of our overseas subsidiaries’ efforts, our overseas units are active in their communities, and doing more each year to contribute to the betterment of their local regions. Naturally, our responsibilities to society that we fulfill through our business activities extend to all of our operations on a global level.

This year we again asked Mr. Takamitsu Sawa, Professor and Director of the Institute of Economic Research at Kyoto University, to compare our CSR program with that of a year ago in terms of continuity, accuracy, credibility, and completeness.

It is my sincere wish that you also will take the time to read our second CSR Report, and once again provide us with your opinions about Nomura Group’s efforts as a responsible corporate citizen.

Nobuyuki Koga
President and CEO
Nomura Holdings, Inc.
Nomura Group’s vision is to enhance our position as a globally competitive Japanese financial institution by continuing to expand and grow our businesses both in Japan and overseas.

Nomura Group is a financial services group comprised of a holding company, Nomura Holdings, Inc., and its domestic and overseas subsidiaries. Nomura Group leverages integrated business operations stemming from a unified strategy to provide clients with high value-added financial services and earn sustainable profits for an increase in shareholder value over the long term.

**About Nomura Group**

Nomura Group is a global financial services group dedicated to providing a broad range of financial services for individual, institutional, corporate and government clients. The Group offers a diverse line of competitive products and value-added financial and advisory solutions through its global headquarters in Tokyo, 133 branches in Japan, and an international network in 28 countries; with regional headquarters in Hong Kong, London, and New York. The Group’s business activities include investment consultation and brokerage services for retail investors in Japan, and, on a
Nomura Group’s business activities are categorized into 5 business lines.

**Domestic Retail**
Domestic Retail provides investment consultation and management services primarily to individual investors through our network of 133 domestic branch offices. We provide products and portfolio advice matching customers’ long-term needs based on a thorough understanding of the nature of each customer’s assets, risk tolerance, lifestyle, as well as market and economic conditions.

**Global Markets**
Global Markets engages in sales and trading of equities, fixed income, and currency, primarily servicing domestic and overseas institutional investors. Global Markets also supplies complex and diverse financial products, and securitization-based financing arrangements, centering on real estate.

**Global Investment Banking**
Global Investment Banking offers a broad range of investment banking services, including securities underwriting, M&A advisory, and other financial advisory services. We also provide domestic and foreign clients with tailor-made financial solutions.

**Global Merchant Banking**
Global Merchant banking uses Nomura Group’s own capital to generate earnings from private equity investments. Our primary activities involve seeking new investment opportunities and raising the value of companies we have made investments in.

**Asset Management**
Asset Management distributes a wide offering of investment trust products through a diverse range of sales channels, provides investment advisory services for pension funds and other institutional investors, and administers and provides products for defined contribution pension (DC) plans.

**Overseas Management Structure**
Nomura Group’s overseas business activities are conducted under the umbrella of local holding companies. These are comprised of Nomura Holding America Inc., Nomura Europe Holdings plc, and Nomura Asia Holding N.V.

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**Nomura Group Business Portfolio**

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Our Vision

Contributing to a better society has been a core part of Nomura’s philosophy since our founding. Our corporate social responsibility is nothing other than the practical expression of our Founder’s Principles.

Established in 1925, Nomura Securities Co., Ltd. marks its 80th anniversary in 2005. Our founder, Tokushichi Nomura, believed that by engaging in the securities business the company could contribute to the advancement of society. He explained Nomura’s raison d’être as follows: “Nomura’s mission is to enrich the nation through the securities business. This is something that we must absolutely see through.” This conviction remains a key Nomura Group principle and, in 2000, a central platform for social contribution was established. This “Basic & Dynamic (B&D) Program” is a self-directed challenge to contribute to the creation a more affluent society, while the landscape, especially that in the financial industry, changes dramatically in the 21st century.

B&D Program

Our B&D Program is a long-term commitment to raising the public’s perception of Nomura Group and the capital markets in general. Specifically, the program gives all our employees a shared stance upon which to focus their daily activities on making Nomura Group and the entire securities industry more understood, trusted, and needed by a larger portion of society at-large and, as a result, ensure our competitive position.

B&D Program Development

In developing the B&D Program, we first re-examined founder Tokushichi Nomura’s ideals, summarizing them as our “Founder’s Principles,” and establishing them as our managing principles. We drew on these Principles to formulate the identity of Nomura Group — the fundamental Nomura tenets that continue unaltered in the 21st century — terming it “Our Collective Will,” a set of principles and standards that would guide our day-to-day operations. Based on these principles and standards that all at Nomura share, we have identified concrete actions and measures which we will take to heighten the social recognition of Nomura Group.

Pocket-sized reminder card distributed to employees
Foundations for Increasing Social Acceptance and Three Channels (B & D Map)

Public Interest

(1) Exercise leadership
Propose a balanced financial system
Present a perspective of the Japanese economy
Construct a financial infrastructure

(2) Build up market participants
Make Nomura Group understood in society
Provide appropriate information

(3) Enhance customer satisfaction for both individuals and institutions
The most necessary and reliable financial service company
Long-term partner
Transparency and reassurance

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.

B&D Program Strategy

Our B&D Program strategy is two-pronged, consisting of a “public interest strategy” and a “business strategy,” with the two having a reciprocal relationship. Pursuing the best interests of the public gives Nomura Group a competitive advantage which, in turn, enables us to contribute to society. Great emphasis is placed on the public interest strategy within the overall B&D Program.

Always Changing, Always Striving

We kicked off our B&D Program 5 years ago. During this time, we have enhanced internal communications to build a stronger set of common values, and redoubled our efforts to promote healthy capital and securities markets. The courses on capital markets that we give at over 110 universities across Japan improve the public perception of Nomura Group, exemplifying our public interest strategy. We want to be the most needed and trusted financial services group around, consistent with our goal of being a globally competitive financial institution.

As we progress through the 21st Century, our mission will remain that of supporting the development of the Japanese economy, contributing to the creation of a society rich in the true sense of the word, and providing superior investing-related services.
Code of Ethics

Nomura Group established a Code of Ethics in March 2004. The Code is based on our Founder’s Principles and covers the precepts that each Nomura Group executive and employee is expected to observe in relation to corporate governance and our corporate social responsibility.

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 nongovernment employees gifts or entertainment in accordance with specified guidelines of the relevant company of the Nomura Group. 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. 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 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 Securities Co., Ltd.
New Personnel System

Nomura Securities Co., Ltd. is operating in a rapidly changing environment: customer needs are growing increasingly diverse and sophisticated; and competition with other financial institutions is intensifying. To keep pace with these changes, the company needs to create a working environment conducive to bringing out the full capabilities of each employee. And to boost competitiveness in the medium to long term, the company recognizes the importance of compensating each employee in line with performance based on individual abilities. In response, the company drew up a new personnel system which is due to take effect in October 2005.

Under the new system, barriers that restrict individuals from realizing their full potential will be abolished, giving employees the chance to perform in line with their individual ability, motivation, and qualifications. In turn, the company will compensate each employee appropriately based on performance vis-à-vis individual ability.

Our Founder’s Principles state: “Nomura underscores the fact that the development of human resources, acquisition of talented personnel and ability to match the right talent with the appropriate position are more formidable assets than sheer capital strength.” Based on this thinking, the company believes that training and communication will play key roles in ensuring that the new personnel system runs smoothly. The company will support all employees where possible to allow them to acquire the skills needed to perform to the best of their ability. In addition, two-way communication between managers and those working under them will be stepped up in an effort to clarify the role of each employee and increase understanding of the appraisal process.

Comparison of New and Existing Systems
Building a New Framework: Nomura Securities Co., Ltd.

First, we reviewed Nomura Securities Co., Ltd.’s existing personnel system, including existing job roles, the job rankings incidental to those roles, remuneration, the Financial Adviser system, and our hiring plans and activities. We then set out to overhaul the system by building a completely new framework.

The new framework is based on the idea that employees who perform to the best of their individual abilities should be compensated appropriately, thereby further driving the vitality of the whole company. The revamped system will do away with the sougou shoku (general managerial career) and ippan shoku (assistant career) job categories in favor of two new types of employment: zeniki-gata shain (whole area employees), who are subject to transfers that require a change of residence; and chiiki-gata shain (specific area employees) who will be exempt from such transfers. Employees in both categories will engage in the same scope of work, regardless of gender or age. Each employee will build their career based on individual abilities, motivation, and qualifications.

When the new system starts in October 2005, current general managerial career employees will become whole area employees and current assistant career employees will become specific area employees. However, all employees will be given the chance once a year to apply to switch to the other category. A change from whole area to specific area, however, will require the prior approval of the company.

Employee Education and Training

Ongoing education and training will play an integral role in ensuring the new personnel system runs smoothly. To this end, we are laying the groundwork for a new employee education and training system that will consist of a more detailed program delivered through a wider range of formats. As a part of this, we are making our e-learning system more user-friendly and adding new content. This new system will give us the flexibility to meet each employee’s appetite for learning.
Corporate governance is crucial to maintaining and elevating our corporate value. We continue to strive for excellence following our transition in 2003 to a committee system of corporate governance for all Nomura Group domestic companies.

Corporate governance is the instrument with which we create policy and define our raison d’être — who we are and what we do — with accountability to all our stakeholders and to society. We have the responsibility to ensure accountable and transparent disclosure of information and effective checks and balances, and individual staff participation in a systematic and integrated manner. It is with this commitment that we have adopted the committee system now approved under the revised Commercial Code to strengthen our overall corporate governance.

Nomura Group Corporate Governance

Enhancing Corporate Governance

We are constantly striving to strengthen our corporate governance, mindful of our mandate to elevate corporate value from a mid- to long-term perspective.

A series of changes were made when we transitioned to a committee-based system of corporate governance. These included separating executive and supervisory functions, delegating considerable authority to executive officers, and raising management transparency as part of our ongoing efforts to strengthen corporate governance.

We have also tightened our system of internal corporate controls in order to maintain a firm management base, honoring the trust our stakeholders place in us.
Corporate Governance & Management Systems

**Board of Directors**
The Board of Directors consists of 11 directors, of whom 4 (36%) are outside directors* and of whom 7 (64%) are non-executive directors.

**Nomination Committee**
The Nomination Committee consists of 3 directors and makes proposals regarding the appointment and dismissal of directors. Two of the 3 directors on the Nomination Committee are outside directors.

**Audit Committee**
The Audit Committee consists of 3 directors and audits the duties performed by directors and executive officers. Two of the 3 directors on the Audit Committee are outside directors.

**Compensation Committee**
The Compensation Committee consists of 3 directors and determines the remuneration packages for each director and executive officer. Two of the 3 directors on the Compensation Committee are outside directors.

The Board of Executive Officers and the Executive Management Board were established to make important management decisions and facilitate smooth business operations.

**Board of Executive Officers**
The Board of Executive Officers consists of 32 executive officers and is responsible for discussing and determining business plans and budgets for Nomura Group. The CEO serves as chairman.

**Executive Management Board**
The Executive Management Board consists of 10 executive officers and is chaired by the CEO. It is responsible for determining important business-related issues. An Advisory Board, comprised of experts from outside the company, serves as a consultative body to the Executive Management Board and provides valuable insight based on the deep, global experience of advisors. This insight and advice is used in developing business plans and to raise the level of management transparency.

**Internal Controls Committee**
The Internal Controls Committee is responsible for establishing internal controls concerning Nomura Group operations, and deliberations and decisions to ensure proper corporate behavior. The Internal Controls Committee is made up of 4 executive officers and 2 directors, one of whom is an outside director. The CEO serves as chairman.

**Commitment Committee**
The Commitment Committee is responsible for discussing and deciding on important matters regarding Nomura Group positions having low liquidity as well as positions that are material with regard to risk management. The Commitment Committee is presently comprised of 7 executive officers and is chaired by the COO.

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*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 (Commercial Code Article 188 Paragraph 2 Item 7-2).
Internal Controls

The Audit Committee plays the central role in management oversight, and is comprised of a majority of outside directors. The Committee is chaired by an outside director. The following steps have been taken to further enhance audit effectiveness.

1. Two full-time, non-executive directors well versed in Nomura Group's operations and internal processes have been assigned to the Board of Directors as Audit Mission Directors. This measure retains the advantages of the previous auditor system while complementing audits by the Audit Committee. The role of the Audit Mission Directors is to oversee the Group's business operations, including attending important committee meetings and conducting spot surveys and inspections. Nomura Securities also employs this Audit Mission Director system.

2. We have established an Internal Audit Division, independent of business lines, responsible for conducting internal audits at Nomura Holdings and subsidiaries. The Internal Audit Division acts under the direction of the Internal Controls Committee, which includes an Audit Committee member and an Audit Mission Director. The results of internal audits are reported to the executive line as well as to the Audit Committee and the Audit Mission Directors.

3. We have established an Office of Audit Committee to assist the Audit Committee. This Office provides operational support for the Audit Committee and assists Audit Committee members and Audit Mission Directors in conducting audits.

Information Disclosure

Sharing information with stakeholders is a fundamental aspect of corporate governance and necessary for its improvement. The Global Disclosure Policy has been established along with a Disclosure Committee in order to ensure fair, proactive disclosure.

Nomura Group Disclosure Policy

This was put in place to protect non-public information about Nomura Group companies, promote the timely and appropriate disclosure of information, to comply with the purport of the U.S. ‘Regulation FD’ (Fair Disclosure) and to provide investors with equal access to Nomura Group information.

The main provisions of the policy are as follows:

- Establishment of a Disclosure Committee
- Prohibition of selective disclosure of material information
- Reporting of material information to the Disclosure Committee
- Establish a single point of contact for information disclosure
- Preparation of legal disclosure documents by the Disclosure Committee
Disclosure Committee

The Disclosure Committee is chaired by our executive officer responsible for Global Corporate Communications. The primary responsibilities of this Committee include managing disclosure by preparing disclosure guidelines and deciding how to handle the disclosure of material information, along with preparing legal disclosure documents.

Compliance

Nomura Group has a uniform compliance structure in Group companies, with each company having compliance officers, a compliance hotline, and other identical processes. Each Group company is, in principle, obligated to exercise sound management, observing Nomura Group as well as internal rules, as appropriate to the special characteristics of its particular operations. Led by Nomura Securities’ Compliance Department, compliance officers from Group companies hold regular working meetings to strengthen cooperation and raise the overall level of Group compliance.

Compliance Officers

Each Nomura Group company appoints a Compliance Officer charged with ensuring that compliance is a strong part of the corporate culture and that business operations adhere to all laws and regulations. Due to the differing nature of operations, some Group companies appoint Compliance Officers for each department, while others appoint a Compliance Officer for each division or for the entire company. Compliance Officers are responsible not only for monitoring adherence to laws and regulations, but also for ensuring that activities conform to corporate ethical standards. Nomura Group Compliance Officers attend annual training seminars. These events reinforce awareness of their responsibilities and raise awareness within Nomura Group of the need to observe a unified compliance policy and set of regulations.

Compliance Hotline

Nomura employees who have become aware of actions possibly infringing on rules are able to report their concerns directly to our management through a Compliance Hotline. This Hotline also allows such reports to go directly to an outside director in addition to a designated executive officer. Employees have been informed that measures are in place to ensure that individuals who report violations do not suffer any negative consequences from their actions.
Nomura Securities’ Compliance System

Nomura Securities’ compliance system is based on a detailed action plan known as the Compliance Program. Key components are as follows:

(1) Compliance Committee
Discusses the internal control system and important compliance-related issues.

(2) Controls in Departments and Branch Offices
In accordance with Japan Securities Dealers Association regulations, Internal Controls Officers are assigned within front-office departments and Compliance Officers are assigned for each department and branch office.

(3) Compliance Hotline
Nomura Securities has its own Compliance Hotline. Concerns can be reported directly to the management level and to external lawyers. In addition to Nomura Holdings contacts, the Nomura Securities Compliance Hotline allows an informant to communicate directly with Nomura Securities Compliance Officers and external lawyers who provide legal supervision to the Compliance Committee.

(4) Compliance Training
Nomura Securities conducts uniform compliance training for all employees, as well as position-specific training. In addition, branch offices hold monthly compliance seminars.

Crisis Management

Our previously localized information management and disaster prevention strategies were centralized and upgraded following the terrorist attacks in the U.S. on September 11, 2001. In October 2001, Nomura Securities created a Crisis Management Committee to ensure that, in the event of a disaster, information could be disseminated effectively and that employee safety confirmation could be obtained. In addition, our Information Security Committee is responsible for developing systems to safeguard information and internal training on information security. In April 2005, a Nomura Group Crisis Management Committee was established to create a Group-wide crisis management platform.

Crisis Management

Crisis management involves effective response to all events that might potentially impact our business activities and/or the general public, including loss of life and property, adverse effects on business, liability compensation claims, and damage to the corporate brand. We have a Crisis Management Committee and Crisis Management Regulations in place to prepare for particularly serious events. We have systems in place for information dissemination, business continuity, safety verification of employees and their families, as well as cooperation with local authorities in the event of a crisis. We also practice ongoing training for responding to crises that may occur.

In November 2004, a damaging earthquake struck Niigata Prefecture in central Japan, while a catastrophic tsunami devastated parts of Indonesia and surrounding countries in December 2004. In both instances we quickly grasped the situation and verified the safety of our staff and their families who may have been affected. Our crisis management system allows us to provide instructions immediately to branches and offices in or near affected areas.
The Crisis Management Committee is chaired by an executive officer nominated by the CEO and develops systems and protocol for handling crises. When a crisis occurs, the Committee takes the central role in responding to the event.

**Crisis Response: Specific Cases**

1. **Natural Disasters and Fire**

   Natural disasters and fires are inherently unpredictable. Nomura Group has worked with local authorities to establish protocol for verifying employee safety, providing information and services to clients, and coordinating with local entities in the case of such an event.

2. **Serious Crimes against Nomura Group and/or Employees**

   As a global company, it is difficult to rule out the possibility that Nomura Group will be caught up, either directly or indirectly, in a terrorist incident or crime at some point somewhere in the world. Should such an event occur, we are prepared to collect and disseminate information, give proper directions, and verify the safety of employees.

3. **System Failure**

   Information technology (IT) is integral to the Nomura Group’s business activities. This makes a quick, effective response to system failure, whether triggered by an internal error or some type of external infiltration, an absolute necessity. All possible measures have been taken to ensure against system failures. These include system security, as well as constructing subsystems and backup systems.

4. **Infectious Diseases**

   Highly infectious diseases have the potential to seriously impact Nomura Group’s business operations. We work to prevent the spread of diseases by providing information about preventive measures.

5. **Leakage of Client Information**

   Nomura Group has strict rules for ensuring the security of client data and other information assets. Protocol has been established for prompt response should an information leak occur.
The information we have accumulated, including clients' personal information, is critical to our business activities and requires a rigorous system of controls. Each Nomura Group company has an information security policy and employee training programs in place to keep information secure, and will continue to do its utmost to ensure the protection of client data.

Appropriate client data management is essential in order to remain a trusted financial institution. The systems we have in place to manage this data are well documented, comprehensive, with clear assignments of responsibilities and authority and regular training programs. For example, as shown in the diagram below, Nomura Securities assigns specific responsibility and authority for protecting information. Specifically, this includes in-house rules for safe handling of information, an Information Security Supervisor and Information Security Managers in charge of enforcing these, and studies. We will continue to strengthen our information security measures and information asset risk management systems through a continuing review program.

The Information Security Management Rules contain our basic policies on information security. Additional sub-rules specify methods or handling each type of information asset to ensure its confidentiality, completeness, and usability. Specific rules, well-documented and posted on the Company Intranet for all employees to review, dictate the handling of both client data and information provided to customers.
Nomura Group Privacy Policy

Nomura Group and all of its officers and employees will comply with the following basic policy as well as with all relevant laws and regulations from supervising authorities.

1. Information will be collected in a manner consistent with all relevant laws and regulations, and necessary measures will be taken to ensure that such personal information is correct and up-to-date.

2. Personal information will be used only for the purpose(s) for which notification has been given. Any disclosure or provision of personal information to third parties will comply with all relevant laws and regulations and, unless mandated or other appropriate reason exists, such disclosure shall not occur without the consent of the individual.

3. Thorough training will be provided to officers and employees in order to prevent the leakage or inappropriate use of personal information. In addition, managers responsible for controls and inspections will be appointed and appropriate control systems will be established.

4. In the event that personal information is provided to an external contractor, the applicable group company will take responsibility for ensuring that said external contractor has proper systems in place to protect the privacy of such personal information.

5. All requests from individuals for the disclosure, correction, and usage termination of personal information shall be carried out in accordance with all relevant laws and regulations.

6. Each Nomura Group company will establish a customer consultation service and continually review and make improvements as necessary to the personal information privacy management system.
CSR in the Marketplace

We believe that it is our responsibility to provide superior financial services, expand the capital markets, and contribute to economic development and, in turn, a more affluent society.

With networks in the world’s major financial markets, we provide a broad range of financial services to respond to clients’ various needs.

Achieving our Business Goals

Overview of Operating Results

In the fiscal year ended March 31, 2005, net revenue edged down 0.5% year on year to ¥799.2 billion, while non-interest expenses rose 14% to ¥594.4 billion. As a result, income before income taxes declined 28% to ¥204.8 billion and net income decreased 45% to ¥94.7 billion. Meanwhile, total assets rose by ¥4.7 trillion to ¥34.5 trillion and shareholder equity increased by ¥82.7 billion to ¥1.87 trillion. Consequently, ROE (return on shareholder equity) for the year was 5.2%. It is important that we strengthen our earnings base going forward to raise our ROE.

Our Business Goals

Our overall goal is to further expand and strengthen our domestic and overseas business in order to firmly position the Group as an internationally competitive Japanese financial institution. We have announced a goal to achieve an average consolidated ROE of 10-15% over the mid- to long-term horizon.

We made several changes to our business lines effective from April 1, 2005 in order to achieve these goals. Previously we had 3 business lines: Domestic Retail, Asset Management and Global Wholesale. In order to better respond to clients’ needs, we restructured Global Wholesale into 3 new business lines: Global Markets, Global Investment Banking, and Global Merchant Banking. This new structure comprising 5 business lines allows us to provide more specialized services.
While Nomura Group has the largest customer base in Japan, we aim to further expand that base and deliver an even higher quality of financial services. We are developing products and services that meet clients' diverse needs and taking our financial services business into new territory beyond the fields in which our industry has traditionally operated. We will continue to take advantage of the internet, call centers, specialized consultation-only branches, and the securities intermediary business to increase user-friendliness in order to have an even greater number of people become Nomura clients.

**Shift of Individual Assets to the Securities Markets**

As of March 31, 2005, our Domestic Retail line had ¥45.6 trillion in assets under custody, a 36% increase from the level in March 2002. In achieving this growth, we capitalized on the opportunities for fund inflows presented by the removal of the blanket guarantee on bank deposits and the placement of personally-held stock certificates in special accounts for stocks. We are targeting further growth in assets under custody to ¥50 trillion by March 2007.

Sales of government bonds to individual investors have remained firm. With sales of approximately ¥1.3 trillion for the year ended March 2005, we topped all financial institutions, including Japan Post, for the second year running. Expanding access to customers is also a major part of our strategy to increase assets under custody. We have opened new branch offices specializing in consultation services. These offices do not handle money, and have no back-office functions. We have also formed many partnerships with regional financial institutions across Japan (39, as of July 2005) to have securities intermediary services provided on our behalf.

**Expanding Assets under Management: Identifying Needs**

The asset management companies in our Asset Management business line, centered on Nomura Asset Management, provide a diverse line of products through a broad range of sales channels. As of March 2005, we had assets under management of roughly ¥19 trillion. We aim to further grow assets under management by firmly grasping clients' needs and boosting our investment capabilities, product offering, and marketing activities. We also have a growing defined contribution (DC) pension plan business, serving as plan administrator for 112 plans and roughly 240,000 members as of March 2005. We assist companies in designing their DC plans and provide investment trust offerings for plan participants to select from. Stepped up marketing and service enhancements will lead to continued growth in contracts to administer and supply products to DC plans.
Our Global Markets business line integrates our Global Equity business, which mainly handles domestic and international stocks and their derivative products, and our Global Fixed Income business, which mainly handles domestic bonds, international bonds, foreign exchange, and their derivatives. This integrated structure allows us to offer our clients a high-level of financial services. Over recent years, real estate and finance have become increasingly interconnected. In response, we have launched new businesses that add liquidity to assets which traditionally have low liquidity, the most notable examples being our securitization and loan-related businesses.

During the past year we were also active in underwriting foreign bonds targeting individual investors, in response to strong client demand. We were lead underwriter for a number of foreign bond issues in Japan, including Dexia Credit Local (AUD), Rentenbank (AUD), the Toyota Motor Credit Corporation (USD), European Investment Bank (AUD) and the International Bank for Reconstruction and Development (AUD).

Over the years, we have built our equity trading, bond trading, and structuring businesses on a global scale, establishing solid relationships with investors and issuers worldwide. We have used our domestic branch office network to build firm relationships with high-net-worth individuals, corporations, and regional financial institutions in Japan, while leveraging our global network to establishing strong ties with Japanese and overseas institutional investors. At the same time, we have built deep-seated relationships with a broad range of issuers from Japan and overseas, including government agencies, financial institutions, and corporations. Combining these relationships including issues by the Republic of Italy, the European Investment Bank, the U.S. Federal Farm Credit Bank, the Kingdom of Belgium and the Republic of Greece. Distributing these bonds to domestic and overseas institutional investors reinforced our status as a prominent bond underwriter.

Our asset finance business joint-developed the Urban Renaissance Private Mezzanine Fund in May 2004 along with the Development Bank of Japan. This marked the full-scale launch of our mezzanine finance business for real estate projects. In July 2004, we acted as advisor for the first securitization of wedding halls and funeral parlors in Japan, and in December 2004 we acted as financial advisor for the Urawa Station East Exit Area Redevelopment Project, arranging Japan's first ever development-type securitization scheme using a floating price system to determine transfer price.

Going Forward

Over the years, we have built our equity trading, bond trading, and structuring businesses on a global scale, establishing solid relationships with investors and issuers worldwide. We have used our domestic branch office network to build firm relationships with high-net-worth individuals, corporations, and regional financial institutions in Japan, while leveraging our global network to establishing strong ties with Japanese and overseas institutional investors. At the same time, we have built deep-seated relationships with a broad range of issuers from Japan and overseas, including government agencies, financial institutions, and corporations. Combining these relationships
with cutting-edge financial technologies allows us to provide optimal financial products and services to meet clients’ wide-ranging needs.

Japan’s financial markets are undergoing a transformation as corporations restructure, individuals increase risk asset holdings, and real estate and finance merge, driven by the rapid growth of the J-REIT market and the advances in securitization techniques. We are reinforcing our financial technologies, our core strength, to develop products and services that go beyond the traditional bounds of the securities business. Our strategy involves becoming more global and seamless, building a platform for meeting clients’ increasingly sophisticated and diverse needs, as well as entering new business domains, leveraging our expertise in securitization, derivatives, and other specialized fields.

Enhancing our High-Value Added Solutions Business

We aim to enhance our global competitiveness by accurately grasping our clients’ diverse needs and leveraging Group resources to develop and deliver high-value added solutions.

Leveraging our Accumulated Resources

Our Global Investment Banking business has remained a leader by leveraging our firm client base in Japan and overseas, while maintaining a high market share through our commitment to equity underwriting, M&A advisory, and Multiple Private Offerings (MPO), where we use our own capital to provide companies with financing solutions. We have revamped our organization to enable us to accurately grasp clients’ increasingly complex needs and offer them optimal solutions in a timely manner.

One of our core strengths is our ability to execute deals seamlessly based on a Group-wide understanding of both issuers’ and investors’ needs. This January we demonstrated our capabilities by solely managing an approximately 1.1 billion euro financing deal from Germany’s KfW. In this deal, the first of its kind in Japan, we succeeded in providing Japanese retail investors with an attractive foreign currency bond exchangeable into Deutsche Post AG shares by matching KfW’s need for low-cost funding with the German government’s need to sell Deutsche Post AG shares as a step in its privatization process.

League Tables

<table>
<thead>
<tr>
<th>Equity Financing</th>
<th>M&amp;A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rank</td>
<td>Bookrunner</td>
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<td>------</td>
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<tr>
<td>1</td>
<td>NOMURA</td>
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<td>2</td>
<td>Daiwa Securities SMBC</td>
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<td>3</td>
<td>Nikko Citigroup</td>
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<tr>
<td>4</td>
<td>Mizuho Financial Group</td>
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<tr>
<td>5</td>
<td>Morgan Stanley</td>
</tr>
</tbody>
</table>

Note: Based on the monetary value of publicly announced deals involving a company based in Japan as either the target or acquirer.

Source: Thomson Financial

Investment using Nomura Group Capital: Maximizing Investment Returns

Our Global Merchant Banking line uses our own capital to provide high-value added solutions to corporate clients with various financial problems. Over the coming 3 to 4 years, we will be expanding our investment portfolio so that Global Merchant Banking is positioned to contribute consistently to Group profits, increasing domestic exposure to between ¥250 billion and ¥300 billion.
We believe that a balanced financial system is indispensable to the building of a sustainable society and are committed to that mission. We also understand the importance of prioritizing social responsibility within the context of our business strategies and products. In fact, our corporate social responsibility is based on a firm commitment to provide financial solutions that satisfy our clients' needs.

**Achieving Corporate Social Responsibility in the Marketplace**

**Investment Consultation and Advice Geared Towards Women**

Nomura Group has been active in educating the public on economics and the financial and securities markets. We provide educational seminars for university students, and have supported local communities in educating junior and senior high school students. To take these initiatives further, on November 1, 2004, we established the Women’s Financial Planning Section, designed to provide educational seminars and various investment-related materials for women who want to learn about investing and managing assets. The section is comprised solely of female employees from our Investment Research & Investor Services Department.

This new team spends considerable time traveling around the country conducting seminars for women. These seminars are exclusively for women and are taught by female instructors. Seminars are specifically designed for women who are busy with work but want to get a grip on their finances, as well as women who are in charge of managing household assets. In the first half of 2005, we held more than 140 women-only seminars at 13 branches across the country from Hokkaido to Fukuoka.

**Business Development Responding to Today’s Needs**

**New Branch Offices**

We have begun to add offices that do not handle money and have no back-office functions. These smaller branch offices specialize in face-to-face investment consulting, and give clients a satisfying experience.

The rolling out of these branches began in Hachinohe (Aomori Prefecture) and Ohta (Gunma Prefecture) in October 2004, and in Sasebo (Nagasaki Prefecture) in November 2004. Also, our new branches established in Odawara in March 2004 and in Kumagaya in November 2004 were opened as “cashless” branches. With these new branch openings Nomura Securities now has 133 domestic branch offices.

**Upgrading Call Centers**

Providing customers upgraded call center services is part of our effort to raise our overall level of service. In addition to our existing call centers which handle administrative matters, we are preparing to set up new call centers that will execute customer orders.

**“Hotto Direct” Department**

Our “Hotto Direct” Department provides services targeting customers who work during the day and may not be able to visit our branches during the day for consultations. This department provides night and weekend assistance given by specially trained operators. Customers are able to receive advice over the phone from home while using their computers to follow along.

**Using the Securities Intermediary Business to Increase Access to Customers**

We are always looking to expand
Nomura Group’s SRI Funds

**Nomura Global SRI 100**  
(Managed by: Nomura Asset Management Co., Ltd.)  
The fund seeks to achieve investment gains (on a yen-equivalent basis) from movements in the FTSE4Good Global 100 Index, an index comprising companies around the world that meet social responsibility standards.

**Morningstar SRI Index Open**  
(popularly known as Tsunagari)  
(Managed by: Nomura Asset Management Co., Ltd.)  
This fund seeks to achieve investment gains from movements in the Morningstar Socially Responsible Investment Stock Index, a SRI index targeting companies listed domestically that is the first of its kind in Japan.

**Nomura World SRI Index Fund**  
(for DC pension plans)  
(Managed by: Nomura Asset Management Co., Ltd.)  
This fund, specifically for defined contribution pension plans, invests in the publicly-offered Nomura Global SRI 100 Fund and its mother fund.

**Nomura Japan SRI Index Fund**  
(for DC pension plans)  
(Managed by: Nomura Asset Management Co., Ltd.)  
This fund, specifically for defined contribution pension plans invests in the publicly-offered Morningstar SRI Index Open Fund and its mother fund.

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**Industry-University Collaboration with Hitotsubashi University - SRI Research Group**

Nomura Securities and the Nomura Securities Financial and Economic Research Center’s Quantitative Research Department have teamed up with Hitotsubashi University to launch the Socially Responsible Investment (SRI) Research Group. This body studies methods for evaluating socially responsible companies.

Interest in CSR and SRI has been on the increase since the late 1990s. This is evidenced by the focus on SRI funds and the increasing number of companies publishing CSR reports. However, definitions and methods for evaluating CSR remain inconsistent and there is no uniform method for assessing SRI. The SRI Research Group examines the latest CSR developments overseas, the views of Japanese companies on CSR, CSR among financial institutions, and investor perspectives on SRI. Findings will be presented in a report to be widely distributed to promote a better understanding of CSR and SRI. This report is slated for issue in fall 2006.

Chairperson: Professor Kanji Tanimoto  
(Hitotsubashi University)

Working Group Leaders:  
- Japan Research Institute, Ltd.  
- So-Tech Consulting Inc.  
- Sompo Japan Insurance Inc.  
- The Sumitomo Trust & Banking Co., Ltd.  
- NLI (Nihon Life Insurance) Research Institute  
- Nomura Securities Co., Ltd.  
- Nihon Keizai Shimbun Inc.  
- Hitotsubashi University

The Working Group plans to discuss the following issues:  
- Global trends in social responsibility  
- Methods to assess social responsibility  
- CSR in financial institutions  
- SRI from investors’ perspective  
- Social investing

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the scope of clients to whom we provide our high-quality financial services. Taking advantage of additional deregulation, Nomura Securities is actively building partnerships with regional financial institutions with strong client bases in the area of securities intermediary services, in which customers are able to access our products and services indirectly. As of July 2005, we have such arrangements with 39 institutions nationwide.
The central themes of our community activities are providing educational opportunities relating to the economy and securities and support for culture and the arts. These are social contributions that are important to the community and which Nomura Group has a unique capacity to make through our business.

**Towards a Sustainable Society**

Our founder, Tokushichi Nomura, was firmly of the view that the financial services industry could make a significant contribution to society. His formulation of our raison d’être was “to enrich the nation through the securities business...something we must absolutely see through.”

The healthy development of the economy is a prerequisite for a prosperous society and we believe that expansion of the capital markets will assist that process. This has led the Group to work towards improving financial literacy and understanding of financial markets in the community. Education is the foundation of economic development and we intend to keep expanding educational opportunities for all ages, offering plans and programs geared to those with a desire to learn.

We believe that it is not only economic development but that cultural awareness and recognising the importance of our heritage is equally important. Nomura Group is dedicated to encouraging a thriving society through support for culture and the arts among others.

**Improved Internet Accessibility**

The Founder’s Principles adopted by Nomura Group include the principle of “putting our clients’ interests before our own” and “always striving to stay one step ahead.” We apply these principles to our website, putting the interests of our clients first and aiming to always offer information and services that are one step ahead. We will ensure improved accessibility* in the future, so that an increasing number of clients can use the information and services we offer. June 2005 saw the upgrading of the accessibility features of the Nomura Group website, in particular by enhanced compatibility with text-to-voice software.

* Accessibility refers to features that enable all users, including the elderly, the disabled and those with temporary disabilities equal access.
Nomura Group Web Accessibility Policy

1. Providing Information and Services That More Customers Can Utilize

Recently, as the Internet becomes more and more popular, standards and legislation for Web accessibility has been developed around the world, and even in Japan, where it was standardized as JIS (Japanese Industrial Standards) in June 2004, Nomura Group will make every effort so that more customers, including aged persons, impaired persons and temporarily impaired persons, will be able to easily access the website.

2. Consideration for Various Characteristics of Customer Utilization

For instance, due to age, impairment or circumstances of utilization, problems may occur, such as: impossibility/difficulty in seeing the screen; impossibility/difficulty in hearing sounds; difficulty in making operations or interaction with web content using mice or keyboards; and difficulty in understanding or learning the contents. Upon understanding various utilization characteristics of customers, we will do our best to make it possible for all customers to access our information and services on our websites in the same way.

3. Flexibility in Various Circumstances of Customer Utilization

The circumstances under which customers access the website have become diverse, encompassing: Internet connection; various types of information and telecommunication devices; types and versions of browsers; assistive technologies (such as voice / Braille tools for Web contents, screen magnifier, and alternative means to mice and keyboards), etc. We will give consideration to trouble-free customer access under any circumstances.

4. Establishing Nomura’s Own Web Accessibility Guidelines.

In Nomura Group’s website, we have set up our own guidelines based on the following official guidelines, and will make an effort to ensure and enhance accessibility.

* JIS X 8341-3 (A JIS guideline designed for aged persons and impaired persons, etc., provided in Japan on June 20, 2004).
* W3C/WAI WCAG 1.0 and 2.0 (Web Content Accessibility Guidelines by W3C, a standards body of Web technology. Version 1.0 was published in May, 1999 and version 2.0 is going to be published).
* Section 508 of Rehabilitation Act (A law reinforced on federal institutions in the US on June 21, 2001).

We carry out our everyday business on the understanding that Nomura Group itself is a member of the community; a corporate citizen.

We analyse the financial products we offer with due care and provide our clients with accurate information and easy-to-understand advice. Whenevever we are dealing with a new client we undertake a comprehensive analysis of the client’s financial status and knowledge of financial products before providing full and accurate explanations to ensure the client will make sound personal investment choices. This approach is taken in full compliance with the Securities Exchange Law and other relevant legislation governing our business.

Nomura Securities has issued a range of guidelines for product divisions to follow in order to design products appropriately. We also exercise due diligence on products developed elsewhere and sold by Nomura Securities.

Nomura Securities complies with the Law on Sales of Financial Products and other relevant legislation by providing accurate information and appropriate explanations of risk in relation to the products we sell.

Nomura Securities has also developed its own guidelines on preparing sales brochures for customers in accordance with the Japan Securities Dealers Association’s advertising guidelines and all written materials provided to clients are carefully scrutinized to ensure compliance.

Nomura Securities follows the Group’s sales policy in consulting clients regarding their financial status, investment strategies and experience and takes all these factors into full consideration before recommending products. Nomura Securities gives ample consideration to client convenience regarding the times, locations and methods used for sales appointments. As our publicly-available Basic Sales Policy states, we have established special guidelines on the timing and volume of distribution of initial public offerings in particular, to ensure the principles of candor and fairness are applied so that full consideration is given to client circumstances and specific clients are not subjected to excessive sales efforts.
The development of a healthy economy through building a balanced financial system is a prerequisite for creating a prosperous society. This means that we should provide each person with a focus on future prosperity with the opportunity to deepen their knowledge of society, economy and finance. Nomura Group is committed to providing a broad range of opportunities for economic and securities education to those who seek financial knowledge, beginning with children.

Financial Literacy Programs

We hold seminars at universities across Japan with the aim of providing practical economic knowledge to students, the future leaders of Japan’s economy. Over 400 executives and staff from Nomura Group led these seminars at over 110 universities in fiscal 2004. These practical seminars, based on lecturers’ personal business experience, attracted over 20,000 students.

Financial Literacy Programs for Lifelong Learning

Although economic and financial systems are integral to our lives, there are few opportunities for comprehensive learning about money-related matters. Nomura Group offers courses through which people can acquire knowledge of finances and securities as part of lifelong learning programs, including in local communities and workplaces.

These courses address the financial planning advisable for enjoying a more comfortable retirement, ensuring that even those with limited knowledge can understand how to achieve a more comfortable lifestyle. We have offered these courses since 2003 and have already had over 40,000 participants.

Website for Learning about the Economy - man@bow (Let’s Learn!)

Nomura Securities and the Nihon Keizai Shimbun jointly sponsor the economic learning website “man@bow” as a means of offering financial seminars to a broad range of people to heighten their interest and understanding of finance and the economy. The site’s content is not limited to the economy and investment, but also has easy-to-understand commentary on current topics and market trends. Individual investors can use the site as a tool for learning about asset management. (http://manabow.com)
A Special Supporter of the Nikkei Stock League Contest

The Nikkei Stock League is a contest for junior and senior high school as well as university students sponsored by the Nihon Keizai Shimbun. The goal is for students to set their own investment theme, learn about portfolio management and report their findings. Students carefully research newspaper articles, access business websites, and even visit companies to collect information and make portfolio selections. Based on the information they have gathered, students make virtual investments and write reports.

Winning teams are invited on a study tour of the United States based on an assessment of investment performance and reports. More than 25,000 students have participated since the contest began in 2000 and it has been recognised for fostering independent learning about the economy through experience with investing.

**5th Annual Nikkei Stock League Contest Results**

Winner - Outstanding Performance Award
Doshisha High School - First Year
“Building Symbiosis with the Global Environment”

“Fighting Spirit” Award
Doshisha Kori Junior High School - Third Year
“Coexistence with Robots: Fact or Fantasy?”
Kyoto City Nishikyo High School - Third Year
“Women Hold Up Half the Sky”
Niigata Prefectural Shibata Commercial High School - Second Year
“The Year of Disaster in Niigata”
Kanagawa Prefectural Hiratsuka Commercial High School - Second Year
“! Rescue Those Not in Education, Employment or Training (NEETs)!!”
Kobe University
“Socially Responsible Investments for the People”
Osaka University
“Businesses that Attract Lively Students”
Kansai University
“Are Economic Units Implementing Accurate Predictions and Investments?”
Hitotsubashi University
“The New Ability to Reform”

Concepts learned through the Nikkei Stock League Contest
1. Stocks are one method by which businesses raise money.
2. When we buy stocks, we are giving financial support to business activity and indirectly participating in it. In other words, investing in stocks is to invest in the growth potential and the public nature of business activity.
3. Investors choose to invest in the healthiest businesses with high growth potential so that businesses with this potential amass more capital, which encourages greater growth.
4. As a result this process fosters growth in the Japanese economy. This means that appropriate investment in stocks promotes business growth, creates jobs and eventually increases tax revenue, increasing the economic welfare of society.
5. The proper management of assets through stock investment is a social responsibility attendant on economic activity, just like labor and taxation.
Focus 2: Results of Survey on Financial Literacy Programs

We have conducted surveys about financial literacy activities in order to promote our communication with participants. The results provide valuable opinions on which we can enhance our future activities.

### Survey of Teaching Staff at Elementary and Junior High Schools across Japan on Financial Literacy Programs

We surveyed the teachers of elementary and junior high schools as to the current status of financial literacy programs. The survey was conducted between 4 November and 14 December 2004 and responses were received from 464 of 600 elementary schools approached and from 362 of 400 junior high schools approached. The survey was made up of four questions to which respondents were invited to answer freely. The questions were: “Has your school taught students about the importance of money? Do you think that students should be taught about society’s economic and financial systems? Have you made any attempts to date in regard to financial literacy programs (teaching about money)? What are the obstacles to implementing and spreading teaching about money?”

<table>
<thead>
<tr>
<th>What are the obstacles to the implementation and spread of financial literacy programs?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
</tr>
<tr>
<td>Lack of concrete understanding</td>
</tr>
<tr>
<td>Have never done it before</td>
</tr>
<tr>
<td>Lack of accurate information</td>
</tr>
<tr>
<td>Lack of trained teachers</td>
</tr>
<tr>
<td>No teaching materials</td>
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<tr>
<td>Lack of staff consensus</td>
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<tr>
<td>Inconsistencies in course content</td>
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<tr>
<td>External partners</td>
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<tr>
<td>Lack of parental understanding</td>
</tr>
<tr>
<td>Other</td>
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</tbody>
</table>

### Responses from Elementary School Faculty
(extracts / summarized in parts)

The value of property and money
- It is important to bring up independent children through teaching about money, including the pleasures and trials of work, the joy of using one’s wisdom at work and successful management of savings.
- We want to raise students capable of conservation, promotion and evaluation to advance economic and financial activity that is kind to people, our community and the Earth.
- We need to teach the challenge and need of craftsmanship, financial sense, consideration towards others, lifestyle and marketing systems and the pursuit of profit.
- We need to teach the value of money and that borrowing necessitates the payment of interest (credit cards, consumer finance).

The difficulty of drawing up and implementing curricula teaching economics and financial matters
- Students are often inquisitive regarding the pension system and the national economy and financial difficulties. We would like to hear about models for effective teaching about money to elementary and secondary students, who will shoulder Japan’s future. Students define their own future pension problems in terms of money and the economy. Perhaps a Financial Affairs Committee should be established to listen to the views of students.
- Our future citizens will have to have a dedicated focus on lifestyle planning in view of Japan’s fiscal hardships. It follows that we should ensure they have a clear sense of their vocation, the path they will take in earning an income. We would like them to have regard to their lifestyles as an individuals as well as citizens supporting the nation.
- We would like to ensure that children have a general idea of the trend of the global economy in the contemporary world by the time they finish junior high school. This also connects to lifestyle education, where students are taught how to live in inflationary and deflationary times, in a world that is constantly changing. This teaching must be systematized in the curriculum in an orderly way from early elementary school onwards.

Teaching about money should begin at home, as should community activities
- We need to find out what parents think and research the links with the Social Studies and Morals curricula.
- This is something that should be taught at home on a daily basis, so the key role of the school is to encourage parents to fulfill that role.
- This teaching will not be effective unless its importance, including the importance of property, is reinforced at the household and community levels.
Mechanics of the Economy and Finance, Consumer Issues

- As some students complete their education at junior high school and start to work they must be taught the minimum just to stay out of trouble. I was successful at least in teaching them to refuse any solicitation they do not need and to consider an oral promise a contract.
- They must be taught basic knowledge to be able to cope in our capitalist economy.
- It would not be a bad idea for students to be part of a debate on tax system before they graduated.
- They should be introduced to familiar management topics such as consumer issues, mergers, starting a business and ventures.
- We would like to be able to teach the economy and finance with their light and dark sides in a balanced manner using accurate and appropriate materials.

Make the need for financial literacy common knowledge, securing instruction hours and establish a curriculum

- Shortened teaching hours make it difficult to secure instruction time. We must therefore prepare effective teaching materials that contain the main points in compact form.
- Cooperation with the home and relevant bodies is indispensable (since schools cannot bear the burden alone and the initiative would not last).
- Cover the basics needed for entrepreneurs: entrepreneurial vision, initiatives and ideas.

“"A Simple Finance Course” Survey (No. 2: Understanding Jobs in Society Series)

Nomura Securities collaborated in the preparation of the survey on “Finance for Beginners,” a comic book style publication explaining the financial system. Copies of the comic book publication were donated to some 11,000 junior high schools in February 2005. The results of our survey follow. We received around 200 valid responses, mostly from junior high school librarians and principals.

Student Responses
- Students who have started to think about their future careers are reading it. In fact they are using it to prepare for the one-week work experience during their 2nd Year.
- To be honest, many students have yet to really grasp the subject, however the comic book format and conversational style made it easy reading for them.

Easy to Understand?
- The comic book style and illustrations of the corporate and financial systems explained things in an easily-understood style.
- The publication was helpful to teachers as well as to students to promote their understanding.

Opinions and impressions of the publication
- There are almost no opportunities for our current junior high school students to acquire correct information about economic systems and finance and hardly any economics textbooks written for junior high students. And social studies teachers are rarely graduates of economics faculties. In the light of the circumstances it really is an excellent book.
- It is an important book to provide students guidance on further learning. Early contact with this book should help students in making more definitive choices about their future.

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<table>
<thead>
<tr>
<th>Student Interest Level</th>
<th>Very high 67%</th>
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<tbody>
<tr>
<td>High</td>
<td>67%</td>
</tr>
<tr>
<td>Somewhat high</td>
<td>14%</td>
</tr>
<tr>
<td>No Response</td>
<td>3%</td>
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<tr>
<td>the other</td>
<td>8%</td>
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<table>
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<tr>
<th>Easy to Understand?</th>
<th>Very easy 92%</th>
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<tr>
<td>Easy</td>
<td>72%</td>
</tr>
<tr>
<td>Somewhat easy</td>
<td>14%</td>
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<tr>
<td>No Response</td>
<td>4%</td>
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<tr>
<td>the other</td>
<td>1%</td>
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In February 2005, we prepared and donated copies of “Finance for Beginners” to 11,000 junior high schools and 2,400 public libraries across the nation.

The book features a qualified financial planner as she explains in simple terms how financial and economic mechanisms work to junior high school students in her neighborhood.

We co-sponsored the production of this educational publication on financial literacy publication primarily for elementary school pupils. It describes the roles of money, banks and securities companies in simple comic book style. The copies were donated to 24,000 elementary schools and 2,400 public libraries nationwide in April 2003.

We have been broadcasting this program on the importance of asset management over 160 Cable TV stations across the country since April 2001. It is vital for everyone to start early in making solid preparations for their own future. The program offers a wealth of information, including basic knowledge about money, asset management, financial advice, and reports on students learning the ropes of investing. The program currently has a potential audience of over 12 million Japanese households.

The Quest Education Program was initiated in April 2003 for junior and senior high school students to help them learn the realities of the economy and society and acquire life skills from the real world. The program is designed to foster the development of the students' own career and personal ambitions, helping them to decide for themselves what they want to do and become. The program is used by schools as part of the “integrated learning” curriculum. Nomura Group's contribution has been as a sponsor of the “Corporate Access” element of the program, which aims to deepen students' understanding of the workplace and corporate activities through a variety of experiences in association with companies.

The National Lifelong Learning Festival or “Manabipia” is a nationwide festival that has been held since 1989. The festival is designed to offer opportunities to deepen understanding of lifelong learning and encourages people to participate actively in those opportunities.

The 16th Lifelong Learning Festival, “Manabipia Ehime 2004” provided the venue and opportunity to share presentations on lifelong learning activities around the country and the expansion of networks for sharing information about lifelong learning.
During 2004, we held the Tokai Tri-prefecture Nomura Money Fair at the Nagoya International Conference Centre in September, the Kansai Nomura Money Fair at the Osaka International Conference Centre in November and the 7th Nomura Money Fair at the Tokyo International Forum in December. Participants heard presentations by leading figures in economic circles as well as seminars covering stocks, bonds, investment trusts and foreign currency-denominated assets. Exhibitions included a welcome booth for our shareholders and corporate investor relations (IR) displays. Attendance rose to 60,000 people, most of whom were individual investors eager to learn.

Nomura Securities is involved in a number of Internet-based efforts to provide information about the economy, finance, investment and stocks in addition to the “man@bow” economic learning site mentioned earlier (p.28), notably “Let’s study”, “Mr. Inoue’s Money Management Diary”, Mr. Inoue’s Hands-on Tour of Nomura Securities”, an annotated glossary of securities industry terminology, the Nomura Virtual Stock Investment Club and “The Hare and the Tortoise,” a savings and investment game are just some examples.
We support a range of research in collaboration with universities with the medium-to-long term objective of fostering the leaders of the next generation and promoting technology and industry.

- **The University of Tokyo**
The University of Tokyo has established the Office of University Corporate Relations to integrate models of industry-university collaboration. We worked on the first joint research project, “Development of a Model for Industry-University Collaboration Based on Market Principles.” In April 2004, the University of Tokyo founded the Center for Advanced Research in Finance as part of the University’s finance-related industry-university collaboration. Junichi Ujiie, Chairman of Nomura Holdings, Inc., was named the Center’s first director.

- **Kyoto University**
We funded the Research Section for Application of Financial Engineering within the Kyoto University’s Institute of Economic Research in 2001 as a collaborative venture. The Center applies financial engineering to engage in a variety of research projects, such as enhanced corporate value through business risk management, increased asset management sophistication and financial sector structural reform. Nomura Group co-sponsored a financial literacy symposium with the Center in 2004.

- **The University of Oxford**
We established the Nomura Centre for Quantitative Finance at the University of Oxford to support research in state-of-the-art financial engineering. We also host an annual lecture open to Oxford’s students and our clients. The spring 2005 lecture, “The Psychology of Behavioural Finance”, was given by Daniel Kahneman, Professor of Psychology at Princeton, who was awarded the Nobel Prize for Economic Sciences in 2002.

- **Columbia University**
NHI is the lead corporate sponsor for The Program on Alternative Investments run by the Center on Japanese Economy and Business at the Columbia Business School. The program is chiefly engaged in researching and releasing its findings on alternative Japanese investment assets, an initiative which is the first of its kind. Nomura Funds Research and Technologies Co., Ltd. is liaison to the program.

- **Hitotsubashi University**
We established the Financial and Capital Markets Research Center with Hitotsubashi University as a forum to encourage the exchange of opinions between universities, government, and industry. The Center carries out joint research, holds special seminars, and in June 2005 invited Gary Baker, Professor of Economics at the University of Chicago, a Nobel Laureate in Economic Science, to give a jointly-sponsored lecture on “Aging Societies and Developed Economies: The Economic Future in the Context of the Aging Society.” We will continue to work with Hitotsubashi University at SRI Research Group meetings.

- **Chulalongkorn University**
We held a financial lecture and special seminar at Thailand’s Chulalongkorn University on 28 August 2004. This was the second time we held this program since 2003. An economist from the Nomura Securities Financial & Economic Research Center gave a lecture entitled “The ‘Institutional Dollarization’ of Asian Currencies” to over 100 students in the University’s Master of Arts in Business and Managerial Economics program.
Celebrated think tanks in Europe, America and Asia, including the Brookings Institution in the U.S., the Royal Institute of International Studies in the U.K., and China’s PRC State Council Development Research Center are engaged in dedicated, ongoing research into understanding the state of the global economy and its management and the broad dissemination of the resultant proposals, with the participation of the top minds in each field across the globe. Japan’s contribution has been the Tokyo Club Foundation for Global Studies, established on 30 September 1987. Junichi Ujiie, Chairman of NHI, took office as the Chairman of the Foundation’s Board of Directors in June 2003.

Our involvement is in conducting various research from the perspectives of the future development of the global economy and notable future issues in global capital markets and supporting the global dissemination of our findings.

The Nomura Institute of Capital Markets Research has taken on the tradition of research into finance and capital markets and systems, structures and trends relating to financial institutions carried on since 1965 by the Nomura Research Institute. The Institute was established as a joint-stock company on 1 April 2004, listing neutral and specialized engagement in practical research and policy proposals among its fundamental principles of management. The core activity of the Institute is research contributing to financial system reform aimed at securing market-based financing and reform of the securities markets. At the same time, the Institute contributes to research in cutting-edge global issues faced by developed Western economies and studies the proper operation of finance and capital markets in China and developing nations, through fundamental analysis and comparative research on the experiences of Japanese and Western markets. Select findings of the Institute are widely available throughout Japan and the world through the Japanese language journal Shihon Shijo Quarterly and the English-language Nomura Capital Market Review.

We support the activities of the Institute and seek to adopt its findings in as timely a manner as is possible for use in our business and financial literacy activities.
We believe that economic development is not enough in itself to create true prosperity. Our support for a variety of cultural and artistic pursuits is grounded in the belief that people should be well-rounded.

**Nomura Cultural Foundation**

The Nomura Cultural Foundation was established in May 1990 to support the development of talent and international exchange in the field of music and the fine arts, with a view to achieving true mutual understanding in the international community.

- **Main activities**
  - Support for the Arts and Cultural Activities - Grants to around 80 projects annually
  1. Grants given to young artists in the fields of music and fine arts (23 artists and 23 musicians in fiscal 2004).
  2. Grants provided to performances, exhibitions and symposia aimed at promoting international cultural and artistic exchanges (8 artistic and 9 musical events in fiscal 2004).
- **International Student Scholarship Program**
  - The Nomura Cultural Foundation grants scholarships to promising foreign exchange students who will bridge the distance between Japan and their home countries in line with the Foundation’s aim of achieving genuine mutual understanding in the international community. Scholarships are awarded to foreign postgraduate exchange students at Japanese universities specializing in the social sciences or humanities. Since 1991, 150 scholarships have been awarded and recipients are active in their respective fields in either Japan or their home countries.

**Pacific Music Festival (PMF)**

The Pacific Music Festival is an international music education festival initially envisioned by the late Leonard Bernstein in 1990. Each summer around 130 young musicians selected from all over the world come together under the guidance of the world’s foremost instructors, including the best musicians from the Vienna Philharmonic Orchestra, for an educational program and performances.

Nomura Securities and the Nomura Cultural Foundation are proud to be associated with the program and its purpose of developing global musical culture through fostering young musicians, and have been the festival’s special corporate supporters from the outset.

Nomura Securities received the Mecenat Award for Outstanding Promotion of the Arts, with others, from the Association for Corporate Support of the Arts in 1999.

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

The Nomura Prize was instituted in 1996 to commemorate Nomura Securities’ 70th anniversary and The Nomura Cultural Foundation’s 5th anniversary. The Prize takes the form of scholarships and citations at the Tokyo National University of Fine Arts and Music Art Museum, funded by donations from the Foundation. The first awards were presented in 1998. The Foundation selects exceptional works by doctoral students of fine arts for purchase and storage at the University Art Museum, with the aim of fostering promising young artists, enhancing the Art Museum’s collection and further promoting education and research.
Nomura International plc is Nomura Group’s wholly-owned subsidiary in London and is widely engaged in liaison with the local community through support for artistic, educational and sporting events. The company hopes, through its sponsorship of “Encounters: The Meeting of Asia and Europe 1500-1800,” an exhibit held at the Victoria and Albert Museum from September to December 2004, to have demonstrated the crucial role of cultural and artistic exchanges in mutual understanding between Asia and Europe.

Support for the Victoria and Albert Museum

Contributions from Nomura Group to the National Gallery of Australia in Canberra in 1990 led to the creation of a Nomura corner. It has since hosted a variety of events, serving as a venue offering the local community greater exposure to works of art.

Nomura Gallery in the National Gallery of Australia

Health and welfare are also essential factors in the attainment of prosperity. Nomura Group is committed to community service activities.

Community Service

The Nomura America Foundation has, since its establishment in New York in March 1994, contributed to children’s welfare groups, community project groups and educational institutions across the country, with the assistance of Nomura employees. Our people in Nomura Group companies worldwide gave donations to American relief activities in the wake of the September 11, 2001 terrorist attacks through the Nomura America Foundation.

Nomura America Foundation (U.S.A.)

Nomura Securities has sponsored the National Health and Welfare Seniors’ Festival (the “Nenlympics”) since it was first held in 1988 to commemorate the 50th anniversary of the founding of the Ministry of Health and Welfare (the current Ministry of Health, Labour and Welfare). The seniors festival has attracted nationwide recognition; 2004 marking the 17th Nenlympics, held in Gunma Prefecture.

Sponsorship of the National Health and Welfare Seniors’ Festival - The “Nenlympics”

The Nenlympics aims, through developing constructive, integrated educational activities, to maintain and improve public health, social participation and zest for life among senior citizens so that they may enjoy an extended life in a vibrant community.
Community Service

UNICEF Foreign Currency Collection Campaign

Foreign currency notes and coins have been collected from Nomura Group companies since 2002 for donation to the UNICEF foreign currency collection campaign.

Matched Giving Program (U.K.)

Nomura International plc adopted a Matched Giving program in 1999. This system entails the company committing either 100% or a certain proportion of the amount of employee donations to a particular cause in support of the volunteer activities. The company has made some £130,000 in matching gifts to date.

Support for Regional Communities

We are active in support for local communities, education, culture and the arts in Asia, primarily through Nomura Asia Holding N.V. We are working towards building regional prosperity through our support for the Community Chest, a Hong Kong public entity established to give grants to social welfare facilities, the We Care Education Fund, a fund providing economic assistance and education for children suffering from SARS or who have lost a parent due to SARS, and the Hong Kong Society for the Aged, a NPO, and a number of other bodies.

Sponsoring the Special Olympics

The Special Olympics World Winter Games were held in Nagano Prefecture in February, showcasing the daily training of mentally handicapped athletes in preparation for Olympic competition. NHI is proud to support this highly significant event in its aim of encouraging independence and social participation in people with mental disabilities.
The end of 2004 brought with it a number of major natural disasters, including the Niigata earthquake in Japan in October and the Asian tsunami in December.

NHI and Nomura Securities believe that we should in some way comfort those affected by these disasters. We collected donations for those in the disaster zones through the Japan Red Cross Society and other global charitable organisations.

Contributions for Niigata Earthquake
Nomura Securities donated 10 million yen to the Niigata Prefecture Disaster Headquarters and additionally collected nearly 6.65 million yen from our Head Office and branches across the nation.

Contributions and Collections for the Asian Tsunami Victims
The massive earthquake off Indonesia and the tsunami that followed resulted in an unprecedented number of victims.

Our companies and employees made donations worldwide to aid relief efforts in areas of Southeast Asia devastated by the tsunami. Donations were matched by Nomura Group for an overall contribution of 20 million yen (US$180,000). Funds were collected through our personnel in Japan, Asia & Oceania, Europe and the Americas, the monies collected in each region being given to various organizations, including regional offices of the Red Cross Society.
EXPO 2005 Aichi, Japan

EXPO 2005 Aichi, Japan is an international exposition currently being held. The theme of this year's Expo is “Nature's Wisdom,” shedding light on the relationship between nature and man in the 21st century.

We co-sponsored an exhibit aptly titled “Global House” hoping our small contribution plays a part in raising awareness of our irreplaceable global environment.

JOC Official Partnership

Nomura Securities was proud to be associated with the Olympic ideals through its official partnership with the Japanese Olympic Committee (JOC) at the 2000 Sydney Olympic Games and we have again decided to offer our support in preparation for the 2008 Beijing Olympics. The JOC is engaged in disseminating the Games’ ideals throughout Japan and is responsible for organizing the Japanese Olympic team. As Japan's representative body for the International Olympic Committee (IOC), the JOC is also involved in the protection of the rights of corporate sponsors.

JCCI Singapore Foundation

The JCCI Singapore Foundation was established by the Japanese Chamber of Commerce and Industry (JCCI) Singapore in May 1990 with the goal of supporting the arts, culture, sports and education in Singapore. Nomura Singapore Limited is an ongoing supporter of the Foundation.

Survey on the Costs of Childraising ("Angel Coefficient")

Childraising costs have a major impact on a household budget. These costs include tuition, afterschool, co-curricular lesson fees as well as savings for a child's future. Nomura Securities has conducted a biennial survey of these costs since 1989, releasing the results in an effort to heighten awareness of household budgeting, which has led to widespread recognition of the term “Angel Coefficient.”

Volunteering at the Hakone Road Race

Since 1998, we have volunteered in the nationally-televisioned Hakone Road Race that takes place each January. The race, in which college teams complete a grueling long distance relay race from Tokyo to Hakone, is a major event in Japan. Approximately 20 Nomura employees volunteer nearby Nomura's head office to keep the roads safe for runners during the race.

Support for Japan Family Care Association

This association has been pivotal in health education, psychological counseling, and social service activities since its founding in 1954. In support of the association's mission, we have been a continual supporter since 1961.
We are committed to fulfilling our duties to the community as a corporate citizen in addition to the contributions we make to the community through our business activities. We are involved in a range of activities and initiatives in each of the communities to which we belong, including those overseas. These efforts are covered in the “CSR in the Community” section of this Report.

The following graph shows a breakdown of Nomura Group’s community spending for the period April 2004 to March 2005. Community spending fell into five categories: Financial Literacy Support, Support for Industry-University Collaboration and Research, Support for Culture and the Arts, Social Welfare Support and Other. This is the first time we have divided our community spending into five categories, but the categories reflect the thinking that has been long established within the Group. This new initiative will allow us to study our community spending more carefully and adapt our contributions to the community accordingly. Although the total value of our community spending varies according to the business results achieved in the year in question, we are resolved to make a larger contribution to a greater range of communities in future.

Total: 1.8 billion yen
CSR in the Workplace

We are deeply aware of the importance of all people being able to live and work in a decent and comfortable environment and are making every effort to create a better workplace.

We recognize that our people are our foundation. Our industry is an intellectually creative industry in which every employee is required to use his/her imagination and creativity to understand client needs and provide them with the best possible service. It goes without saying that it is our responsibility to provide our people with a friendly environment and maintain our organization as one to which each employee is proud to belong. We strive to protect the human rights of our people and improve their work environment in accordance with fundamental human rights legislation both in Japan and overseas, at the same time ensuring that our efforts benefit all stakeholders.

Nomura Securities Co., Ltd. Employment

<table>
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<tr>
<th>Our Personnel</th>
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<tr>
<td>Nomura Group employs 14,344 people as of the end of March 2005. Our core company, Nomura Securities Co., Ltd., employs 9,843 people, of whom 5,405 were male and 4,438 female. We also have 2,350 temporary employees. The average employee age is approximately 38* overall: around 41* for men and 33* for women. During the year ended March 2005 there was a turnover rate of roughly 3.2%, or a total of 318 persons who left the company. This figure includes those who transferred from one Group company to another or who took up executive appointments within the Group.</td>
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<th>Diversity in Employment</th>
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<tr>
<td>The personnel system is in essence merit-based, so that positions are filled by capable staff, irrespective of age, gender, length of service, or other factors. As of March 31, 2005, 27 women occupied managerial positions. This increased to 34, including 2 branch managers, as of July 1. We are taking positive steps towards advancing women in the workplace. In November 2004, we established the Women’s Financial Planning Section staffed entirely by women. We are promoting employment diversity: guidelines have been set out for the hiring of seniors, people with disabilities, and foreign nationals.</td>
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<th>Working Hours and Average Salaries</th>
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<td>Average monthly working hours during fiscal 2004 was 186.1 hours, including average overtime of 26.1 hours. Average monthly wages for 30-year old employees was 425,000 yen.</td>
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* The details of these data are available on p.49.
delivery (14 weeks for multiple births) and 8 weeks after delivery. 104 employees took paid maternity leave during fiscal 2004.

The maximum available childcare leave is 2 years, and 135 employees took this leave during the period. We also have a separate childraising support program that provides day care. Six employees took family nursing care leave, which is available for up to 730 days, in fiscal 2004. We also have a system for family nursing care that allows employees to shorten their working hours by up to one hour per day for up to 730 days.

We also have a range of programs that act as a safety net for each employee and boost employee morale.

There are two employee unions, with 72.3% of our workforce covered by collective bargaining agreements.

Communication with Employees

We believe that proactive internal communication is essential to the vitality of our organization. We take a positive approach, communicating messages from management and important decisions to the entire staff through our intranet and company magazine.

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Child Care and Family Nursing Care Support (as of 1 April 2005) 〈in Japan〉

Child Care Support
1. Leave before and after delivery
   Female employees can take 6 weeks prior to delivery (14 weeks for multiple births) and 8 weeks following delivery

2. Child Care Leave
   Parents can take a maximum of 2 years leave up to the child’s 2nd birthday.
   Employees are reinstated in principle to either their original position or a corresponding position.

3. Leave for Care for Sick or Injured Children
   Employees can take up to 5 days paid leave per year to care for sick or injured children who have not yet entered elementary school.

4. Child Care Support Program
   Discount coupons for babysitting services are distributed to those who request them half-yearly.

Family Nursing Care Support
- Family Nursing Care Leave
  Family nursing care leave can be taken on each occasion that a parent, spouse or child requires nursing care, up to a maximum of 730 days. Employees returning to work after taking this leave are, in principle, reinstated to their original or a corresponding position.
Nomura Securities Co., Ltd. will change to a new merit-based personnel system in October 2005. The new system will offer a range of opportunities and appropriate remuneration, irrespective of gender and age. A key part of the new system is the shift away from the current general managerial career and assistant career job categories to two new types of employment: zeniki-gata shain (whole area employees), who are subject to transfers that require a change of residence; and chiiki-gata shain (specific area employees) who will be exempt from such transfers.

Whole Area and Specific Area Employees

Under the present system, employee duties differ by job category. This meant limited opportunities for assistant career employees to realize their full potential. By setting up the new categories, each employee will be encouraged to engage in their duties at their own initiative, exercising their capabilities and thereby maximizing the strength of our organization. Employees in both categories will undertake identical duties and will have the opportunity to switch categories once a year.

Seniority and Salary System Reforms

While the current system features 9 levels within 4 job classifications for general managerial career employees and 5 levels within 2 job classifications for assistant career employees, the new system will consist of fewer levels and be unified for both whole area and specific area employees, making it simpler and more flexible. The salary system will also be revised in favor of a system of remuneration based on individual performance.

Staff Evaluation and Training

Under this new personnel system, all employees will be assessed under the same standards and processes. We plan to offer employees more opportunities to improve their skills and add career-building qualifications.

Recruiting

Both whole area employees and specific area employees will be hired at the same time each year under identical standards. Hiring of financial advisers will take place in April for new university graduates and mid-career hires will be taken on in April and October.

Nomura Securities Co., Ltd. hires applicants based on their individual potential. An offer of employment is recognition of that potential and a desire to develop it to its fullest.
Employee Development and Training

For this new personnel system to work effectively, it is vital that we enhance our staff development and training. We have a wide range of development and training initiatives for current assistant career employees to help them adjust to the new personnel system, management training designed for branch managers, department and office heads, and improved e-learning content. As part of our program to support staff in acquiring qualifications, we will reimburse tuition fees and expenses for staff who successfully gain qualifications. The cost of employee development and training was 108,000 yen per person in fiscal 2004.

<table>
<thead>
<tr>
<th>Training System &lt;in Japan&gt;</th>
<th>Managing director level</th>
<th>Executive director level</th>
<th>Assistant vice president</th>
<th>Second-year training</th>
<th>First-year training</th>
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<tbody>
<tr>
<td>New managing director training</td>
<td>New executive director training</td>
<td>Training for new assistant vice presidents</td>
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<tr>
<td>Training new branch office managers</td>
<td>Training new General Administration Managers</td>
<td>Training instructions</td>
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<td>Training to qualify employees to be Variable pension insurance salespeople</td>
<td>Training in FP (financial planner) training</td>
<td>Core-skill training</td>
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<td>IB sector brush up training</td>
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<td>Presentation training (English)</td>
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<td>Training for employees being transferred overseas for the first time</td>
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<td>IBS training</td>
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*IBS (International Business Skill) Training (learning English)

This training scheme ensures employees acquire the practical English ability needed for carrying out our business. The internationalization of the securities industry means that English skills have become indispensable.
Raising human rights awareness in order to boost respect for individual human rights and prevent discrimination and harassment is a top priority.

Human Rights Awareness Training
Our human rights awareness training aims to ensure that all employees remain committed to upholding fundamental anti-discrimination principles, deepen their understanding of human rights issues, and recognize that human rights is something that concerns us all.

In-House Training Programs
Our basic principle of never allowing discrimination led us to establish the Human Rights Education Committee and conduct human rights training programs for all executive officers at least once a year. We are also working actively to raise the awareness of human rights among employees by implementing training programs, primarily through the Human Rights Education Committee. These programs address a range of issues, from discrimination against Japan’s Dowa communities and foreign national residents, to sexual harassment and power harassment. 20 training programs were held in fiscal 2004 involving over 10,000 participants.

External Training Programs
We feel it is important to learn about human rights from various external parties. Staff representatives, from the Personnel Department and each department and branch office attend seminars and training conducted by the government, human rights organizations and NPOs. Staff representatives attended 50 external training programs in fiscal 2004.

In-House Training Programs (in Japan)

1. Why does Nomura address human rights?
2. Everyday human rights issues
3. AIDS awareness and our basic AIDS policy

Human Rights Training at Branch Offices
1. Sympathy and harassment in the workplace
2. Promotion of human rights awareness and human rights in the workplace
3. The role of Executive Directors in human rights issues

Training for Newly-Appointed Branch Managers
2. Promotion of human rights awareness
3. Human rights and etiquette issues in the workplace
4. The role of Branch Managers in human rights issues

Training for Newly-Appointed General Section Managers
1. The status of human rights in the community and our efforts in relation to human rights
2. Human rights issues in the workplace
3. The role of General Section Managers in human rights

Training for Newly-Appointed Assistant Vice Presidents
1. Why does Nomura address human rights?
2. Promotion of human rights awareness and human rights in the workplace
3. The role of Assistant Vice Presidents in human rights

Human Rights Committee Training
1. Lectures
2. Everyday human rights issues
3. Implementing human rights training programs at branch offices

Internal Information Exchange Seminar for Nomura Group Companies and Affiliates
1. The current status of human rights in the community
2. Nomura Securities’ initiatives
3. Information exchange between Group companies

Human Rights Training for Nomura Group Executive Officers
1. Lectures on human rights
Preventing Sexual Harassment
We established in-house guidelines in 1999 and set up multiple avenues inside and outside the company for employees to lodge complaints: in person, in writing, by telephone, via e-mail or through a third party.

Preventing Power Harassment
Power harassment occurs when a person in a position of power misuses authority in the workplace to harass or coerce a co-worker. As with sexual harassment, we have responded by setting up internal and external avenues for employees to lodge complaints and by providing staff training.

Policy on HIV Infection
Discrimination and prejudice against people with AIDS have been problems since the discovery of the disease. We released Basic Policy on AIDS in 1994, in which we committed ourselves to eliminating discrimination and prejudice, and protecting affected individuals.

Sexual Harassment Prevention Policy (in Japan)
- 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 (in Japan)
1. It is Nomura Securities Co., Ltd. policy not to dismiss employees on grounds of HIV infection or any other discriminatory premise.
2. Nomura Securities Co., Ltd. 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 Co., Ltd. does not carry out HIV antibody tests as part of its regular employee health checks.
4. Nomura Securities Co., Ltd. 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 Co., Ltd. is committed to making the company a place where individuals suffering from HIV/AIDS can work with peace of mind.
6. Nomura Securities Co., Ltd. has set up an AIDS committee and counseling service.
We strive to prevent work-related illness and injury while providing an environment that allows our employees to work in comfort and safety. This includes such considerations as desk space, lighting, and office temperature control. Our overseas offices follow local requirements in their respective locations. We are also engaged in a range of physical and mental health care initiatives, with due regard for the health of every employee.

Creating a Safe Working Environment

We have taken a number of steps beyond the role played by our internal health care centers to facilitate our employees’ health management, including setting up a group that specializes in promoting health care issues. We have laid down guidelines on regular, special and comprehensive medical examinations, including making subsidized comprehensive examinations compulsory for employees over 30 years of age, medical check-ups for employees working long overtime hours, and the introduction of a mental health self-assessment tool.

Mental Health Care

We place particular emphasis on improving working environments with a view to improving the mental health of all employees. We started offering consultations with psychiatrists at our health care centers in 1990, and began offering the services of a full-time counselor in 2001. A 24-hour telephone counseling service linking employees and their families to physicians and counselors, Nomura Health Dial 24, was launched in 1995, and a specialist mental health care hotline was set up in 2001 to provide additional private mental health care. We are raising employee awareness of mental health issues by distributing educational pamphlets and by conducting staff training.

Health Management for all Employees

We have taken a number of steps beyond the role played by our internal health care centers to facilitate our employees’ health management, including setting up a group that specializes in promoting health care issues. We have laid down guidelines on regular, special and comprehensive medical examinations, including making subsidized comprehensive examinations compulsory for employees over 30 years of age, medical check-ups for employees working long overtime hours, and the introduction of a mental health self-assessment tool.
### Workplace Data*

#### Employees

<table>
<thead>
<tr>
<th></th>
<th>All</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Employees</td>
<td>9,843</td>
<td>5,405</td>
<td>4,438</td>
</tr>
<tr>
<td>Average Age (yy/mm)</td>
<td>38/04</td>
<td>41/01</td>
<td>33/02</td>
</tr>
<tr>
<td>Average Length of Service (yy/mm)</td>
<td>15/00</td>
<td>16/07</td>
<td>11/11</td>
</tr>
</tbody>
</table>

The number of persons employed in connection with Nomura Holdings, Inc. comes to 14,344.

#### Age Profile

<table>
<thead>
<tr>
<th></th>
<th>All</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 30</td>
<td>2,020</td>
<td>790</td>
<td>1,230</td>
</tr>
<tr>
<td>30-39</td>
<td>3,283</td>
<td>1,851</td>
<td>1,432</td>
</tr>
<tr>
<td>40-49</td>
<td>2,504</td>
<td>1,842</td>
<td>662</td>
</tr>
<tr>
<td>50-59</td>
<td>2,036</td>
<td>924</td>
<td>1,112</td>
</tr>
</tbody>
</table>

#### Women in the Workplace

<table>
<thead>
<tr>
<th></th>
<th>Women</th>
<th>Men</th>
<th>Percentage of Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Managers (End of March 2005)</td>
<td>27</td>
<td>2,985</td>
<td>0.9%</td>
</tr>
<tr>
<td>Number of Managers (1st July 2005)</td>
<td>34</td>
<td>3,136</td>
<td>1.1%</td>
</tr>
</tbody>
</table>

#### Profile of Seniors, Disabled and Non-Japanese

<table>
<thead>
<tr>
<th></th>
<th>Guidelines</th>
<th>Existing Systems</th>
<th>Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seniors (Aged 60+)</td>
<td>Yes</td>
<td>Yes</td>
<td>27</td>
</tr>
<tr>
<td>Disabled</td>
<td>Yes</td>
<td>Yes</td>
<td>224</td>
</tr>
<tr>
<td>Non-Japanese</td>
<td>Yes</td>
<td>Yes</td>
<td>62</td>
</tr>
</tbody>
</table>

#### Employee Development and Training Costs

<table>
<thead>
<tr>
<th></th>
<th>Nomura Securities</th>
<th>Other domestic subsidiaries</th>
<th>U.S.</th>
<th>Europe</th>
<th>Asia</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Million Yen</td>
<td>1,064</td>
<td>80</td>
<td>57</td>
<td>225</td>
<td>19</td>
<td>1,445</td>
</tr>
</tbody>
</table>

*Data on number of employees, age profile, women in the workplace and employees who are seniors or disabled is all that of Nomura Securities Co., Ltd.
*Seniors are all employed on a part-time contractual basis and are not included in data on the number of our employees.
*As at 1 June 2004, 1.9% of our employees were persons with disabilities.
We are highly-conscious of the unprecedented crisis in our global environment. We are dedicated to reducing our greenhouse gas emissions and doing our utmost in other ways to protect the environment.

A healthy environment is essential for all people, businesses and communities. Today, environmental problems such as global warming demand a planned and integrated response. We will continue the initiatives we have incorporated into our day-to-day operations. These initiatives include reducing energy consumption and environmentally-friendly “green” purchasing policies.

**Our Environmental Impact**

Our greatest impact on the environment comes from the power used by our offices. We are putting policies in place to reduce unnecessary power usage from lighting and air conditioning, while keeping our branches comfortable for customers. In addition to “green” purchasing, we actively recycle stationery, promotional literature, interior furnishings, and supplies.

**Environmental impact of business activities**

- **Energy** (power, gas, fuels)
- **Water**
- **Buildings, research facilities etc.**
  - Lighting
  - Air conditioning/heating
  - Office equipment
- **Branch offices**
  - Office supplies
  - Printed materials (pamphlets, etc.)
  - Interior furnishings
- **Carbon dioxide**
- **Waste water**
- **Waste**
- **Environmental burden**
NHI headquarters in Tokyo has an action plan for reducing greenhouse gas emissions as mandated by the Tokyo Metropolitan Government in 2001.

We took advantage of this opportunity to roll out a group of environment-friendly policies for our offices across Japan, and are now planning a comprehensive action plan to cover the entire company.

### Environmental Action Plan and Targets

Until now the majority of our environmental conservation activities have been carried out on a departmental level, with oversight provided by Nomura Securities’ General Services Department. However, we recently established a working group comprising the CSR Section located in the Nomura Group Headquarters’ Corporate Communications Department, the General Services Department, and Nomura Facilities Inc., an affiliated company, to examine environmental policies for the entire Group, with the objective of promoting a better-coordinated, comprehensive program for implementing environment-friendly activities.

### Environmental Steering System

#### Steering Group

- CSR Section Corporate Communication Dept.
- Nomura Group Headquarters
- General Service Dept., Nomura Securities Co., Ltd.
- Nomura Facilities, Inc.

#### General Targets

- Action Plan of Improving Facilities
- Clarifying the points at Nomura Group Management Issues

#### Targets for Fiscal 2005

<table>
<thead>
<tr>
<th>Measure</th>
<th>Policy</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce global warming</td>
<td>Reduce greenhouse gases (Group)</td>
<td>20% reduction on 2001</td>
</tr>
<tr>
<td></td>
<td>Reduce domestic energy consumption</td>
<td>Less than in 2004</td>
</tr>
<tr>
<td></td>
<td>Improve company vehicles</td>
<td>80% low emission vehicles</td>
</tr>
<tr>
<td>Promote “green” purchasing</td>
<td>Increase “green” procurement</td>
<td>75% “green” procurement</td>
</tr>
<tr>
<td></td>
<td>Set Group guidelines</td>
<td>Policy-making/staff training</td>
</tr>
<tr>
<td>Waste management/reduction</td>
<td>Promote recycling (Group)</td>
<td>Recycle 90% of waste</td>
</tr>
<tr>
<td></td>
<td>Promote paper recycling</td>
<td>Recycle 98% paper waste</td>
</tr>
<tr>
<td>Management systems</td>
<td>Create Group promotion system</td>
<td>Survey all offices globally</td>
</tr>
<tr>
<td></td>
<td>Group environmental training</td>
<td></td>
</tr>
</tbody>
</table>
Global warming is mankind’s common concern, and we are prepared to step up our efforts to prevent it. While power use is necessary in the financial services industry, its environmental impact is large, making it essential that we reduce our power consumption if we are to reduce our contribution to global warming.

**Efforts to Prevent Global Warming**

We have implemented a number of programs to reduce power consumption. We encourage employees to switch off any non-essential equipment when not in use, adjust lighting levels and air conditioner settings, and have “green” purchasing policies, ensuring that we choose products with low environmental impact when replacing lighting fixtures and air conditioners. We have also introduced gas-powered emergency generators and other equipment.

**Reducing Power Consumption**

We have implemented a number of programs to reduce power consumption. We encourage employees to switch off any non-essential equipment when not in use, adjust lighting levels and air conditioner settings, and have “green” purchasing policies, ensuring that we choose products with low environmental impact when replacing lighting fixtures and air conditioners. We have also introduced gas-powered emergency generators and other equipment.

**Reducing Fuel Consumption**

Employee travel is an integral part of our day-to-day business. We promote the use of public transport for both commuting and traveling to meetings. Since fiscal year 2004, around 61% of our fleet of leased vehicles in Japan were low-emission models as designated by the Ministry of Land, Infrastructure and Transport. As our leases on the remaining vehicles are renewed, we will be replacing them with lower-emission models as well as hybrid vehicles. We introduced 21 hybrid vehicles in the period up to fiscal 2004 and plan to add more in the future.

**Other Measures to Reduce Environmental Impact**

We directly own 40% of Group offices, and promote best environmental practices in these facilities, focusing on measures to reduce global warming. We also promote conferencing via video and telephone to reduce travel volume as a means of reducing environmental impact.
Our head office in Tokyo is required to have an anti-global warming action plan in place under the Tokyo Metropolitan Government’s global warming initiative enacted in 2001. In the 3-year period through fiscal 2004, power consumption at the head office dropped 14.7% to approximately 7.66 million kWh. Our total carbon dioxide emissions dropped by 18%, meeting our target.

Achievements under the Tokyo Metropolitan Government Global Warming Initiative

- **Air Conditioning & Heating System Renewal**
  - We overhauled our air conditioning units, switching to high-efficiency systems in order to reduce power consumption, shortened the hours during which the systems operate, and upgraded monitoring to reduce emissions. In addition, we switched our energy source from heavy oil to city gas.

- **Increasing Lighting Efficiency**
  - We improved the efficiency while reducing the overall number of light fixtures in our head office. We also made sure that unnecessary lights were turned off and that lighting was partially turned off in common areas not used as work space. Our employees’ commitment to turning off lights has allowed us to reduce power use.

- **Introduction of Energy Efficient Office Equipment**
  - Energy efficiency is a major consideration when replacing office equipment. We have reduced office equipment power use by using the “sleep” function on monitors and other similar strategies.
Environmental considerations when purchasing stationery, office supplies, and fixtures not only conserves energy and reduces waste, but also contributes to the environmental conservation practices of society as a whole.

We encourage employees to purchase environmentally-friendly products via the corporate Intranet and have purchasing guidelines and training in place so that environmentally-friendly purchasing becomes the Group-wide norm. We also consider the environmental track record of prospective suppliers as an important criterion when making purchasing decisions.

"Green" Purchasing

A number of initiatives have been adopted in our efforts to meet two aims: reducing total waste volume and lowering the amount of our waste that ends up in landfills.

With our “green” purchasing practices, we have added a fourth “R,” “Refuse,” to the 3Rs of “Reduce,” “Reuse” and “Recycle.” We are reducing paper use by using more data files and streamlining documents.

Waste Reduction

When we renovate or build new offices, we ask our contractors to use construction techniques that minimize the environmental impact of new buildings and interior furnishings. We also scrutinize the materials used for recyclability and reusability in order to reduce waste.

Paper Recycling

Buildings, Interior Furnishings and the Environment

We are unable to easily reuse some paper due to the need to protect personal information. We are taking steps to prevent misprinting and otherwise reduce the quantity of paper used, and shred paper so that personal information safety is ensured, thereby allowing us to recycle it.

We also sort printed materials by type (newspaper, pamphlets, magazines, etc.) to allow for efficient recycling.
Reducing Water Use

Toilet facilities account for the largest volume of water used at Nomura. In an effort to keep wasted water to a minimum, we have improved facilities by installing sound-masking equipment to prevent unnecessary flushing and switching to water-efficient cisterns and infra-red sensor-operated sinks. As a result, we succeeded in reducing water use since fiscal 2001.

Participation in Local “Clean Up” Campaigns

We participate in neighborhood clean-up campaigns as a way of improving the local environment and keeping close relationships with local communities. Nihonbashi, the area in Tokyo where our head office is located, is a site of historic significance and each year since 1972 roughly 30 of our employees have volunteered in a local clean-up campaign. Employees are encouraged to volunteer in this and other clean-up events.

Environmental Conservation Activities at Group Companies Overseas

Nomura International plc (Europe)

Our London office consumed 19.72 million kWh of power in fiscal 2004, a reduction of roughly 15% from fiscal 2001 levels.

We have achieved Gold standard for the past four years of the Corporation of London ‘Clean City’ awards scheme, in recognition of our efforts to adopt and maintain environmental best practice and we are a founder member of the City Environmental Forum.

None of the waste produced in our London offices goes to landfill; we recycle approximately 12.5% of all waste and have initiated an internal campaign to increase this level to 25%. The rest is sent for incineration to generate power. We have installed recycling points around our buildings and are encouraging employees to consider how they can be ‘greener’ both at work and at home.

Our old electrical equipment is either reconditioned for reuse or recycled and the recycling of our toner cartridges and mobile phones generates a small income which we donate to the charity ‘Save the Children’.

As we refurbish all the floors of Nomura House in London we are installing systems to reduce power consumption through efficient lighting and air conditioning.

Asia - Oceania (Hong Kong)

We follow environmental practices in the countries of Asia that are appropriate to the conditions in each region. Our power consumption in Hong Kong in fiscal 2004 was around 200,000 kWh, and we are taking various steps to reduce this, including the introduction of energy-saving light fixtures. Our Asia-Oceania region is geographically large, so pro-active use of video-conferencing as an alternative to travel is encouraged. We also work with recycling servicers to recycle used toner cartridges and documents.
Third Party Opinion

I would first like to commend Nomura Group on the CSR Report 2005. Compared to the inaugural CSR Report 2004, it includes much more detailed information on Nomura Group’s efforts in addressing the global environment and other issues.

The personnel system reform is also worthy of praise as it will create a motivating and work-friendly environment for each and every employee. I wholeheartedly agree with CEO Nobuyuki Koga that creating a motivating workplace leads to added competitiveness.

The Japanese economy entered into a long period of stagnation beginning in 1991. One cause of this recession was the loss in work motivation that had been previously shared by Japanese “corporate warriors” during the prior decades of dramatic economic growth. The revival of companies, and that of the Japanese economy as a whole, is largely dependent on whether Japanese workers can regain this strong feeling towards work. This is why I commend Nomura for its bold steps in reforming its personnel system.

At this point, halfway through the first decade of the 21st century, cracks are beginning to appear in post-industrialized societies.

Firstly, the growing gap in income between both countries and individuals, which acted as a trigger for the terror attacks of September 11, 2001, has brought about the need for true, meaningful “international cooperation.” Francis Fukuyama’s prediction that the end of the Cold War would be followed by a peaceful and boring period could not have been further off the mark.

It is absolutely clear that the untamed globalization of the 1990s has reached a new turning point. We would hope that a representative global company like Nomura would be fully prepared to handle the “backlash” against globalization. Nomura will be fulfilling its social responsibility if it provides an accurate compass for all of Japan’s global companies.

Secondly, we are now seeing a spike of risk and uncertainty that is a necessary outcome of the shift to a post-industrialized society. Amid this whirlpool of risk, people are now being asked to take more responsibility for managing their assets. I hope that Nomura Group will further educate people in simple terms about the trade-off between risk and return, and provide prudent investment advice. Nomura’s program of offering financial literacy programs to a broad spectrum of people, from elementary school students to adults, is a significant initiative. It will help to develop a Japan where people are equipped with the basic economic skills, both rational and ethical, to allow them to tread through the choppy waters of the post-industrial world.

Thirdly, a smoothly-functioning market economy has never been more crucial to stability than now. In a number of sectors we are witnessing the emergence of “single winners” and natural monopolies. The law of “increasing returns” dictates that a company will become increasingly competitive as its size grows, particularly in terms of its financial resources. This explains this predominance of the few that we are seeing the trend towards now. One thing necessary in order to put the brakes on this trend is for individual investors, armed with an accurate understanding of risk, to become active participants in the capital markets. I hope that Nomura will continue to play a leading role in this area.
Lastly, widespread fraudulent accounting practices, as seen in the cases of Enron and WorldCom, are one unfortunate side-effect of post-industrialization. One common thread between Enron, the market leader in electricity wholesaling and WorldCom, the second largest telecommunications company in the world at the time, is that the distribution of their products was not visible. Telecoms are special in that they do not physically meet with their customers. Anxiety concerning widespread improper accounting practices is also being felt in Japan as post-industrialization progresses and I anticipate that Nomura Group will also have a role to play in this area of ensuring that the market is fair, transparent and subject to scrutiny.

“Corporate Social Responsibility” (CSR) is by no means a newly coined term, in fact it had tremendous currency among economists at the beginning of the 1970s. The boom in CSR at that time was prompted by air pollution, tainted water, and other health-related concerns. The catalyst for the current CSR boom was the rising awareness of global environmental problems during the 1990s.

Consumer behavior and corporate image are becoming increasingly closer linked to one another. Corporate perceptions exert a strong influence on consumers’ purchasing decisions, as these perceptions are linked to product quality in people’s minds. Improving one’s corporate image and the pursuit of wealth are no longer even the slightest bit contradictory. This indicates that Japan’s consumer society has finally matured.

I hope that Nomura Group will take the initiative in setting an example for others on how to be both a profitable and ethical corporate citizen.

Evaluation

| Ranking by index: | 81.6 |
| Ranking by country: | 99.8 |
| Ranking by industry: | 84.1 |

The Nomura Group is included in the top 18.4% of companies incorporated in the MSCI EAFE index, and in the top 0.2% of Japanese businesses. Within the financial services sector overall, Nomura is in the top 15.9%.

Source: (ISS data, 21 June 2005)
1. Vision and Strategy

1.1 Statement of the organization’s vision and strategy regarding its contribution to sustainable development. p1-3
1.2 Statement from the CEO (or equivalent senior manager) describing key elements of the report. p1-3

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. table2
2.4 Description of major divisions, operating companies, subsidiaries and joint ventures. table2
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. table2
2.8 Scale of the reporting organization. table2
2.9 List of stakeholders, key attributes of each and relationship to the reporting organization. table2

Report Scope

2.10 Contact person(s) for the report, including e-mail and web addresses. p1-3
2.11 Reporting period (e.g., fiscal/calendar year) for information provided. table2
2.12 Date of most recent previous report (if any). table2
2.13 Boundaries of report and any specific limitations in its scope. table2
2.14 Significant changes that have occurred since the previous report. p1-3
2.15 Basis for reporting that can significantly affect comparability from period to period and/or between reporting organizations. p1-3
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. p1-3

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. p4-5
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. p4-5
2.21 Policy and current practice with regard to providing independent assurance for the full report. p4-5
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). p4-5

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. p12-13
3.2 Percentage of the board of directors that are independent, non-executive directors. p12-13
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. p12-13
3.4 Board-level processes for overseeing the organization’s identification and management of economic, environmental and social risks and opportunities. p12-13
3.5 Linkage between executive compensation and achievement of the organization’s financial and non-financial goals (e.g., environmental performance, labor practices). p12-13
3.6 Organizational structure and key individuals responsible for oversight, implementation, and audit of economic, environmental, social and related policies. p12-15
3.7 Policies and/or systems for managing upstream and downstream impacts. p12-15
3.8 Mechanisms for stakeholders to provide recommendations or direction to the board of directors. p12
3.9 Basis for identification and selection of major stakeholders. p12
3.10 Approaches to stakeholder consultation reported in terms of frequency of consultations by type and by stakeholder group. p12
3.11 Type of information generated by stakeholder consultations. p12
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. p14-17
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. p14-17
3.15 Principal memberships in industry and business associations, and/or national/international advocacy organizations. p14-17
3.16 Policies and/or systems for managing upstream and downstream impacts. p14-17
3.17 Reporting organization’s approach to managing indirect economic, environmental and social impacts resulting from its activities. p14-17
3.18 Major decisions during the reporting period regarding the location of, or changes in, operations. p14-17
3.19 Programs and procedures pertaining to economic, environmental and social performance. p14-17
3.20 Status of certification pertaining to economic, environmental and social management systems. p14-17

Stakeholder Engagement

3.10 Basis for identifying and selection of major stakeholders. p14-17
3.11 Type of information generated by stakeholder consultations. p14-17
3.12 Use of information resulting from stakeholder engagements. p14-17
3.13 Explanation of whether and how the precautionary approach or principle is addressed by the organization. p14-17
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. p14-17
3.15 Principal memberships in industry and business associations, and/or national/international advocacy organizations. p14-17
3.16 Policies and/or systems for managing upstream and downstream impacts. p14-17
3.17 Reporting organization’s approach to managing indirect economic, environmental and social impacts resulting from its activities. p14-17
3.18 Major decisions during the reporting period regarding the location of, or changes in, operations. p14-17
3.19 Programs and procedures pertaining to economic, environmental and social performance. p14-17
3.20 Status of certification pertaining to economic, environmental and social management systems. p14-17

Integrated Indicators

Systemic indicators

Cross-cutting indicators

Economic Performance Indicators

EC1. Net sales. see annual
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. see annual
EC10. Donations to community, civil society and other groups broken down in terms of cash and in-kind donations per type of group. see annual
Environmental Performance Indicators

EN.1. Total materials use, other than water, by type. —
EN.2. Percentage of materials used that is waste (procured or unprocessed) from sources external to the reporting organization. —
EN.3. Direct energy use segmented by primary source. p52-53
EN.4. Indirect energy use. —
EN.5. Total water use. p52-53
EN.6. Location and size of land owned, leased or managed in biodiversity-rich habitats. —
EN.7. Description of the major impacts on biodiversity associated with activities and/or products and services in terrestrial, freshwater and marine environments. p52-53
EN.8. Greenhouse gas emissions (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆). —
EN.9. Use and emissions of ozone-depleting substances. —
EN.10. NOx, SOx and other significant air emissions by type. —
EN.11. Total amount of waste by type and destination. p54
EN.12. Significant discharges to water by type. —
EN.13. Significant spills of chemicals, oils and fuels in terms of total number and total volume. —
EN.14. Significant environmental impacts of principal products and services. —
EN.15. Percentage of the weight of products sold that is reclaimable at the end of the products' useful life and percentage that is actually reclaimed. —
EN.16. Incidents of fish kills for non-compliance with all applicable international declarations/conventions/protocols and national, sub-national, regional and local regulations associated with environmental issues. —

Social Performance Indicators

LA.1. Breakdown of workforce, where possible, by region/country, status (permanent/ non-employees), employment type (full time/part-time) and employment contract (industrialse or permanent/retired or temporary). Also identify workforce retained in conjunction with other employees (temporary agency workers or workers in co-employment relationships), segmented by region/country. p42-43
LA.2. Net employment creation and average turnover, segmented by region/country. p42-43
LA.12.) Employee benefits beyond those legally mandated. p43
LA.3. 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. p43
LA.4. Policy and procedures involving information, consultation and negotiation with employees over changes in the reporting organization's operations (e.g., restructuring). p42
LA.13.) Provision for formal worker representation in decision making or management, including corporate governance. p12-17
LA.5. Practices in 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. p42-43
LA.6. Description of formal joint health and safety committees comprising management and worker representatives and proportion of the workforce covered by any such committees. —
LA.7. Standard injury, lost day and absentee rates and number of work-related fatalities (including subcontracted works). —
LA.8. Description of policies or programs (for the workplace and beyond) on HIV/AIDS. p47
LA.9. Average hours of training per year per employee by category of employee. p44-45
LA.16.) Description of programs to support the continued employability of employees and to manage career endings. p44-45
LA.17.) Specific policies and programs for skills management or for lifelong learning. p44-45
LA.18.) Description of equal opportunity policies or programs, as well as monitoring systems to ensure compliance and results of monitoring. p44-45
LA.19.) 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. p42-43

HR.1. Description of policies, guidelines, corporate structure and procedures to deal with all aspects of human rights relevant to operations, including monitoring mechanisms and results. p46-47
HR.2. Evidence of consideration of human rights impacts as part of investment and procurement decisions, including selection of suppliers/contractors. p46-47
HR.3. 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. p46-47
HR.4. Description of global policy and procedures/programs preventing all forms of discrimination in operations, including monitoring systems and results of monitoring. p46-47
HR.5. 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. p42-43
HR.6. Description of policy excluding child labor as defined by the ILO Convention 138 and extent to which this policy is widely stated and applied, as well as description of procedures/programs to address this issue, including monitoring systems and results of monitoring. —
HR.7. Description of policy to prevent forced and compulsory labor and extent to which this policy is widely stated and applied as well as description of procedures/programs to address this issue, including monitoring systems and results of monitoring. —
HR.8.) Description of appeal policies, including, but not limited to, human rights issues. p13-14
HR.10.) Description of non-retaliation policy and effective, confidential employee grievance system (including, but not limited to, its impact on human rights). p13-14
HR.11.) Human rights training for security personnel. p46-47
HR.12.) Description of policies, guidelines and procedures to address the needs of indigenous people. p18-19
HR.13.) Description of jointly managed community grievance mechanisms/authority. p13-14
HR.14.) Share of operating revenues from the area of operations that are redistributed to local communities. p41

SO.1. 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. p18-19
SO.2. Description of the policy, procedures/management systems and compliance mechanisms for organizations and employees addressing bribery and corruption. p18-19
SO.3. Description of policy, procedures/management systems and compliance mechanisms for managing political lobbying and contributions. —

PR.1. Description of policy for preserving customer health and safety during use of products and services, and extent to which this policy is widely stated and applied, as well as description of procedures/programs to address this issue, including monitoring systems and results of monitoring. p18-19
PR.2. Description of policy, procedures/management systems and compliance mechanisms related to product information and labeling. p27
PR.8.) Description of policies, procedures/management systems and compliance mechanisms for customer satisfaction, including results of surveys measuring customer satisfaction. p20-21, p26-27
PR.9.) Description of policies, procedures/management systems and compliance mechanisms for adherence to standards and voluntary codes related to advertising. p27
PR.10.) Description of policy, procedures/management systems and compliance mechanisms for consumer privacy. p18

* "--" stands for N/A.
** "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.
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.
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. Nomura lists its common shares on the New York Stock Exchange in the form of American Depositary Shares.
2003  Adopts Committee System.
Message from CSR Executive Officer

We are pleased to present the 2nd annual Nomura Group CSR Report. Environmental conservation was raised in last year’s report as an important issue from the perspective of the need to balance the triple bottom line of economic, social and environmental performance. This Report shows we have made some progress in a range of initiatives aimed at reducing greenhouse gases associated with our offices. However, we are aware that there are unresolved issues in terms of the larger perspective of what we should and can do as a financial institution. We will be pursuing this issue through the many international meetings we attend and, more specifically, through focused deliberations of the SRI Research Group Nomura started sponsoring July 2005.

This year marks the 80th anniversary of the founding of Nomura Securities in 1925. The principles laid down by our founder Tokushichi Nomura continue to be the backbone of Nomura Securities and more broadly, of Nomura Group as a whole. These principles are the keystone of our CSR program. We believe that in these of all times, when we should be able to take pride in the integrity of our company, we must strive even more, not only as Nomura Group, but also as individuals.

A number of new measures have been commenced following our first Report. In fiscal 2004 we established a new section devoted solely to CSR initiatives and a new Women’s Financial Planning Section staffed entirely by women. In fiscal 2005 Nomura Securities Co., Ltd. will be transitioning to a new personnel system, a system which will give employees more opportunities to fulfill their potential.

We are ready, as a financial institution that underpins our society and the economy, and as a corporate citizen committed to building a sustainable society, to do more to fulfill our mission.

We look forward to receiving your candid views so that we may benefit from your insights and further enhance the corporate social responsibility of Nomura Group.

Tetsu Ozaki
CSR Executive Officer
Nomura Holdings, Inc.

Further information on Nomura’s CSR program can be found in the following reports and on the Nomura Holdings website.

Nomura Group Report (May 2005)

Memberships:
Nomura Group is an active member of economic and industry associations including:
Nippon Keidanren
Japan Securities Dealers Association
The Investment Trusts Association, Japan
Japan Securities Investment Advisors Association

Corporate Social Responsibility (CSR) Report 2005
Nomura Holdings, Inc.

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The pdf version of this report can be downloaded at
Nomura Securities Co., Ltd. was established as a spin-off from the Securities Department of the Osaka Nomura Bank Co., Ltd on 25 December 1925. This photograph shows our Head Office at the time in Higashi-ku, Osaka (now Chuo-ku, Osaka City, Osaka Prefecture).

This year marks the 80th anniversary of the founding of Nomura Securities Co., Ltd., the core business of the Nomura Group. The entire staff of Nomura Securities Co., Ltd. and Nomura Group takes this opportunity to reflect afresh on the Founder’s Principles expressed by Tokushichi Nomura with the aim of fulfilling our responsibilities to society.