

CSR Report 2006

Nomura Holdings, Inc.



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About This Report

Nomura Holdings, Inc. is pleased to present our third Corporate Social Responsibility Report. We have always kept our stakeholders informed through our annual reports, social activities reports and website but we feel it is important for us today to make greater efforts to explain to you what we are and what we stand for.

We believe we can contribute to building a sustainable society by ensuring pervasive ownership of corporate social responsibility throughout the Group, disclosing information extensively, and ensuring accountability to the satisfaction of our stakeholders.

This report was prepared with reference to the Global Reporting Initiatives Sustainability Reporting Guidelines (2002), giving consideration to transparency and ease of comparison.

About Nomura Group

- Head Office:
Nomura Holdings, Inc.
1-9-1 Nihonbashi, Chuo-ku Tokyo 103-8645
Tel: 03-5255-1000 (switchboard)
- Established:
25 December 1925
- Capital:
JPY 182,799,788,854 (as of 31 March, 2006)
- Type of business:
Investment and financial services
- Period covered:
1 April 2005 to 31 March 2006 (includes some additional information outside this period)
- Month issued:
July 2006
- Next report due:
July 2007
- Entities covered
Nomura Holdings, Inc. and Nomura Group
- Reference Guidelines
Sustainability Reporting Guidelines
(2002) Global Reporting Initiative
Environment Report (FY2003)
Environment Agency
- Inquiries should be directed to:
Corporate Citizenship Department
Nomura Group Headquarters



About the Cover

The cover expresses our desire to meet the individual needs of all of our stakeholders as the scope of our business expands.

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*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.

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 Tokuanen")

6. Entrepreneurial spirit

"If, as an entrepreneur, you can determine something to a 70% certitude, you must have the courage to take up the challenge even though some uncertainty remains."

(Capital Market Research)

7. Human resources

"Nomura underscores the fact that the development of human resources, acquisition of talented personnel and ability to match the right talent with the most appropriate position are more formidable assets than sheer capital strength."

("Tsutakatsura")

8. Emphasis on team work

"It is the management's task to see that Nomura employees take responsibility and pride in their work and to form a unified team under the control of branch office managers."

("Tsutakatsura")

9. Business development frame of mind

"We must have the courage to boldly follow the path of our convictions."

("Tsutakatsura")

10. Customer service mindset

"If you conduct your work in a mechanical manner, believing simply that your role is over once the deal is done, there is no use in drawing on the strengths of those around you."

("Tsutakatsura")

"Tsutakatsura": An autobiography of Tokushichi Nomura, serially published in the Group's Newsletter "Wa".

Nomura "Tokuan" (pseudonym) Den: Biography of Nomura Tokushichi posthumously published in 1951.

Fulfilling our Social Mission as a Leading Financial Services Group

In 2005 Nomura successfully marked the 80th anniversary of its founding. Our business has changed in many fundamental ways over the years: where once our business was primarily related to securities, today we provide clients with a wide variety of financial services. As we celebrate our 80th anniversary, we are looking forward to our future as we strive to meet new challenges in all investment-related fields.

As most people are now aware, the Japanese financial landscape is undergoing a transition from a savings-based to an investment-based system, a phenomenon that is continuing to evolve in the current economic environment. This trend is apparent in the increases in investment trusts (mutual funds) distributed through Japan Post and by banks. In addition, there are widespread predictions that Japan's asset management industry will soon

expand in order to handle the massive savings of post-war baby boomers who will soon retire in large numbers. As a financial services group, Nomura Group must respond to these trends and meet our clients' increasingly diverse needs. We believe it is our duty to do all that we can to facilitate the flow of capital that energizes the social economy.

This Report, like last year's report, reflects the opinions expressed by a large number of our stakeholders. We want to ensure that these opinions and suggestions are adequately reflected in our CSR-related initiatives going forward. As both a financial services group seeking to support a strong economy and as a good corporate citizen, we will continue to examine our own efforts and strive to fulfill our social responsibilities.





Responding to Social Change

Japan's real economic growth rate and the effective labor supply-demand ratio have both been rising since 2005. Capital investment is also on an upward trend, and consumer consumption has been increasing. These and other factors indicate a steady recovery of the Japanese economy. While this may lead to higher interest rates, after five years of the government's zero-interest rate policy, the shift from savings to investment noted above is now taking root in the public consciousness. Nomura Group must respond to this by providing a wide range of financial products and services to meet all of our clients' financial planning and asset management needs. At the same time, we must also take every opportunity to encourage even greater market expansion by providing accurate information and by continuing to promote financial literacy through university courses and other means.

In addition, the new Corporation Law that took effect in May 2006, requires that internal control systems be determined by the board of directors at large companies and companies with a committee-based system of corporate governance. Also, according to the new Financial Instruments and

Exchange Law which was passed in the Diet in June 2006, from April 2008 listed companies will be required to provide evaluations and audits of the effectiveness of their internal control over financial reporting. Thus, strict and functional internal controls are now required to ensure the propriety of business and the accuracy of financial reporting. Regardless of the regulations to be enacted, Nomura Group will build an even stronger corporate governance system so as to maintain the level of trust with all our stakeholders.

Nomura Group Initiatives

•Human Resources

The revision of Nomura Securities Co., Ltd.'s personnel system was summarized in the 2005 Report. This new system, effective October 1, 2005, seeks to maximize employee motivation and abilities. Under the new system, the previous "general managerial career" and "assistant career" job categories have been replaced by "whole-area employees" who are subject to location transfers, and "specific-area employees" who will be exempt from location transfers. These represent great changes to the work-

place environment, further respecting the individual circumstances and goals of employees, and offering employees the chance to exercise their abilities to the utmost in the fields they have chosen. By providing an environment in which employees are fairly evaluated according to their abilities, irrespective of gender or other factors, we have succeeded in creating a more energetic workplace than ever before. The number of female employees taking on increasing roles as specific-area employees, and financial advisors are on the rise. We have also started a rehiring program for employees at retirement age to provide opportunities for people rich in ability and experience and still possessing a strong desire to work. Already our clients have told us that they can sense that Nomura has changed.

Much is being done at the Group level as well. This April, Nomura Holdings, Inc. appointed an executive to be responsible for human resources development across all Group businesses, a decision which complements Nomura Group's strategy of allocating more authority (personnel matters included) to individual business divisions. The appointment will support Group businesses in establishing both personnel systems to meet their own unique needs and upgraded systems for evaluating employees possessing a diverse range of talent and experience. As a result, employees will be further assured of a workplace in which they are motivated and given the opportunity to perform to the best of their abilities, in addition to further solidifying a corporate culture in which a wide range of employees contribute to a common goal.

•Environmental Conservation Initiatives

Nomura Group continues to examine initiatives to promote global environmental conservation. We have found it difficult to make significant cuts in CO₂ emissions because we are not a manufacturer. However, we have continued to promote energy and resource conservation and recycling efforts at all of our branches and offices, and we will purchase Green Power

Certificates in 2006, with the goal of reducing overall CO₂ emissions. Two years from now marks the start of the period to reduce green house gas emissions under the Kyoto Protocol, an international agreement in which Japan is obliged to achieve a 6% reduction in CO₂ emissions compared with 1990 levels. Nomura Group believes that assisting in achieving the targets is one of our duties as a good corporate citizen.

Nomura Group continues to look into ways that we might contribute to environmental conservation through our financial services businesses. This Report includes details of a number of our initiatives in this regard. As you will see, the Report includes information not only about our environmental initiatives in Japan, but also about efforts at our international offices.

We will continue to promote a wide range of environmental initiatives and foster an increasing awareness of the need for global environmental conservation throughout the Group.

Our Role as a Global Company

Nomura Group constitutes a global network of subsidiaries and affiliates in 29 countries. This reflects the ongoing evolution of a truly borderless global financial industry that covers a vast array of countries, businesses, and financial products.

Due to the reach of our global network, Nomura Group handles financial products from nearly every country. Consequently, our Group governance must ensure compliance and fair business practices on a global scale. We must also fulfill our environmental and social responsibilities. As just one example, in recent years we have taken an aggressive approach to providing assistance to regions stricken by large-scale disasters, doing all we can to contribute to recovery efforts.

There will be an element of trial and error in our efforts going forward. Nevertheless, every year we continue to increase our efforts to contribute both to environmental conservation and to the social welfare of all

of all the communities in which our Group is active, and it seems to me that we should be able to provide a full accounting of these contributions in our reports.

I would like to point out that our community involvement efforts are continuous and not limited to any fixed time period. We intend to create a donation program to implement even more flexible and broader social contributions in the future.

We cannot yet claim that we are doing everything possible or that we are doing everything perfectly in our efforts to meet all of our social responsibilities. Nevertheless, in the three years that we have been issuing our CSR Report, we have made steady progress in our activities, and have achieved notable success.

I realize that the issues we confront are vast: problems involving the global environment

or fundamental social issues cannot be solved by one person or one company, no matter how dedicated they are. At the same time, I will be the first to acknowledge that in order for positive changes in the world to become possible, it is also necessary for me to make changes in my own life and in the behavior of the Group of companies I lead. While it is true that Nomura has made substantial changes since we began publishing this report, and that we are making significant social contributions, we all know that we must work even harder to fulfill our social responsibilities and strive endlessly to be a good corporate citizen.

I thank you for taking the time to read this, Nomura Group's 3rd CSR Report. In addition, I hope that you, our valued stakeholders, will continue to provide feedback about any and all of our efforts. Your input is an important part of the process.



Nobuyuki Koga
President & CEO
Nomura Holdings, Inc.

高井信行

TOPICS Nomura Group Continues Evolving

Nomura Group continues to evolve in step with constant social and economic change, and thus keeps a close eye on both. We are constantly re-examining the role of finance in society, and strive to offer solutions that will contribute to a more affluent society. We believe in the importance of constantly evolving, so that current and future generations may remain on the path to a brighter future. This philosophy serves as the foundation of Nomura Group's new initiatives, including our efforts relating to the environment and our financial education programs. The following sections provide an overview of these activities.

Efforts Relating to Global Warming

Purchasing Green Power Certificates

One of Nomura Group's environmental conservation measures is the purchase of Green Power Certificates*1. We will purchase 5.9 million kWh of certified green power annually, which is equal to the average amount of power consumed by 1,600 households in Japan. This makes Nomura Group the largest consumer of certified green power in Japan.

The source of our certified green power is biomass. Biomass is renewable and comes from plants which have converted energy from the sun. Wood-derived biomass fuel comes from wood chips or scrap lumber, while methanol is produced from sugarcane and biogas is derived from animal manure.

The 5.9 million kWh purchased is equal to 50% of the power consumed at Nomura Securities Co., Ltd. headquarters in Nihonbashi, Tokyo, and 100% of that consumed by our Takanawa training facility. The majority of Nomura Group's CO₂ emissions come from electrical power generation, and we have been working for some time to reduce our power consumption through facility improvements, including switching to energy-efficient equipment. Nevertheless, there are limits to the reductions that can be achieved through such measures, so we have chosen to explore other routes to reduce CO₂ emissions. We selected the purchase of Green Power Certificates, with the goal of using clean energy produced domestically and providing support to producers of clean energy.

Green Power Certificates are backed by natural energy generated in Japan and contribute directly to reducing CO₂ emissions. Therefore, the amount of power purchased counts as a reduction of the overall volume of CO₂ emissions produced by the Group. Consequently, the purchase of Green Power Certificates not only contributes to achieving the goals of the Kyoto Protocol*2, but also serves to spur further development of Japan's clean energy production business. The purchase of Green Power Certificates is connected to our responsibility to promote environmental conservation. Initiatives to reduce CO₂ emissions at the corporate level contribute to the achievement of reduction goals at the national level, and in turn help to prevent global warming.





Clean Technology Venture Investing

This year our merchant banking business in Europe began venture capital investing in clean technologies and alternative energy. Clean technologies are less detrimental to the environment than conventional power generation, and are more energy-efficient. They encompass a wide range of services and processes that lower consumption of natural resources, increase recycling and reduce pollution. The many types of clean and alternative energy technologies include solar, wind, and fuel cell power generation.

Clean technology also focuses on water, air, and soil decontamination as well as innovative materials, and the automotive sector.

US and European institutional investors and venture capitalists are increasingly interested in clean technologies,

spurred on by high oil prices and concerns over energy security along with other market drivers such as the Kyoto Protocol and regulatory changes designed to minimize global warming. We feel that this is a business in which we can benefit from our inherent geographic strengths. Japan, our home market, is a world leader in environmental technologies. Our strong presence in Europe, a leading region in terms of environmental initiatives, gives us significant access to information and potential deals. Meanwhile, we have a strong, growing presence in Asia, the region where clean technologies are most needed due to the rapid growth in energy demand. As a global financial institution headquartered in Asia, the ultimate way for us to help prevent global warming might be through investing in US and European companies seeking to develop new clean technologies and businesses that will in turn provide environmental solutions in Asia, particularly China and India.

Support for Environmental and New Energy Business Ventures

Nomura Research & Advisory Co., Ltd., a member of the Nomura Group, arranges IPOs for unlisted companies. The company runs a venture fund geared toward the creation of new industries with an eye toward the future of Japan. The environmental and new energy business field is of particular interest in the management of this fund because of its potential for future growth. The fund has so far produced results through investment in eight venture enterprises including energy services companies (ESCO), wind power companies, and PET bottle recyclers, providing business advice and other forms of growth support. The fund intends to continue aggressively supporting venture enterprises working to develop new forms of business and create new businesses from proprietary technologies.

*1 Green Power Certificates are issued for power generated by clean energy means such as wind power and biomass at generation plants certified by the Green Power Certification Council, Japan. Purchasers of the certificates can claim the amount they purchase as deemed to have been generated by such sources. Nomura purchases the certificates from Japan Natural Energy Company Limited, a certified supplier of Green Power Certificates.

*2 Under the Kyoto Protocol, Japan's national target is the reduction of annual emissions by 6% against the 1990 benchmark within the 2008~2012 period. However, for fiscal 2004, CO₂ emissions were 7.4% above 1990 levels, meaning that a reduction of over 100 million tons is still necessary. Companies are playing an increasingly key role in meeting these targets.

Nomura Group views the new energy business, which contributes to the reduction of environmental impact, as a new growth industry, and has held the New Energy Technology Conference since 2004. The goal of the conference is to increase awareness of this new business sector in the capital markets by informing investors and companies of the latest trends in this field. The Third Annual New Energy Technology Conference, held on May 23 of this year, consisted of a keynote lecture ("The Latest Trends in the Energy Business") by Professor Takao Kashiwagi of the Tokyo University of Agriculture and Technology, guidance from Nomura Research & Advisory Co., Ltd., and presentations by four venture enterprises conducting business based on proprietary technologies, including a manufacturer of high-performance compact wind-power generators. The conference attracted 150 attendees including institutional investors, venture capitalists, and representatives from the corporate sector. The conference was well received as a great opportunity for information.

In this way, Nomura Group seeks to assist in the growth of a globally competitive field of industry by providing

support for the listing of venture enterprises and the creation of alliances with other companies. We also seek to contribute to the creation of a better global environment through the reduction of CO₂ emissions and other new environmental technologies and services provided by these companies.



Keynote Speech by Takao Kashiwagi, Professor, Tokyo University of Agriculture and Technology/the Tokyo Institute of Technology

"I believe that the best way for a corpo-

ration to meet its social responsibilities is to conduct its core business with conviction. New energy will play an important role in Japan's future energy policy. Original financing arrangements in line with Japanese culture will assist companies in this field to secure the financing they need to grow. It is my hope that Nomura Group will take the lead in this area".

Development of Products Linked to Emissions Credits Futures Prices

Nomura Singapore Limited, Nomura Group's subsidiary in Singapore, has teamed up with Hitachi International Treasury, the financial subsidiary of Hitachi, to develop bonds tied to CO₂ emissions futures traded in Europe. Because fluctuation in the emissions futures price is reflected in the bond redemption price, the redemption price is higher if the emissions futures price is higher when the bond is redeemed than when it was issued, and vice-versa. These bonds were issued on a trial basis on February 2006, with the goals of exploring possibilities for low interest financing and developing a track record in the emissions futures market.

Hitachi Group invests aggressively in energy conservation, and is acting to stop global warming by reducing CO₂ emissions. It is nevertheless impossible to avoid emitting CO₂ in the manufacturing processes used in the rapidly expanding digital home electronics and computer equipment market. Stricter anti-global warming regulations are therefore anticipated over the long term, increasing the need for the hedging of environment costs through means such as emissions credits. Nomura Group is committed to delivering financial solutions for business risks such as environment related issues.



The Third Annual New Energy Technology Conference, held on May 23, 2006

Programs to Improve Financial and Economic Literacy



Financial and Economic Education for Young People

We provide financial and economic education for young people so that they can support the Japanese economy once they become adults.

The development of a sound economy through the construction of a sound financial system brings about a rich, sustainable society. Therefore, each individual must improve his or her knowledge of economics and finance with the goal of creating a rich future. Nomura Group offers a broad range of educational opportunities to everyone with an interest in economics, finance, and securities. We believe that doing so contributes to the building of a truly wealthy society, and we continue to engage in a broad array of educational initiatives. In 2000, we began making a concerted effort to educate the young people who will support future generations and children who hold the key to the

future by offering education courses on securities at universities and programs such as the Nikkei Stock League.

Our textbooks include our 2003 educational comicbook for primary school students called "The Secret of Money," and "Finance for Beginners" for middle school students, published in 2005. These books were donated to libraries throughout Japan. We also set up an economics education website, "man@bow", based on the concept that learning about economics on the Internet can be fun. We try to develop finance, economics, and investing related content that is fun and easily understood.

We conducted a survey of primary and middle school teachers across Japan on Nomura Group financial literacy programs in fiscal 2004 (for details see our 2005 Report). Amongst other questions, we asked teachers what obstacles they encounter in teaching finance and eco-

nomics. The majority responded that there is a shortage of materials.

In response to this shortage we came up with a supplementary text for middle school social studies classes, entitled "The T-Shirt Shop". "The T-Shirt Shop" features middle-school students as the main characters, making it easier for students of that age group to relate to the story. The main characters get the idea to manufacture and sell T-shirts, so they start up a company and make their first investment in T-shirt production. They consider what sort of people would be interested in buying their product when they set their prices. Next, they learn how to raise capital so as to expand the company. During this process they learn about the workings of corporations and the economy, such as the financial system, mergers and acquisitions, corporate social responsibility, and international trade.

"The T-Shirt Shop" was completed after more than 30 hours of editorial meetings supervised by Professor Sawa, then of Institute of Economic Research, Kyoto University (currently of Ritsumeikan University). We distributed sample student and teacher editions of this text to 11,000 middle schools throughout Japan beginning March 2006. We have been flooded by requests for copies of the text, and are pleased to report that we have donated 70,000 copies as of the end of March 2006. The text has been a great hit as a supplement to other traditional textbooks.



Nikkei Stock League

The Nikkei Stock League is a contest for middle and high school as well as university students sponsored by the Nihon Keizai Shimbun, in which students create their own investment portfolios and performance reports. The event was held for the sixth time in fiscal 2006, and Nomura Group has been a special supporter since the outset.

wide were represented in the Sixth Annual Nikkei Stock League Contest, with around 8,000 students participating. The participating teams establish portfolio objectives and conduct simulated investments in a number of companies according to their objectives. They prepare reports at the same time. While the goal of this program is for students to learn about economics and investment structures, the participants must also engage in teamwork and employ their imaginations.

awards out of a total of 1,373 reports submitted at this year's award ceremony held in March 2006. The grand prize and Finance Minister's prize winner was the "Leisure Supli Fund ~ For Financial and Spiritual Fullness" by the team of Keio University SFC students. Detailed analysis employing highly technical growth potential and risk management methods were applied to the easily understood theme of "Mental and Physical Health." At the panel discussion held after the award ceremony, Vice-Chief Kumi Fujisawa of Thinktank SofiaBank, eco-

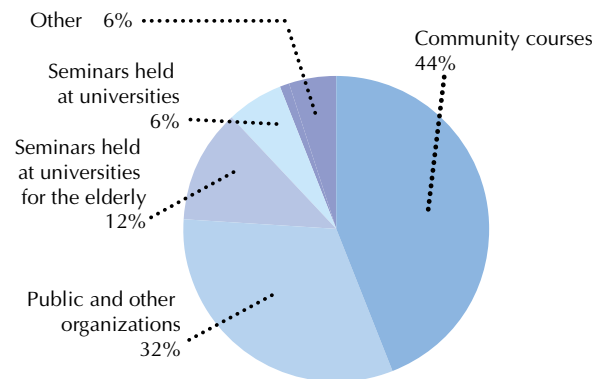
Some 2,016 teams from schools nation-

Thirteen schools were selected for

Education Programs Offered by Nomura Group

	Primary schools	Middle schools	High schools	Universities	Adults Company employees Communities
Publications	The Secret of Money				
		Introduction to Economy "The T-shirt Shop"			
		Finance for Beginners Enjoying Economics			Activities to Disseminate defined-contribution pension plan scheme
Events				Nomura Money Fair	
Lectures				Seminars at Nomura Securities' branches	
				Securities education Programs	Securities learning programs
Education programs		Special Supporter of Nikkei Stock League			
		Quest Education Program			
			Nikkei Education challenge		
Internet	Educational contents on the Internet				
CATV stations	Nomura Free School				
				Doki Doki Waku Waku Okane no Hanashi	

Breakdown of Institutions Hosting Seminars



nomics analyst Atsuo Mihara, Kenji Goto of the Financial Service Agency's General Coordination and Policy Planning Department, Policy Public Relations Office, and Masanobu Kaizu, of Nomura Securities Co., Ltd. Financial & Economics Research Center, discussed the present and future of financial and economic education, particularly the need to educate "true investors". The event was well received and many participants expressed an interest in coming back next year.

A Higher Level of Financial/Economic Education for University Students

We began offering finance/investment seminars at universities throughout Japan in 2001, with the goal of providing practical knowledge to students, the future leaders of Japan's economy. Over 400 people from Nomura Group led these seminars at over 120 universities in fiscal 2005. These practical seminars, based on lecturers' personal business experience, were attended by over 20,000 students. We sponsor these seminars at five overseas universities as well, including in Thailand where the semi-

nars have been held for three years, and in China, Hong Kong, and Macao. We look forward to expanding this seminar program going forward.

Financial and Economic Literacy Programs for Lifelong Learning

Although economic and financial systems are deeply connected to our lives, there are few opportunities for learning about the social systems that comprise what we refer to as "money". Nomura Group offers courses through which the public can acquire knowledge of finance and securities as part of lifelong learning programs at local communities, workplaces, and universities.

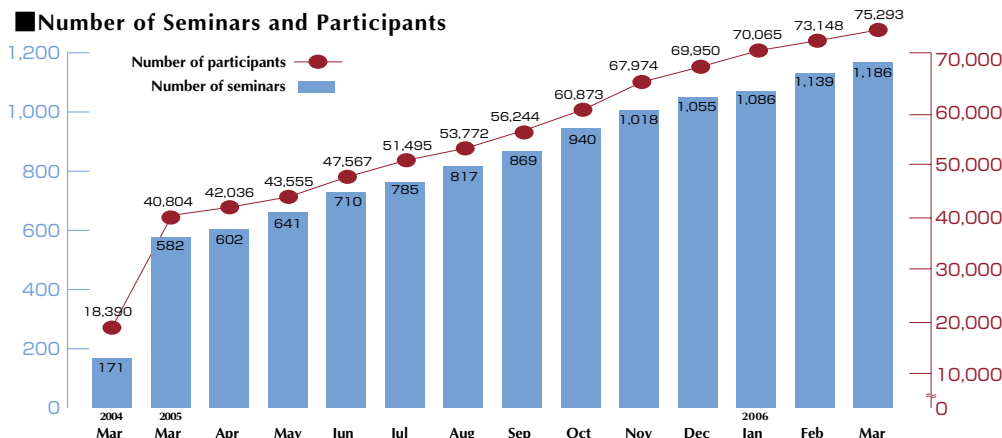
These courses address the creation of a "life plan" and "money plan" advisable for enjoying a more comfortable "second life" in retirement. We work to make these courses easier to understand so that even beginners can start building a more comfortable lifestyle. We have offered these courses since 2003 and have already had over 75,000 participants.

Education has been undergoing enor-

mous change in recent years, with more and more people wanting the opportunity to learn. Some examples of this include: the wave of applications to universities for the aged, which exist to develop community leaders, causing wait-listing in some places; an increase in the desire for education by baby boomers preparing for retirement; a change in attitude toward the life-plan seminars offered by public and private organizations; and the incorporation of the "Lifelong Learning Philosophy" through amendments to the Fundamental Law of Education.

Nomura Group seeks to satisfy the need for educational opportunities by offering quality securities seminars, while at the same time broadening the investor base. This is one more way that we strive to contribute to society.

■ Number of Seminars and Participants



Financial and Economic Literacy Initiatives Based on Nomura Group's Vision



We invited Professor Takamitsu Sawa, Ritsumeikan University Graduate School of Policy Science (former Director Institute of Economic Research, Kyoto University), supervising editor of the financial/economics textbook "The T-Shirt Shop", and Kazutoshi Inano, Deputy President & Co-COO of Nomura Holdings, Inc. to discuss Nomura Group's financial literacy initiatives and the need for financial and economic knowledge in a market-based, competitive society.

Importance of Correctly Understanding Market Economics and Rules

Inano: We published "The T-Shirt Shop" finance and economics text for middle school students under your editorial leadership. The book has since been distributed to middle schools throughout the country. Thanks to you, the book has been well-received, and there have been many requests for extra copies. More than 70,000 copies have been donated.

Sawa: What I attempted to do with the text was not only to supervise the compilation of already completed material, but to bring together a variety of opin-

ions in the editing stages and create a text that everyone would find credible. I first became keenly aware of the



Kazutoshi Inano
Dupty President & Co-COO of Nomura Holdings, Inc.

importance of educating children about economics and finance in 1978, when I was teaching at university in the United States. I noticed a picture book in a bookstore, entitled "How To Turn Lemons Into Money", that was designed to teach micro- and macro-economic principles to children as young as six or seven. Western societies are entirely competitive. Surviving and succeeding in those societies requires knowledge of economics, finance, and investing. Consequently, economics must be learned from a young age.

■ Nomura's Economics and Securities Education Initiatives

2000	●	July: Special Sponsor of the 1st Nikkei Stock League September: Start-up of the financial literacy site, "man@bow"
2001	●	April: Start-up of CATV program, "Doki Doki Waku Waku Okane no Hanashi" July: Sponsor of 1st Nikkei Education Forum Prior term: Start of 2 securities education seminars; Following term: 15 securities education seminars
2002	●	April: Sponsor of Quest Education Program Previous term: 56 securities education seminars; Following term: 56 securities education seminars
2003	●	April: Free distribution of "The Secret of Money " to primary schools nationwide April: Investment Research & Investor Services Department establishes the Securities Education Development Section. Start-up of securities education in local communities. Previous term: 61 securities education seminars; Following term: 52 securities education seminars
2004	●	Previous term: 55 securities education seminars; Following term: 61 securities education seminars
2005	●	February: Free distribution of "Finance for Beginners" to middle schools nationwide Previous term: 52 securities education seminars; Following term: 64 securities education seminars
2006	●	March: "The T-Shirt Shop " developed for middle school students Previous term: 57 securities education seminars; Following term: 66 securities education seminars

Inano: Prior to publishing "The T-Shirt Shop", we had published and distributed other economics study materials nationwide, such as "Finance for Beginners" (February 2005) for middle school students and "The Secret of Money" for primary school students. We also offer capital markets university seminars taught by Nomura Group employees. In addition, we offer securities education in a number of communities for lifelong learning so that people can enjoy a fulfilling retirement.

I think it would be good to talk about why we have put so much effort into improving the financial literacy of people of all ages. As a leading financial services company, we feel a great sense of purpose in supporting the socio-economic life of Japan through direct financing. This gives us a strong sense of pride in our efforts. Nevertheless, in the eyes of the general public in Japan, the image of the investment and securities business is not necessarily a good one.

Where do such negative images come from? We see it as resulting from a lack of correct understanding and knowledge of the way the economy and the markets actually work, and the way capital markets are actually structured. This being the case, we decided to do what we can about this knowledge deficit. This prompted us to start a wide variety of initiatives.

Sawa: It is true that Japanese people may not be as used to a competitive society or market economy as others. The competitive society is simply a given in places like Europe, the USA, or even China. For people in such a society to compete on even terms in

the market arena, it is necessary to have good knowledge of the markets and the rules of market competition. It is a fundamental principle that there is no such thing as high return on low risk. The market environment must be such that there aren't merely winners and losers, but that the losers can continue to challenge the market again.



Takamitsu Sawa
Professor, Ritsumeikan University Graduate School of Policy Science
(formerly: Director, Institute of Economic Research, Kyoto University)

Inano: As you pointed out, for example, one cannot expect great profits where there is no risk. There is a solid logic to the markets, and there are rules. Were these rules better understood, we would not have had the problems with unlisted share fraud that have sprung up recently.

The phrase "self-responsibility in investing" is seen all over the media these days. As a matter of fact, self-responsibility is a fundamental market principle. Still, full realization of self-responsibility depends upon developed markets and the creation and strict enforcement of rules. Nomura Group believes that it is our responsibility to develop markets and improve financial and economic literacy.

CSR Efforts Are Not a Free Pass

Sawa: Nomura Group's efforts to advance financial literacy make up an important part of the Group's CSR activities. Actually, CSR was talked about a lot in the early 1970's. But we didn't hear much about it following the oil shock. I think the trigger for all interest now is the issue of the environment. The way a company responds to environmental issues nowadays has a great impact on the image of that company, the image of its products, and therefore product sales. The 20th century was marked by technological revolution, and may be called the century of electric power and oil, but it also left us with a serious environmental burden. The 21st century will be known as the century in which we relieve some of that burden by creating a sustainable society.

Inano: Environmental initiatives are important to us at Nomura Group. For example, we use an enormous amount of paper in our business, in particular in the publication of prospectuses. While we recycle, the way we can really make a difference is by fulfilling our corporate social responsibilities in the course of our business. One of the ways we do so is by accurately evaluating environmental venture businesses



in the field of energy-efficient technologies, and providing support for the issuance and broking of their stock. There is still much we can do in that regard.

It is important for a company to come to grips with the changing times and to evolve accordingly. Nevertheless, it is even more important that a company establishes a vision and continues to remain true to it. The publication of "The T-Shirt Shop" is at the forefront of our financial and economic literacy initiative, and represents one of our significant CSR efforts. Still, I believe we are capable of doing much more. For example, I would like to see our

employees teach at the primary and middle school level.

CSR is by no means a free pass for a company. As you correctly note, Nomura Group must do all we can to help create a sustainable society. I am looking forward to making sure that we do so.



Kazutoshi Inano
 Deputy President & Co-COO, Nomura Holdings, Inc.
 1953: Born in Kanagawa Prefecture
 1976: Joins Nomura Securities Co., Ltd.
 1997: Director, Nomura Securities Co., Ltd.
 2000: Senior Managing Director, Nomura Securities Co., Ltd.
 2001: Director, Nomura Holdings, Inc.
 2003: Deputy President, Nomura Holdings, Inc.
 2003: Deputy-President & Co-COO, Nomura Holdings, Inc.



Takamitsu Sawa
 1965: Graduated from the University of Tokyo, the Faculty of Economics
 1969: Associate Professor, Institute of Economic Research, Kyoto University
 1980: Professor, Institute of Economic Research, Kyoto University
 1990: Director, Institute of Economic Research, Kyoto University
 2001: Professor, Ritsumeikan University Graduate School of Policy Science
 Special Professor, Institute of Economic Research, Kyoto University

Vision/Governance



Nomura Holdings, Inc. President & CEO Nobuyuki Koga rang the closing bell at the New York Stock Exchange (NYSE) as part of Nomura's celebration of its 80th anniversary. After receiving a gavel from NYSE CEO John Thain, Mr. Koga presented Mr. Thain with "Futouzu" ("Wind and Waves"), a work much admired by our founder, Tokushichi Nomura.

Nomura Group Profile

Nomura Group has secured a solid position as a globally competitive Japanese financial services group by expanding and strengthening our business both in Japan and overseas.

Nomura Group is a financial services group comprised of Nomura Holdings, Inc. and its domestic and overseas subsidiaries. Nomura Group conducts business synergistically, employing a unified strategy to provide clients with high value-added financial services. We seek in this way to earn sustainable profits and create steady increases in shareholder value.

Nomura Group

Nomura Group provides a broad range of financial services through its integrated network of domestic subsidiaries, led by Nomura Securities Co., Ltd. and overseas subsidiaries located in 29 countries, for

individuals, institutional, corporate and governmental clients worldwide. We offer a diverse line of competitive financial products and value-added financial and advisory solutions, such as retail financial planning and secu-

rities sales training in Japan, and brokerage services, securities underwriting, investment banking advisory services, merchant banking, and asset management, including investment trust and pension asset management.

■ Nomura Group

Nomura Holdings, Inc.

Major Subsidiaries

● Japan

- NOMURA SECURITIES CO., LTD.
- NOMURA ASSET MANAGEMENT CO., LTD.
- THE NOMURA TRUST & BANKING CO., LTD.
- NOMURA CAPITAL INVESTMENT CO., LTD.
- NOMURA INVESTOR RELATIONS CO., LTD.
- NOMURA PRINCIPAL FINANCE CO., LTD.
- NOMURA FUNDS RESEARCH AND TECHNOLOGIES CO., LTD.
- NOMURA PENSION SUPPORT & SERVICE CO., LTD.
- NOMURA BABCOCK & BROWN CO., LTD.
- NOMURA RESEARCH & ADVISORY CO., LTD.
- NOMURA BUSINESS SERVICES CO., LTD.
- NOMURA FACILITIES, INC.
- NOMURA INSTITUTE OF CAPITAL MARKETS RESEARCH
- JOINVEST SECURITIES CO., LTD.

● Americas

- NOMURA HOLDING AMERICA INC.
- NOMURA SECURITIES INTERNATIONAL, INC.

- NOMURA CORPORATE RESEARCH AND ASSET MANAGEMENT INC.
- NOMURA FUNDS RESEARCH AND TECHNOLOGIES AMERICA, INC.
- NOMURA ASSET CAPITAL CORPORATION
- THE CAPITAL COMPANY OF AMERICA, LLC
- NOMURA DERIVATIVE PRODUCTS, INC.
- NOMURA GLOBAL FINANCIAL PRODUCTS, INC.
- NOMURA SECURITIES (BERMUDA) LTD.
- NOMURA CANADA INC.
- NOMURA ASSET MANAGEMENT U.S.A. INC.

● Europe & Middle East

- NOMURA EUROPE HOLDINGS PLC
- NOMURA INTERNATIONAL PLC
- NOMURA BANK INTERNATIONAL PLC
- NOMURA GLOBAL FUNDING PLC
- BANQUE NOMURA FRANCE
- NOMURA NEDERLAND N.V.
- NOMURA EUROPE FINANCE N.V.
- NOMURA BANK (LUXEMBOURG) S.A.
- NOMURA BANK (DEUTSCHLAND) GmbH
- NOMURA BANK (SWITZERLAND) LTD.
- NOMURA ITALIA S.I.M. P.A.
- NOMURA CORPORATE ADVISORY(CENTRAL

- EUROPE) LTD.
- NOMURA INVESTMENT BANKING(MIDDLE EAST) B.S.C. (c)
- NOMURA ASSET MANAGEMENT U.K. LIMITED

● Asia & Oceania

- NOMURA ASIA HOLDING N. V.
- NOMURA INTERNATIONAL (HONG KONG) LIMITED
- NOMURA SINGAPORE LIMITED
- NOMURA MALAYSIA SDN. BHD.
- P.T. NOMURA INDONESIA
- NOMURA AUSTRALIA LIMITED
- NOMURA ASSET MANAGEMENT SINGAPORE LIMITED
- NOMURA ASSET MANAGEMENT HONG KONG LIMITED
- NOMURA ASSET MANAGEMENT AUSTRALIA PTY LIMITED
- REPRESENTATIVE OFFICES OF NOMURA SECURITIES CO., LTD.

■ Major Affiliates and Group Companies

Japan

- NOMURA LAND AND BUILDING CO., LTD.
- NOMURA RESEARCH INSTITUTE, LTD.
- JAFCO CO., LTD.

Asia & Oceania

- NOMURA CORPORATE ADVISORY(CHINA) CO., LTD.
- CAPITAL NOMURA SECURITIES PUBLIC COMPANY LIMITED
- INTERNATIONAL UNION LEASING CO., LTD.

Nomura Group's Business Portfolio

Nomura Group's business portfolio consists of five main business divisions.

Domestic Retail

Domestic Retail offers investment consulting services, mainly to individual investors, based on an understanding of their investment objectives, risk tolerance, life stage, and other parameters. By providing products and services that closely match the needs of individual customers, we seek to work with them over the long term and offer advice that assists them in building their asset portfolios.

Global Markets

Global Markets provides services principally for institutional investors, including sales of and trading in equities, bonds, foreign exchange, and derivatives. We are working to strengthen our trading and financial product supply capabilities in response to the increasing complexity and diversity of client needs, while also expanding our asset finance business.

Global Investment Banking

Global Investment Banking provides a wide range of services, including underwriting bonds, equities, and other securities as well as M&A and financial advisory services in Japan, Europe, the Americas, Asia outside Japan, and other major financial markets. We also offer Tailor-made solutions to meet specific client needs.

Global Merchant Banking

Global Merchant Banking engages in private equity investments using Nomura's own capital to invest in companies that show promise for future growth and improved performance. In Japan, Nomura Principal Finance conducts buyouts and corporate restructurings. Moreover, activities include investing in venture companies and funds in Japan and Europe.

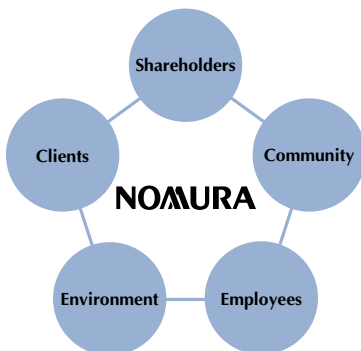
Asset Management

Asset Management delivers a diverse lineup of investment trust products for investors through a range of sales channels and offers investment advisory services for pension funds and institutional investors. Our activities also include offering an integrated set of services for defined contribution pension plans that range from assistance in introducing these plans to providing investment trust products.

Overseas Management

Nomura Group, while based in Japan, conducts business in all of the world's major markets through its overseas holding companies, including Nomura Holding America Inc., Nomura Europe Holdings plc, and Nomura Asia Holding N.V.

■ Nomura Group and Our Stakeholders



Nomura Group stakeholders include all parties, both private individuals and corporations, with whom we engage in economic activity. Stated plainly, this means everyone with whom we have a relationship through the financial markets, in particular our shareholders and clients. Given that all modern societies are affected by the movements of the global markets, we believe that all members of society must be considered stakeholders.

Our Vision

Nomura Group has been committed to contributing to social development since its foundation. We believe that our corporate social responsibility is nothing other than the practical expression of our Founder's Principles.

Our Founder, Tokushichi Nomura, reasoned that "Nomura's mission lies in serving the country through the securities business" and that "we must absolutely see this through". He believed that he could contribute to the development of society through the securities business. This conviction has been inherited unchanged until today as the management principle of Nomura Group. A steady appraisal of the 21st century and the belief that the time has come for Nomura Group to actively contribute towards the creation of a truly plentiful society, even as society, and in particular, the financial world, undergoes a major transformation, has led us since 2000 to embrace a strategy of "Basic & Dynamic" activities.

Basic & Dynamic Activity

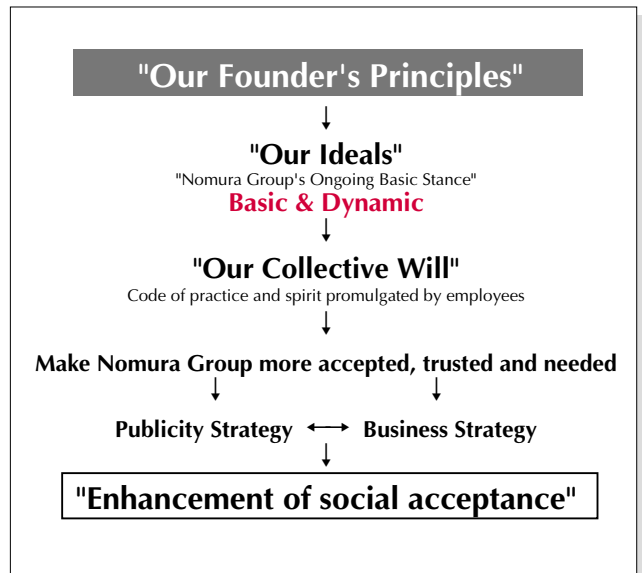
"Basic & Dynamic" activities aim to improve the social recognition of Nomura Group and the securities market in general. To ensure that Nomura Group and the securities industry are trusted and are able to

serve a broad range of potential customers, the project demands that everyone at Nomura shares the Group's basic tenets and practices them in our day-to-day business.

We are positive that this approach will help us earn the trust of society and maintain a competitive advantage in the market.



Pocket-sized reminder card distributed to employees



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

**Basic & Dynamic Activity:
Principles and Standards**

In promoting "Basic & Dynamic" we re-examined the principles of Tokushichi Nomura, summarized them as our "Founder's Principles", and made them the starting point of our operations. We drew on these Principles to formulate the identity of the Nomura Group — the fundamental Nomura tenets that continue unaltered in the 21st century. We then adopted "Our Collective Will", a set of principles and standards that would guide our day-to-day operations. Based on these principles and standards that everyone at Nomura shares, we have identified concrete actions and measures which we will take to enhance the social recognition of our Group.

**Basic & Dynamic Activity:
Strategies**

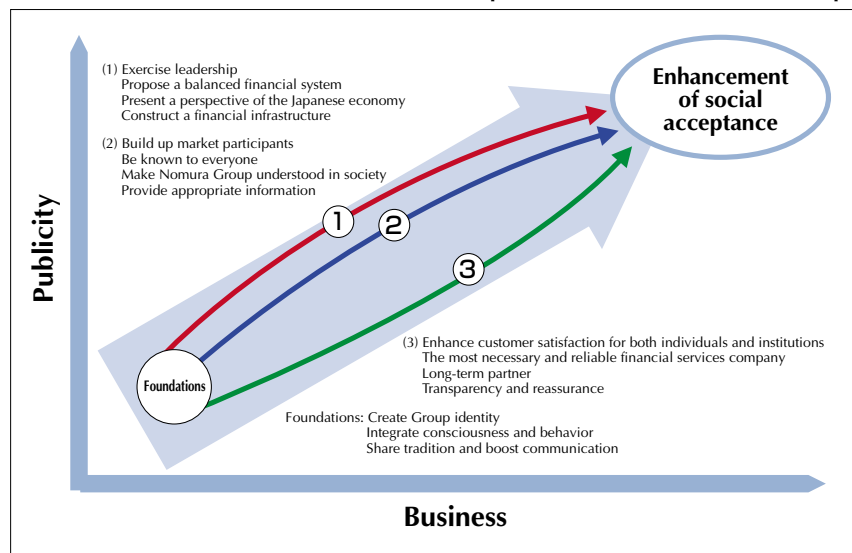
In concrete terms our Basic & Dynamic activities strategies are two-fold: "public strategy" and "business strategy", the two having a reciprocal relationship. This is characterized by the fact that "the pursuit of public interest gives competitive advantage, and having the competitive edge in turn enables the Group to contribute to society". The "public strategy" can be defined as "a strategy that aims at contributing to society and as a result expects a return on business". Our Basic & Dynamic activities focus on this very point.

Always Changing, Always Striving

It is now 6 years since we commenced our Basic & Dynamic activities. In terms of internal reforms, we have been able to strengthen internal communication and as a result we now share common values. Where external relations are concerned, we have expanded our efforts to develop healthy capital and securities markets. The securities courses we provide to more than 120 universities across Japan exemplify our public strategy, designed to enhance social recognition of Nomura Group.

Nomura Group aims to be the most needed and trusted financial services group with a global competitive edge. We will support the development of the Japanese economy, contribute to the creation of a truly plentiful society and provide the highest level of service with every kind of investment product in the 21st century.

Foundations for the enhancement of social acceptance and three channels (B&D Map)



Our Ideals

The economy — the basis of our daily lives.

The economy — always changing, never stopping.

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

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

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

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

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

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

A proactive stance for tackling economic issues, a mindset never reluctant to cooperate for the sake of progress even in the midst of competition,

a belief in contributing to the creation of a richer society through finance.

As our Founder Tokushichi Nomura wrote in his memoirs,

We must bravely follow the path of our own beliefs with convictions 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 Group wants to be strong to lead this and the next generation in a wonderful direction.

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

Corporate Governance and Management System

Corporate governance represents one important means for demonstrating our raison d'être and corporate objectives by fulfilling responsibility to all of our stakeholders, and in turn raising our corporate value. We have the responsibility to ensure accountability and transparency in disclosure, in addition to maintaining effective checking functions and ensuring that all employees are fully aware of the importance of this. Various corporate governance measures are outlined below.

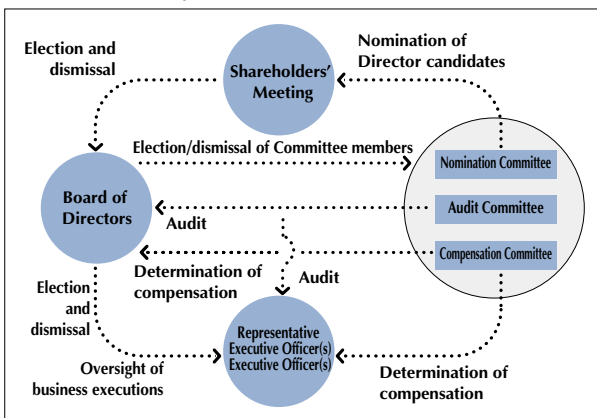
Nomura Group Corporate Governance Structure

Enhancing Corporate Governance

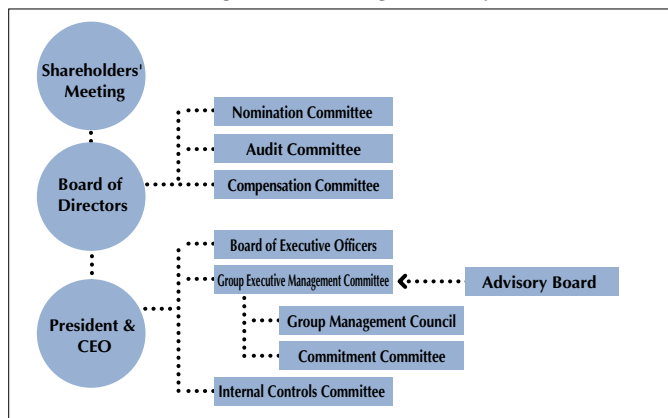
We strive to continually strengthen and enhance our corporate governance by pursuing Group management that is both transparent and streamlined, while seeking to raise corporate value over the mid- to long-term. Nomura Group implemented aggressive reforms with regard to ensuring management transparency when the transition was made to the holding company system in October 2001, including strengthening supervisory functions by establishing outside directors, creating an Internal Controls Committee that includes participation by outside directors, establishing the Compensation Committee with a majority of outside directors, and creating an Advisory Board comprised of eminent persons from outside the company. In addition, upon the listing of our company on the New York Stock Exchange in December 2001, we constructed a highly transparent management system so as to enhance our information disclosure. Upon making the transition to a committee-based system of corporate governance in June 2003, we took measures such as separating the oversight and management functions and establishing the Nomination, Audit, and Compensation Committees, each of which has outside directors in the majority. These measures served to enhance oversight functions and improve transparency, and by delegating broad authority to executive officers management has become more streamlined.

In addition, we added the position of CIO (Chief Information Officer) to our existing positions of CEO, COO, Co-COO, and CFO in April 2006. The CIO of Nomura Group is engaged in maintaining stable systems operation and the safe usage and protection of information assets, as well as minimizing system risk. The CIO works with each business line to promote IT governance.

Committee System



Nomura Holdings, Inc. Management System



Management System

Board of Directors

The Board of Directors consists of 11 directors, of whom 4 (36%) are outside directors and 8 (73%) are non-executive directors.

Nomination Committee

The Nomination Committee consists of three directors and makes proposals for determination at the General Meeting of Shareholders concerning the appointment and dismissal of directors. Two of the three directors on the Nomination Committee are outside directors.

Audit Committee

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

Compensation Committee

The Compensation Committee consists of three directors and determines the compensation policies for directors and executive officers on the whole, as well as compensation details for individual directors and executive officers. Two of the three directors on the Compensation Committee are outside directors.

Management Structure

Management Structure at Nomura Holdings, Inc.

Having a committee-based system of corporate governance means that our Board of Directors delegates broad authority to executive officers in a way that allows for agile execution of company business. Three bodies are particularly important in deliberating and deciding on the company's business: the Group Executive Management Committee, the Commitment Committee, and the Internal Controls Committee. In addition, the Board of Executive Officers and Group Management Council have been established with the goal of sharing information about the business and affairs of our company and Nomura Group among top management. The roles and membership structures of each of these bodies are summarized below.

Group Executive Management Committee

The Group Executive Management Committee is chaired by the CEO and composed of three representative executive officers. It deliberates and makes decisions about important Nomura Group management matters, including business plans, budgets, and management resource allocation.

Commitment Committee

The Commitment Committee is chaired by the COO and comprised of some of our executive officers and division CEOs. It is responsible for discussing and making decisions concerning Nomura Group positions with low liquidity as well as positions of high importance in terms of risk management.

Internal Controls Committee

The Internal Controls Committee is chaired by the CEO, and is comprised of the CEO, person(s) designated by the CEO, Audit Committee member(s) designated by the Audit Committee, and director(s) (Audit Mission Director(s)) designated by the Board of Directors. The Internal Controls Committee is responsible for establishing internal controls concerning Nomura Group operations, and deliberations and decisions to promote proper corporate behavior.

Board of Executive Officers

The Board of Executive Officers is comprised of all executive officers of Nomura Holdings, Inc. and is convened to share information and discuss the business and other affairs of the holding company.

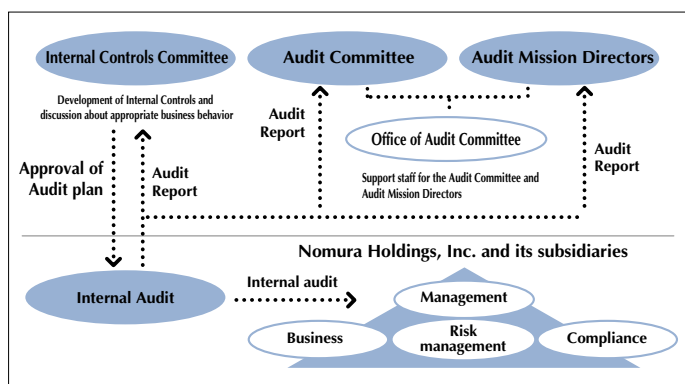
Group Management Council

The Group Management Council is comprised of the top management of Nomura Holdings, Inc. and Nomura Group, in its subordinate role to the Group Executive Management Committee. The role of the Group Management Council is to ensure sufficient sharing of information and discussion concerning items deliberated and discussed by the Group Executive Management Committee.

Internal Controls

Given that we are a company with a committee-based system of corporate governance, the central role in management oversight is taken by the Audit Committee, the membership of which is comprised of a majority of the Board of Directors and from outside the company. The chair of the Board of Directors is held by a non-executive director, which serves to strengthen the ability to oversee the business conducted by the Executive Officers. The Audit Committee is chaired by an outside director, making the independence from management even clearer. In addition, we have established an internal control system based upon decisions made by the Board of Directors so as to ensure the effectiveness of audits. A non-executive director well-versed in Nomura Group's business and in company affairs is appointed to the sole duty of "Audit Mission Director", and we have also established an Office of the Audit Committee with the sole duty of providing operational support to the Audit Committee. We have established Internal Audit, independent of business divisions and responsible for conducting internal audits at Nomura Holdings, Inc. and subsidiaries, so as to ensure the effectiveness and suitability of internal controls. Internal Audit 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 not only to the executive line, but also to the Audit Committee and the Audit Mission Director.

Internal Controls System



Information Disclosure

Nomura Group has established Nomura Group Global Disclosure Policy to 1) protect non-public information about Nomura Group companies, promote the timely and appropriate disclosure of information, and 2) comply with the purport of the U.S. 'Regulation FD' (Fair Disclosure: Securities & Exchange Commission (SEC) regulations prohibiting the preferential disclosure of important company information to analysts, institutional investors, and others prior to disclosure to the general public) and provide investors with fair access to Nomura Group information.

We established the Disclosure Committee based upon this Global Disclosure Policy. The Disclosure Committee is chaired by our executive officer responsible for Global Corporate Communications, with membership comprised of the Managing Director of Nomura Securities Co., Ltd. Corporate Communications Department, the Managing Director of the Control Department, the Managing Director of the Accounting Department, the Managing Director of the Investor Relations Department, the Managing Director of the Legal Department, the Managing Director of the Management Planning Department, and the Managing Director of the Risk Management Department. The primary responsibilities of this Committee include deliberating and making decisions concerning matters involving the disclosure of important information relating to Nomura Group, such as the preparation of legal documents including 20-F Forms and financial statements.

The Disclosure Committee is currently leading company efforts for compliance with documentation and effectiveness evaluation in internal control as stipulated in Section 404 of the Sarbanes-Oxley Act, which goes into effect as of March 2007. According to the SOX Act, "internal control over financial reporting" is a "reasonable certification process for the creation of financial statements for the purpose of financial reporting or external reporting", and this process is to be structured under the supervision of the CEO and CFO. In response to this, an enormous documentation project is underway in the certification process for important categories and disclosure items in financial statements at Nomura Holdings, Inc., Nomura Securities Co., Ltd., and all major consolidated subsidiaries (including overseas subsidiaries).

Internal Audit is responsible for testing and evaluating the effectiveness of internal control, with the results submitted not only to the Disclosure Committee, but also to the Audit Committee and the Internal Controls Committee.

Compliance Structure

Nomura Group companies have a uniform compliance structure, with each company having Compliance Officers, a Compliance Hotline, and other common 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. Compliance officers have established effective control systems by seeking to improve the coordination amongst all of the consolidated subsidiaries.



Code of Ethics

Nomura Group enacted its Code of Ethics, applicable to all directors, officers and employees, on a global basis in March 2004. The Code of Ethics sets forth the corporate governance and corporate social responsibility items that embody the spirit instilled at the founding of our company. Everyone in Nomura Group is required to study the code and become thoroughly familiar with it, and to uphold all of its provisions. Each director signs a contract stipulating that the Code of Ethics will be upheld. The Code of Ethics may be found on our website.

Compliance Officers

Each domestic Nomura Group company has 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 and social 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 Group employees in Japan who have become aware of actions that may be inconsistent with laws and regulations are able to report their concerns directly to Nomura Holdings, Inc.'s 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 at Nomura Holdings, Inc. 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 Co., Ltd.'s Compliance System

Nomura Securities Co., Ltd.'s compliance system is based on a detailed action plan known as the Compliance Program. Key components are as follows:

(1) Compliance Committee

Discusses the compliance 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 Co., Ltd. has its own Compliance Hotline. Concerns can be reported directly to the management level and to external lawyers. In addition to contacting Nomura Holdings, Inc. as described above, the Nomura Securities Co., Ltd.'s Compliance Hotline allows reporting directly to Nomura Securities Co., Ltd.'s Compliance Officers and external lawyers who provide legal supervision to the Compliance Committee.

(4) Compliance Training

Nomura Securities Co., Ltd. conducts uniform compliance training for all employees, as well as position-specific training. In addition, branch offices hold monthly compliance seminars.

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.

The Board of Directors of Nomura Holdings, Inc. (the "Company") has adopted this Code of Ethics (the "Code") to guide all directors, officers and employees ("Nomura People") of Nomura Group.

Code of Ethics of Nomura Group

1. Social Responsibilities

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 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 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 Nomura Group. Neither Nomura People nor their family members should receive improper personal benefits as a result of their positions in Nomura Group, including loans, or guarantees of obligations, from Nomura Group.

6. Confidentiality

Nomura People must maintain the confidentiality of information entrusted to them by 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 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. Nomura Group must reject all contacts with criminal or unethical organizations involved in activities in violation of applicable laws.

c. Nomura People may give or accept from non-government employees gifts or entertainment in accordance with specified guidelines of the relevant company of Nomura Group. In addition, Nomura People may not give gifts to or entertain government officials without specified approval (if required) by the relevant company of 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 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 Nomura

Group. In connection with litigation or examinations by any regulatory body, Nomura People shall not make false statements or intentionally conceal or destroy any relevant documents.

10. Environmental Issues

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

11. Corporate Citizenship Activities

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

Nomura Group shall respect human rights. 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

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 Nomura Group business in publications, lectures and interviews, they must follow the guidelines promulgated by the relevant company of 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 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 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 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 Nomura Group, in cases they believe that such violations have occurred; and
5. be accountable for their adherence to this section.

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

c. "Financial Professional" means any professional employee of 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 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

Crisis Management

Nomura Group previously assigned information management and disaster preparedness measures to individual Group companies. We centralized and revamped our crisis management system, following the terrorist attacks in the U.S. on September 11, 2001. In October 2001, Nomura Securities Co., Ltd. created a Crisis Management Committee tasked with preparing systems for data management and personal safety confirmation. In April 2005, the Nomura Group Crisis Management Committee was established to create a Group-wide crisis management platform.

Crisis Management

Crisis Management

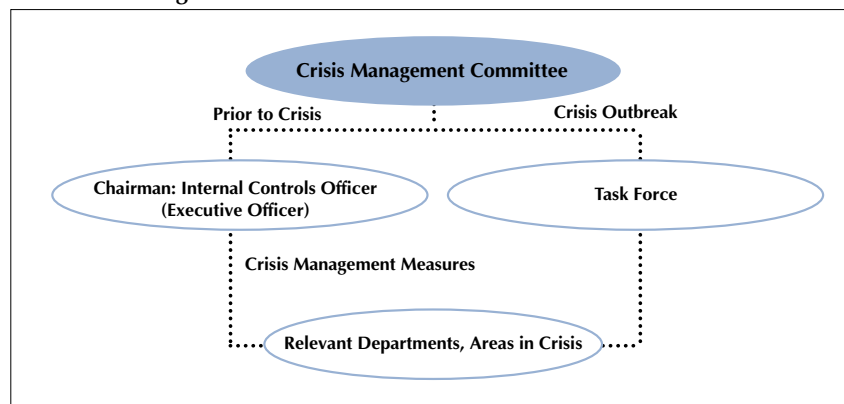
Crisis management involves effective response to all events that might potentially impact our business activities and/or the general public, including loss of life and property, adverse effects on business, liability compensation claims, and damage to the corporate brand. We have a Crisis Management Committee and Crisis Management Regulations in place to prepare for particularly serious events. Our crisis management measures include prevention, emergency response and recovery. Each group company takes its own measures.

For a damaging earthquake that struck Niigata Prefecture in central Japan in November 2004 and the catastrophic tsunami that devastated parts of Indonesia and surrounding countries in December 2004, we quickly grasped the situation and verified the safety of our staff and their families. We take continuous measures to enhance crisis management awareness through ongoing education and training, in order to maintain effective crisis management systems.

Crisis Management Committee

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 Management Structure



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 a protocol for verifying employee safety, providing information and services to clients, and coordinating with local authorities in the case of such an event.

2. Serious Crimes against Nomura Group and/or Employees

As a global company, it is impossible to rule out the possibility that Nomura Group may be caught up, either directly or indirectly, in a terrorist incident or crime 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 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 back-up systems.

4. Infectious Diseases

Highly infectious diseases, such as SARS, could have a potentially serious impact on Nomura Group's business operations and society at large. We are able to continue operating as normal using back-up office in Tokyo if one of our offices has to be closed down for disinfection.

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.

Business Continuity Plan

In addition to the Nomura Group Crisis Management Policy, each Nomura Group company is working to formulate its own crisis management policy and Business Continuity Plan (BCP). The BCP structure takes into account issues such as analysis of the relative importance of each aspect of the business, the designation of crisis scenarios, and the maintenance of back-up facilities. Regular revisions of the plan are another important function. Nomura Securities Co., Ltd. holds business continuity rehearsals using back-up office facilities in addition to regular disaster drills, during which the BCP is reviewed.



Business continuity rehearsal of Nomura Securities using the back-up office

Information Security

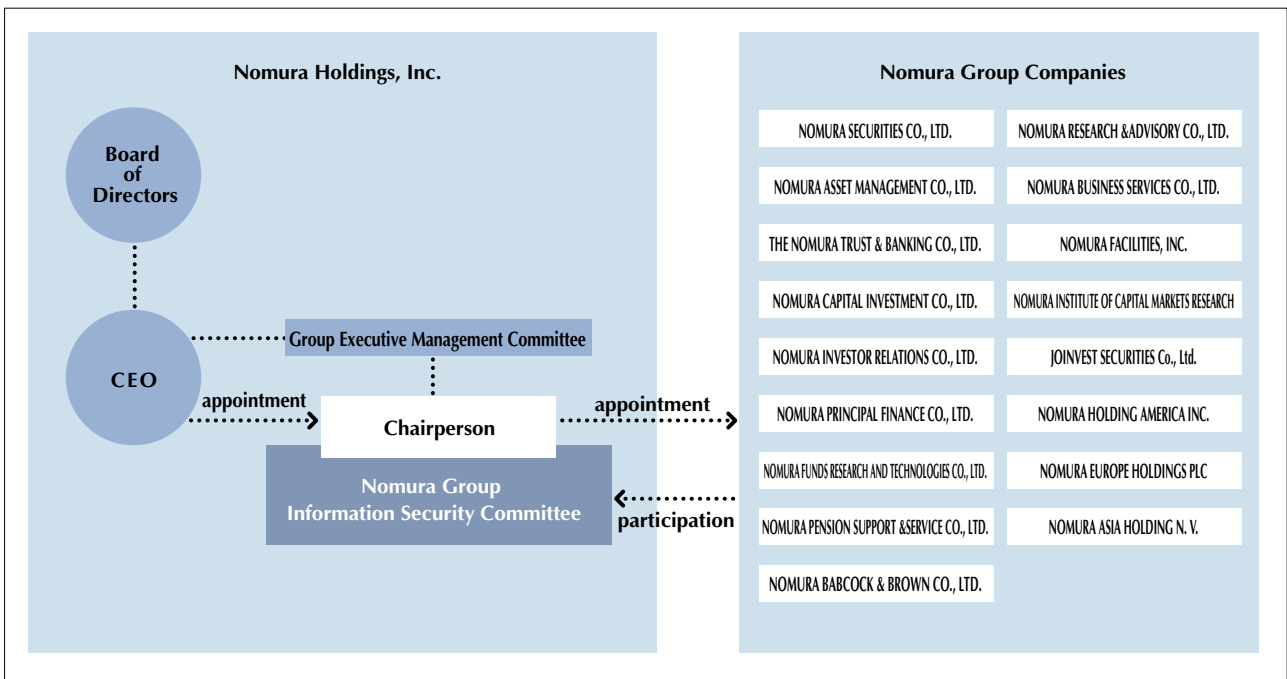
The information we have accumulated, including clients' personal information, is critical to our business activities and requires a rigorous system of controls. Each Nomura Group company has an information security policy and employee training and awareness programs are in place to keep information secure, and will continue to do its utmost to ensure the protection of client data. Nomura Holdings, Inc. has established a new Group Information Security Committee so as to continue developing initiatives for information security measures at Nomura Group companies, and is promoting a unified approach within the Group.

Information Security

Information Security Management

Appropriate client data management is essential in order for Nomura Group to remain a trusted financial institution. The systems we have in place to manage this data are well documented and comprehensive, with clear assignments of responsibilities and authority, as well as regular training programs. We will work not only on information security measures, but also on enhancing our information asset risk management system.

■ Nomura Group Information Security Structure



Nomura Group Information Security Policy

The Nomura Group Information Security Policy stipulates our basic policies on information assets and security. Each Nomura Group company also has its own information security rules in place that are in line with the Policy. 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.

Information Security Committee

The Information Security Committee was established to study key information security issues confronting Nomura Group, and is chaired by an executive officer appointed by the CEO. Committee membership is comprised of Nomura Group directors and employees selected by the Committee Chairman. The Committee reports to the Group Executive Management Committee at least once per business quarter.

Information Security Rules <Nomura Securities Co., Ltd.>

- Information Security Management
- Managing Customer Information
- Insider Trading Regulations
- Information Management for Employees
- Making Public Announcements on behalf of the Company
- Managing Company Information
- Preparing Materials for Customers
- Handling of Information Systems
- Document Management
- Provision of Customer Information to Subcontractors
- Audits of the Handling of Customer Information
- Handling Responding to Information Security Issues

Information Security Managers

All Nomura Securities Co., Ltd., Nomura Asset Management Co., Ltd., Nomura Trust and Banking Co., Ltd., and Joinvest Securities Co., Ltd. department and branch office heads serve as Information Security Managers, and are responsible as personal data controllers as defined by the Financial Services Agency. These Information Security Managers are responsible for the security and proper management of information assets handled by their work area and for properly training their staff in this regard.

Nomura Group's Unified Approach

In our ongoing initiatives for information security at all Group companies, Nomura Group seeks to strengthen information security efforts by promoting a unified approach throughout the Group.

**Personal Information Protection
Law of Japan**

The Law Concerning Protection of Personal Information went into effect in April 2005. It is our responsibility to protect clients' personal information, particularly given that Nomura Group handles a large volume of client data and provides a broad array of financial products and services, including direct financing and market-based indirect financing. In addition to complying with personal information protection-related laws and regulations, Nomura Group abides by stringent internal policies, including the Personal Information Protection Policy and the Information Security Rules outlined on page 31. We also have separate provisions covering personal information security on the Internet and in the Web environment.

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 and guidelines 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 customer consultation service and continually review and make improvements as necessary to the personal information privacy management system.

Corporate Social Responsibility as a Financial Services Company



Nomura Holdings, Inc. Nihonbashi Headquarters

CSR as a Financial Services Company

We believe that it is our responsibility as a financial services institution to help create a more affluent society by further developing the securities markets and contributing to economic growth.

Nomura Group's international networks covers the global financial and capital markets, allowing us to deliver investment and financial services. We will continue to raise the bar to deliver superior investment services matched to the needs of our clients.

Our Business Vision

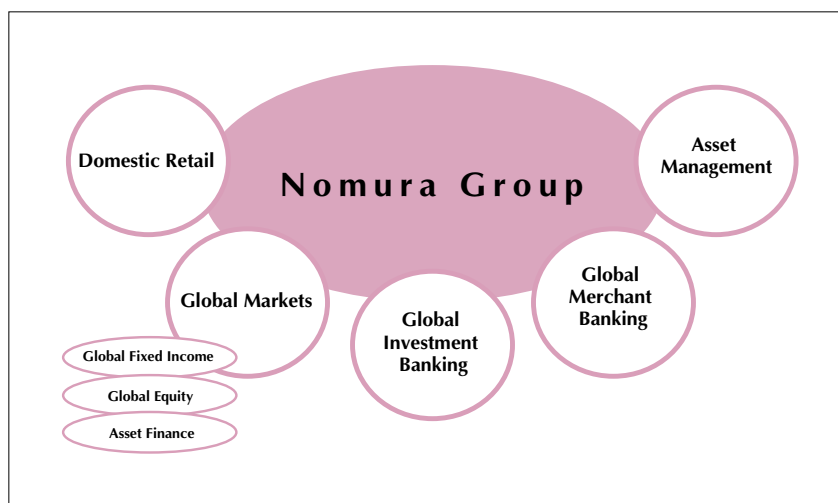
The overall goal of Nomura Group is to further expand and strengthen our domestic and overseas business in order to position the Group firmly as a globally competitive Japanese financial services group. Our goal is to achieve an average consolidated ROE of 10-15% over the mid- to long-term.

Nomura Group has created an operational structure that focuses on the

global integration of our business lines, rather than on the individual operations of each company, in order to make this vision a reality. Our business is conducted along five business divisions: Domestic Retail, Global Markets, Global Investment Banking, Global Merchant Banking and Asset Management. Global Markets is itself composed of three business lines: Global Fixed Income, Global Equity, and Asset Finance.

Creating a structure that strengthens the accountability and authority of each division increases the degree of specialization while promoting and expanding business. At the same time, strengthening the integration of businesses serves to expand the sum total of Nomura Group's business.

■ Business Lines



Domestic Retail

Domestic Retail provides investment consulting services focusing on the individual needs of our clients. There are 139 domestic branch offices, in addition to call centers and internet-based services. Our fundamental approach is based on offering financial products and services appropriate to the nature of the client's assets, risk tolerance, and stage of life. We seek to provide long-term support to the building up of our clients' assets over the long-term through our face-to-face asset management consulting services provided via a seamless system of branch offices, call centers, and Nomura Home Trade, an internet-based service.

Global Markets

Global Markets comprises global fixed income, global equity, and asset finance. We offer liquidity through its financial and real estate products, including interest rate, FX, credit, and equity products. Global Markets employs cutting-edge financial techniques, such as securitization and derivatives, to provide value-added solutions to our clients.

Global Investment Banking

Global Investment Banking offers value-added solutions to clients in areas such as capital structure, and M&A to increase shareholder value. Our clients enjoy the full support of the integrated strength of our international network.

Global Merchant Banking

Global Merchant Banking uses Nomura Group's own capital to generate earnings from private equity business by investing in promising companies. We work with other Nomura divisions to increase the enterprise value of the companies in which we invest.

Asset Management

Asset Management offers a diverse range of products and investment expertise, with the goal of increasing total assets under management and the overall earnings base of Nomura Group. We also offer a full line of system implementation support services and products in our defined contribution pension plan business.

Nomura Group seeks to realize a balanced financial system, which we believe is indispensable to the construction of a sustainable society.

We also believe that social responsibilities must be considered in the development of actual business models and products. Nomura Group

CSR consists in offering financial services that are fair from the perspective of a variety of clients.

Financial Services At Local Post Offices



Nomura Asset Management Co., Ltd., Nomura Group's core asset management company, has an outstanding record as the leading Japanese asset management company in the investment trust and investment advisory businesses. The company took an early lead in globalizing its operations and customer base, aggressively developing business in the US, Europe, and Asia. Nomura Asset Management Co., Ltd. offers a full line of equity and bond investment products, and is continuing to expand its investment trust business.

Japan Post began distributing a Nomura-managed fund investing in 6 global asset classes at 605 post offices nationwide on October 3, 2005. By offering investment trust products throughout Japan via the extensive postal banking network, we can help to accelerate the shift from savings to investment in Japan.

Providing a Broad Range of Financial Services in the Healthcare and Nursing Fields

Nomura Healthcare Co., Ltd. was founded in April 2006 with the goal of providing a broad range of financial services, including fundraising, to healthcare institutions and other organizations in the medical and nursing fields.

Japan's population is aging more rapidly than anywhere else in the world, and as a consequence health needs are changing. Healthcare institutions are therefore seeing great changes to their business environment, forcing both the healthcare institutions and society to press forward with reforms. For example, current revisions to the Medical Care Law have created a special new category of medical corporations called "social healthcare corporations", which are created for the public benefit but at the same time are permitted to conduct fundraising through public offerings of hospital bonds. This has led to a trend toward broad acceptance of for-profit nursing home management by medical corporations, which up to now had not been permitted by law.

Healthcare institutions, faced with these social trends and rapid advances in medical technologies, are confronted with increased needs to invest in facilities for hospital wards and nursing care facilities, as well as disease prevention and treatment facilities. Meeting such demands for capital for this new level of facility investment requires a diversity of new fundraising methods that goes above and beyond the indirect financing used up until now.

Nomura Group established this new company to fulfill our social responsibilities as a financial services company by providing solutions and advice in response to these new needs, and also to nurture profitable businesses.

Offering Financial Services Through Regional Banks

Nomura Group offers investment trust products, as well as securities brokerage services, through the branches of regional banks and other financial institutions. Compliance issues take precedence when investment products are offered to customers. By combining our wealth of experience in this area with the close ties to local communities of regional financial institution networks, we believe that we can offer optimal services to clients.

We are also pushing forward with a new business of offering attractive loan products to regional banks. We have responded to our customers' asset management needs by developing and selling an array of cash flow loans, based on the fact that the deposit to loan differential for regional financial institutions is 115 trillion yen.

Investment Consultation and Advice Designed for Women - Woman Financial Planning Team of Nomura Securities Co., Ltd.



We are working to create opportunities for women who want to learn about asset management and would like to start investing but are uncomfortable participating in seminars or consulting a specialist before getting some background. Nomura Group is developing initiatives that meet the needs of a broad range of women, such as offering lifestyle-based seminars for women led by female instructors, courses for women busy with their careers but seeking to gain real financial knowledge, and courses for the many women who are responsible for managing their household finances.



New Branch Offices

We have begun to add cashless offices that have no ATMs and do not handle money since 2004 and smaller offices for which the back office functions are handled by other nearby branches. These smaller branch offices specialize in in-person investment consulting.

We aim to provide high quality financial services by taking a flexible approach to setting up branch offices that match the characteristics of the local area.

Upgrading Call Centers

Upgrading call center services for our customers 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, which handles trade execution by integrating call center functions with Internet trading, provides services mainly for 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.

Using the Securities Intermediary Business to Increase Access to Customers

Nomura Securities Co., Ltd. is actively building partnerships with regional financial institutions possessing extensive networks of offices and strong client bases. This expands our opportunities with regional customers by providing them with convenient access to our products and services. As of June 2006, such arrangements had been concluded with 49 institutions nationwide.

Separately Managed Account Service

Nomura Securities Co., Ltd. launched its service for Separately Managed Accounts in October 2005. Nomura SMA is characterized by personalized financial consulting, the results of which are used as the basis for Nomura's discretionary investment on behalf of the client. Our goal is to provide a new kind of asset management service combining consulting functions with full-fledged asset management.

Business Development Responding to Today's Needs: Joinvest Securities Co., Ltd.



Joinvest Securities Co., Ltd. began operating as a member of Nomura Group on May 2006. Joinvest, with its "Open, Free, Enjoy!" slogan, is the financial institution to take up the challenge of providing a full array of services via the Internet, and offers products and services that meet the needs of all its customers, from those with no investing experience to experts.

Japanese Regional Equity Funds

On September 22, 2005, Nomura Asset Management Co., Ltd. established the "Tokai-Sanken Index Fund" (popularly known as "Greater Tokai") for investment in listed companies with headquarters, production, manufacturing facilities, or other important business activities in Aichi, Gifu, and Mie Prefectures. Subsequently, we also established funds focusing on businesses operating in Hokuriku/Hokkaido, Kyoto/Saga, seven prefectures in Kyushu, six prefectures in Tohoku, and nine prefectures in Chugoku/Shikoku, with a total of six such Japanese regional equity funds as of June 2006.

The companies in these funds contribute to their respective regions in many ways, such as by providing goods and services, offering employment opportunities, and paying local taxes.

Nomura Group's SRI Funds

● **Nomura Global SRI 100 (popularly known as Nomura Global Social Responsibility Investment)**

(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, an SRI index targeting companies listed domestically that is the first of its kind in Japan.

● **Nomura Global SRI Index Fund DC (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 DC (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.

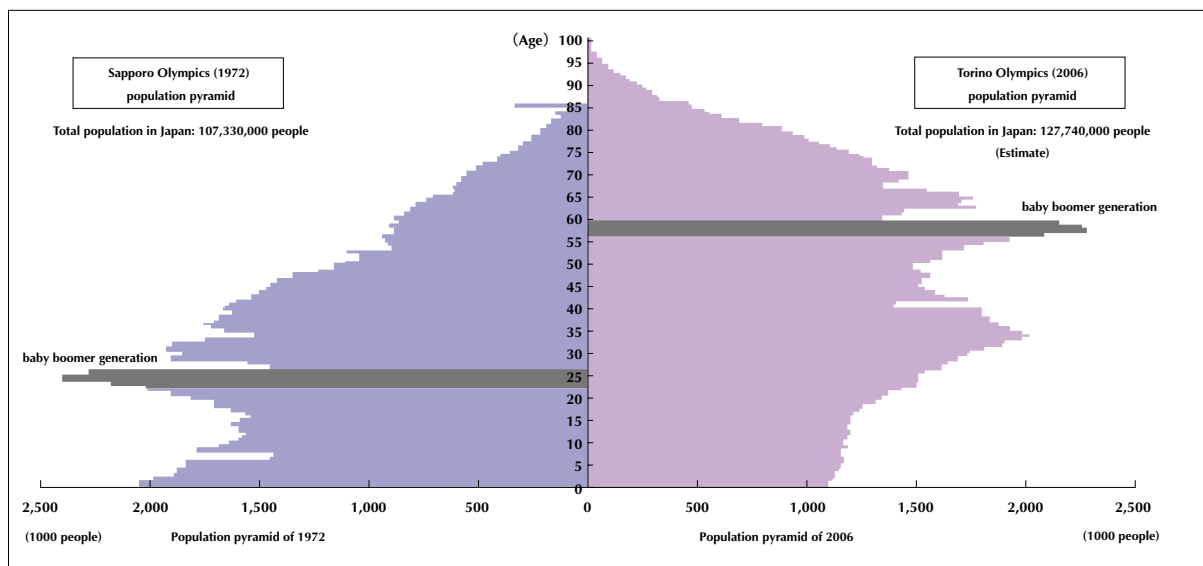
Baby Boomer Project

In July 2004, Nomura Asset Management Co., Ltd. launched the Baby Boomer Project, a company-wide initiative to research and provide asset management solutions that meet the needs of the baby-boomer generation, which will soon reach retirement age.

Japan's population began to decline in 2005, which marked the 60th year since the end of WWII. As a financial services group, we seek to meet people's asset management needs at a time in our country's history in which dwindling birthrates and the aging population are of serious concern, and a more active transition from savings to investment is needed. We believe that investment trusts can assume a vital role in asset management by creating the economic foundations for a rich retirement that can span 20 years or more.

The Project conducted two surveys regarding baby boomer awareness of investment trusts, which were published in January 2005 and May 2006, respectively. The first survey covered the issue of investment diversification, while the second dealt with long-term investing. The Project is now engaged in specific initiatives based upon the results of these surveys. With regard to the investment diversification issue, the Project recommends the Global Balance Fund, which invests in assets throughout the world, including stocks, bonds, and REITs (real estate investment trusts). This fund was created to make diversified investing possible through investment in a single fund, in response to clients who responded that they would like to engage in investment diversification including investing in overseas instruments, but find investment diversification to be difficult. The Project has responded to the long-term investment issue by providing investment education materials. These materials spell out the necessity and benefits of long-term investing, and encourage clients to engage in investing over the long term. Resolving these two issues requires the integration of investment trust products with investment education, rather than simply offering the products to the customer, by providing a new service combining the added value of financial education to the financial product.

The transition from savings to investment represents a bridge connecting past wealth to the future. The final goal of the Baby Boomer Project is to create a valuable role for Nomura Asset Management, with our investment trust products functioning as that bridge.



Relationship with Society

Relationship with Clients



At Nomura Securities Co., Ltd., we greet all our clients with a warm welcome.

Relationship with Clients

Our primary objective is to put our clients' interests first and fulfill our responsibilities as a financial institution. We offer the services necessary for our clients to keep up with the latest changes in society and the financial landscape.

Our Founder's Principles include placing "our clients' interests before our own" and "always strive to stay one step ahead". Our philosophy is always to consider clients' interests first, and to offer information and services that are always one step ahead.

Offering Information and Services

Improved Internet Accessibility



On our website, we put the interests of our clients first and aim to always offer information and services that are one step ahead. We will ensure improved accessibility* in future in line with the basic policies stated below 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's 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 have been developed around the world. In Japan, it was standardized as JIS (Japanese Industrial Standards) in June, 2004. Nomura Group will make every effort so that more customers, including the elderly, 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 interacting with web content using a mouse or keyboard 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 the mouse and keyboard), 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 20th, 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 21st, 2001)

CSR in Our Product Development and Provision

Nomura Group carries out its everyday business on the understanding that the Group itself is a member of the community, a corporate citizen.

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

These policies demonstrate our commitment to offering services fit for a responsible financial and securities business in developing products, providing information and soliciting business.

Developing Products

Nomura Securities Co., Ltd. has laid down a range of guidelines for product divisions to follow in order to appropriately design products. We also exercise due diligence with regard to the design and propriety of privately placed products developed elsewhere and sold by Nomura Securities Co., Ltd.

Providing Information

Nomura Securities Co., Ltd. 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 Co., Ltd. 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.

Solicitation

Nomura Securities Co., Ltd. follows the Nomura Securities 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 Co., Ltd. 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 and that comprehensive consideration is given to client circumstances and specific clients are not subjected to excessive sales efforts.

Relationship with Clients

Ensuring Barrier-Free Access

Making Nomura branches accessible to everyone

Nomura Securities Co., Ltd. is working to make all of our facilities barrier-free so that everyone, including elderly and handicapped persons, can visit our offices and take advantage of the wide variety of services we offer.

According to Japan's Heart Building Law (nickname of the Act on Buildings Accessible and Usable by the Elderly and Physically Handicapped, revised April 1, 2003), companies are obliged to design buildings that are accessible by everyone. We have been working to eliminate any barriers to use by the elderly, disabled, children, pregnant women, and all others with special needs. Our Headquarters, Nagoya Branch, and 19 other offices have been certified as barrier-free by local authorities, while our Osaka Branch has achieved Heart Building Law Certification. Planning and construction to gain Certified Conformance status from local authorities are underway at all other branches.

Existing Branches Also Becoming Barrier-Free

While the Heart Building Law was originally intended to focus on new construction, the 2003 revisions also refer to existing facilities. Nomura has made efforts, even at facilities where we have yet to gain Certified Conformance status, to create barrier-free environments at all of our offices by constructing ramps at all entrances and exits, installing toilets for use by the handicapped, and other measures.

■ Number of branches with barrier-free facilities (As of End of June 2006)

Certified Conformance branches	20 branches
Toilets for the handicapped:	33 branches
Elevator for the handicapped:	23 branches
Steps eliminated at entrance and exit (ramp or lift installed) :	87 branches
Measures taken for disabled at entrance and exit (railings installed or step height reduced):	11 branches

Efforts at the Ota Branch

The Ota Branch (Gunma Prefecture) was created on the second floor of an existing building north of the Ota City Hall. We installed a special elevator for wheelchair users and constructed ramps at the entrances and exits, so as to remove all steps and provide for smooth wheelchair access. In addition to installing an elevator and toilet for wheelchair users, we also installed emergency lights that blink at the emergency exits when needed, while an emergency announcement system has been installed for our sight-impaired patrons. In December 2005, the Ota Prefecture Heart Building Office awarded us the "First Barrier-Free Town Creation Prize" for our efforts.



Efforts at the Kita-Kyushu Branch

Although the Kita-Kyushu Branch is a tenant on the first floor of Isetan Department Store, wheelchair users are not forced to contend with steps either at the entrance or within the building when visiting our offices. We have also installed an elevator and toilet for wheelchair users.

Our counters are also set up for barrier-free use by wheelchair users, designed so as to prevent wheelchairs bumping into them.

Many New buildings are now barrier free. However, at Nomura Securities Co., Ltd. we are refurbishing existing offices as barrier-free buildings. These efforts have been widely recognized and were highlighted in the local media in Fukuoka Prefecture.



Community Involvement Overseas

Nomura Group is a globally competitive Japanese financial institution, and we seek to expand our business globally while further strengthening our operating base in Japan. Our businesses are managed through globally-integrated business lines, rather than through individual Group companies. Consequently, Nomura Group's initiatives as a good corporate citizen are not limited to Japan. We participate in a variety of activities in the local communities in which we operate, and seek to offer our support where we are needed. We will continue to engage in a wide variety of initiatives so as to fulfill our responsibilities as a good corporate citizen wherever we operate.

Our Initiatives in Europe

Elementary School Reading Programs



Our U.K. subsidiary, Nomura International plc, operates a reading program for elementary school students through volunteer work by its employees in South London, where many children from multi-ethnic backgrounds live. Nomura International employees visit a local elementary school during their lunch breaks and read to pupils, many of whom speak English as a second language. This program gives great opportunities for the employees to participate personally in social contribution activities. It also represents a grass roots, pragmatic approach to some of the key issues associated with inner-city communities.

Project Kiungo: Connection Between Nomura London and Schools in Kenya



Nomura International participates in this project for the donation of PCs to schools in Africa. The London office has donated all PCs that are no longer useable by the business but are perfect for the schools' use. Over 400 of these PCs were sent to more than 25 schools across Kenya, where over 12,500 students are putting them to good use.

The project is run by Digital Links International, a British nonprofit organization that provides access to information technologies with the goal of improving the lives of people in developing countries. Nomura International used *kiungo*, the Swahili word for "link" in creating the name "Project Kiungo." Nomura International plans to continue supporting its relationship with the schools in Kenya, and is looking into other ways to further its contribution, such as by involving other companies and sponsoring charity drives.



Nomura London Fun Run



The London Fun Run, a charity run, was held on September 8, 2005. This event, held for the 13th time last year, raised money to benefit cancer patients treated by Maggie's Cancer Caring Centres. Over 200 Nomura International employees took part in the run, which followed a 5 km course on the banks of the Thames. Many Nomura International employees wore "Nomura — One Step Ahead" T-shirts, while some dressed up as clowns or cartoon characters. Prizes were awarded to the first runners over the finish line as well as for best costume. Nomura International matched the contributions raised by its employees in this event.

Our Initiatives in Asia

Securities Education Seminars in China, Hong Kong, and Macao — First Time by a Japanese Company



Nomura Group offers securities education seminars to students in China. These were held from September 19–23, 2005, in China, Hong Kong, and Macao at five universities and one organization. This was the first time that a Hong Kong or Guangzhou-based Japanese financial company had conducted such seminars, which were a great success. Attendance at all six of the courses held at the five universities was full to capacity, with a total of 500 students participating. In addition to the universities, seminars were held at the Japan Society, with a great deal of coverage by local media.

Nomura Group, with the cooperation of the Japanese consulates in Hong Kong and Shanghai and the embassy in Peking, also held securities education seminars from March 14–17, 2006, at Peking University, Shanghai Economic University, and Xiamen University. All of the seminars were full to capacity and several attendees had to stand, with a total of 370 students participating.

Nutrition Programs for Children in India

The Akshaya Patra Foundation was set up by a group of representatives of the Indian financial world to provide nutritional school meals for poverty stricken children in their country. By doing so, they hope to attract children to attend school, and to provide opportunities for their intellectual and physical development. The number of schools benefiting from Akshaya Patra nutritional programs has grown from 1,500 to over 300,000. Nomura Asia is a co-sponsor of this program along with Nomura Holdings, Inc. because it serves to address two major problems confronting India — hunger and the lack of educational opportunities.

**Support for Young People,
Who Hold the Key to the Future**

Our US subsidiary, Nomura Securities International, Inc. (NSI), participates in a student mentoring program for university students interested in a career in finance, and offers internship opportunities. NSI staff participate as mentors in the Bernard M. Baruch College Mentor Program (career counseling program) and provide students with career advice. Also, 30 students from the University of Delaware were invited to visit the company for an office tour and have discussions with staff and executives. The staff and students engaged in lively discussions about careers on Wall Street.

NSI participates in a broad variety of other activities as well, including sponsorship of the annual luncheon held for the Brooklyn Chapter of the Boy Scouts of America.

10K Charity Walk in New York City

The March of Dimes 10K Charity Walk was held in April 2006 in New York City. This charity event has been held for the past 36 years by the March of Dimes, which was founded with the goal of preventing premature births, birth defects, and infant death, as well as to promote the raising of healthy babies. Many Nomura Holdings America Inc. (NHA) and NSI employees and their families participated in the event.



Relationship with Society

Community Involvement Initiatives



Nomura Group employees participate in a festival in Nihonbashi together with members of the local community.

Community Involvement Initiatives

The founder of Nomura Securities Co., Ltd., Tokushichi Nomura, firmly believed that the company could contribute to the advancement of society by engaging in the securities business. 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." 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 Nomura Group to work towards improving financial literacy and understanding of financial markets in the community.

Education is the source of economic development, and we intend to continue expanding educational opportunities for all ages, offering plans and programs geared to those with a desire to learn. While economic development is important, it is also vital that citizens maintain the rich cultural life that leads to a clear understanding of society. Nomura Group is dedicated to encouraging a thriving and sustainable society through support for culture and the arts.

Financial Literacy Programs

"The Secret of Money - The Business of a Securities Company"

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

"Finance for Beginners"

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 to middle school students in her neighborhood how financial and economic mechanisms work.

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

Nomura Securities Co., Ltd. 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 investing, 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>)

Internet Initiatives

Nomura Securities Co., Ltd. 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, notably "Let's study!", "Mr. Inoue's Money Management Diary", "Mr. Inoue's Hands-on Tour of Nomura Securities Co., Ltd.", 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.

Co-sponsorship of the Quest Education Program

The Quest Education Program was launched in April 2003 for middle and 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. (http://www.eduq.jp/qe_ac.html)

Co-sponsorship of the Manabipia Festival

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 17th Lifelong Learning Festival, "Manabipia Tottori 2005" 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.

Broadcasts of Doki Doki Waku Waku Okane no Hanashi ("The Thrill of Money")

We have been broadcasting this program on the importance of asset management on 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.

■ Education Programs Offered by Nomura Group

	Primary schools	Middle schools	High schools	Universities	Adults Company employees Communities
Publications	The Secret of Money				
		Introduction to Economy "The T-shirt Shop"			
		Finance for Beginners			Activities to Disseminate defined-contribution pension plan scheme
		Enjoying Economics			
Events				Nomura Money Fair	
Lectures				Seminars at Nomura Securities' branches	
				Securities education Programs	Securities learning programs
Education programs		Special Supporter of Nikkei Stock League			
		Quest Education Program			
			Nikkei Education challenge		
Internet	Educational content on the Internet				
CATV stations	Nomura Free School				
					Doki Doki Waku Waku Okane no Hanashi

Support for Culture and the Arts / Disaster Relief

We believe that economic development alone 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.

Support for Culture and the Arts

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.

1) Support for the Arts and Cultural Activities - Grants to around 100 projects annually

Grants provided to young artists in the field of music. Grants provided to performances, exhibitions and symposia aimed at promoting international cultural and artistic exchanges (59 artistic and 41 musical events in fiscal 2005).

2) International Student Scholarship Program (20 scholarships annually)

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.

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

The Nomura Prize was instituted in 1996 to commemorate Nomura Securities Co., Ltd.'s 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 Museum's collection and further promoting education and research.

Pacific Music Festival (PMF)

The Pacific Music Festival is an international music education festival initially conceived by the late Leonard Bernstein in 1990. The Festival was established to foster achievement in music and the arts, as well as to promote international understanding.

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

Valery Gergiev is slated to serve as the principal conductor at the 17th annual holding of in Festival the 2006, with performances taking place from July 8 through August 3, 2006.

Community Service

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

Sponsorship of the National Health and Welfare Seniors' Festival - The "Nenlympics"



Nomura Securities Co., Ltd. has sponsored the National Health and Welfare Festival for Seniors (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 festival has attracted nationwide recognition; 2005 marking the 18th Nenlympics, held in Fukuoka Prefecture. 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.

Industry-University Collaboration

We support a range of research in collaboration with educational institutions with the medium-to-long term objective of fostering the leaders of the next generation and promoting technology and industry.

Nomura Foundation for Academic Promotion

The Nomura Foundation for Academic Promotion was established in 1986 to commemorate the 60th anniversary of the establishment of Nomura Securities. The Foundation provides assistance to university researchers, primarily in the fields of law, politics and economics. In fiscal 2005 the Foundation gave research assistance to 21 research projects, sent 23 researchers abroad through international exchange grants and supported seminars.

Industry-University Collaboration



"Air Car " flies to its destination.

● The University of Tokyo

Nomura Group supports cooperation between industry and academia at the University of Tokyo. In September 2005, the results of the "Future Production Project", a joint research project aimed at creating a vision of the future 50 years from now, were announced at a symposium. Many futuristic images were on display, such as "Air Car " that flies to any destination merely by telling it where to go, and the "Bio-Mist Box " that can do dry cleaning.

● 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.

● 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 titled "Aging Societies and Developed Economies: The Economic Future in the Context of the Aging Society". We continue to work with the university regarding the topics of SRI and Corporate Governance.

● **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.

● **Columbia University**

Nomura Holdings, Inc. 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.

● **Chulalongkorn University**

We held capital markets education seminars and special lectures at Chulalongkorn University, Thailand's premier national university, on August 27, 2005. This was the third annual program since it was launched in 2003. The 2005 program featured a special lecture by Sadakazu Osaki of Nomura Securities Co., Ltd.'s Nomura Institute of Capital Markets Research, entitled "Recent Capital Markets in Japan". Approximately 100 graduate students in international economics attended the lecture. The students asked many questions, and showed a strong interest in Japan's capital markets.

Disaster Relief and Other Support Activities

Disasters affecting great numbers of people may occur anywhere in the world. As good corporate citizens, all of us at Nomura Group believe that we should do everything we can to help those in need in the aftermath of a disaster, and our efforts to help include collecting donations for those in the disaster zones through the Japan Red Cross Society.

Support for the Victims of Hurricane Katrina in the United States

Hurricane Katrina, which struck in August 2005, caused devastation throughout the Caribbean and the southern United States. While there was loss of life in Florida and other areas, the damage was worst in Louisiana. The port city of New Orleans was hit hardest of all, with flooding in nearly 80% of the city. Despite orders to evacuate prior to the storm's arrival, loss of life was unavoidable, with many hundreds confirmed dead as of September 1. In consideration of the enormity of the losses, Nomura Group made a total contribution of \$200,000 to relief efforts. The contribution was made through organizations in the US and Japan, including the International Red Cross.

Support for the Victims of the Pakistan Earthquakes

A powerful earthquake struck northeast Pakistan and the Kashmir region of India on October 8, 2005. Over 90,000 people were killed due to collapsing buildings in Pakistan and other effects of the earthquake, and more than 100,000 were injured. The Pakistani area of Kashmir was particularly hard hit, with enormous casualties. The collapse of an apartment building in the Pakistani capital of Islamabad resulted in the tragic loss of 250 people who were buried alive. The approach of winter brought additional concern about further casualties. In consideration of these terrible losses, Nomura Holdings Inc. represented our Group in donating a total of approximately ¥10 million through the Red Cross and other relief organizations.

Relationship with Society

CSR in the Workplace



Nomura Group offers training programs for employees to improve their skills. Employees from around the world come together for the Nomura Group Global Training Program.

CSR in the Workplace

Nomura Group is deeply aware of the importance for all people to be able to live and work in a decent and comfortable environment. Our employees are making every effort to create a better workplace environment.

We recognize that our people are our foundation. The financial services industry is an intellectually creative industry in which employees must use their imagination and creativity to understand client needs and provide the best possible service. We consequently have a responsibility to provide our employees with a comfortable working environment.

At the same time, we must continue to ensure that Nomura Group is an organization to which all of our employees are proud to belong. We strive to protect the rights of our employees and to comply with the laws and regulations of Japan and all other countries in which we operate. We will continue to make every effort to provide and maintain a fair workplace environment while ensuring that our efforts benefit all stakeholders.

Across Nomura Group

Employment

Nomura Group seeks to enhance our workplace environment to ensure suitability to the country, region, and contractual circumstances of our employees, taking into consideration all important factors, including the laws and regulations both in Japan and overseas, the financial services industry as a whole along with the particulars of the work being performed.

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 in-house magazine.

Of course, while communications from management are very important, so are communications at each workplace. Continual communication between superiors and subordinates is required at workplaces where all employees are to be evaluated as individuals, from the setting of employee targets through the evaluation achievements, to ensure that each employee is treated according to their abilities.

Within Nomura Securities Co., Ltd.

Our Personnel

Nomura Group employed 14,668 people as of the end of March 2006. Our core company, Nomura Securities Co., Ltd., employed 10,089 people, of whom 5,603 were male and 4,486 female. We also have 2,721 temporary employees. The average employee age is approximately 38 overall: around 41 for men and 33 for women. During the year ended March 2006 there was a turnover rate of roughly 4.8%, or a total of 481 persons who left the company. This figure includes those who transferred from one Group company to another or took up executive appointments within the Group.

Working Hours and Average Salaries

Average monthly working hours at Nomura Securities Co., Ltd. during fiscal 2005 was 173.2 hours, including average overtime of 27.4 hours. The average monthly salary for 30-year old employees was 432,000 yen.

Diversity in Employment

The personnel system is merit-based, and positions are filled by capable staff, irrespective of age, gender, length of service, or other factors. As of March 31, 2006, 34 women occupied managerial positions in Nomura Securities Co., Ltd. This increased to 51, including 5 branch managers, as of July 1.

In Japan, we are taking positive steps in appointing women to management positions. We have established branches and sections staffed entirely by women, and we have a section devoted to female employee development. We are taking a proactive approach to employment diversity, and have set out guidelines for the hiring of seniors, people with disabilities, and foreign nationals.

Holidays, Benefits and Employee Unions

The maximum entitlement to paid annual leave is 20 days, with the average leave taken during fiscal 2005 being 8.6 days in Nomura Securities Co., Ltd. Female employees are entitled to 6 weeks paid maternity leave prior to delivery (14 weeks for multiple births) and 8 weeks after delivery. A total of 120 employees took paid maternity leave during fiscal 2005.

The maximum available childcare leave is 2 years, and 153 employees took this leave during the period. We also have a separate childraising support program that provides day care. Seven employees took family nursing care leave, which is available for up to 730 days, in fiscal 2005.

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 fringe benefits for employees.

There are two employee unions, with 71.2% of our workforce covered by collective bargaining agreements.

Child Care and Family Nursing Care Support (as of 1 April 2006) <Nomura Securities Co., Ltd.>

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

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.

Personnel System Revision

Each Nomura Group company in Japan transitioned to the new personnel system in October 2005. The new system is thoroughly merit-based, offering a range of opportunities and appropriate remuneration, irrespective of gender and age.

At Nomura Securities Co., Ltd., 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. This provides for identical processes in the scope of work and seniority and evaluation processes, and differentiates between employees who can be transferred and those who cannot. Employees may also change their employment type if they so desire.

These changes in the new system mean that 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.

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 each April for new university graduates, while mid-career hires will be taken on in April and October. Each department also recruits specialists, as whole area employees, specific area employees, or specialist employees as needed.

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

Re-Employment System

In April 2006, Nomura Securities Co., Ltd. instituted a re-employment system for employees retiring due to having reached retirement age.

Under this system, employees reaching either the retirement age of 60 or the upper age limit determined in their contract will, if they so desire, be eligible for re-employment. Re-employment contracts will be for one year, and they may be renewed through age 65, which exceeds the legally mandated age.

By implementing this system we seek to provide the opportunity for post-retirement age employees to continue working and enjoy a full life, while continuing to put their abilities and experience to good use in our operations.

Our employees are independent, self-motivated individuals. Nomura Group offers employee development opportunities and programs that correspond to their desire for self-improvement. Development and training programs benefit both the Group as a whole as well as individual employees as they progress on their respective career path.

Our aggregate training employs e-learning and distance education as

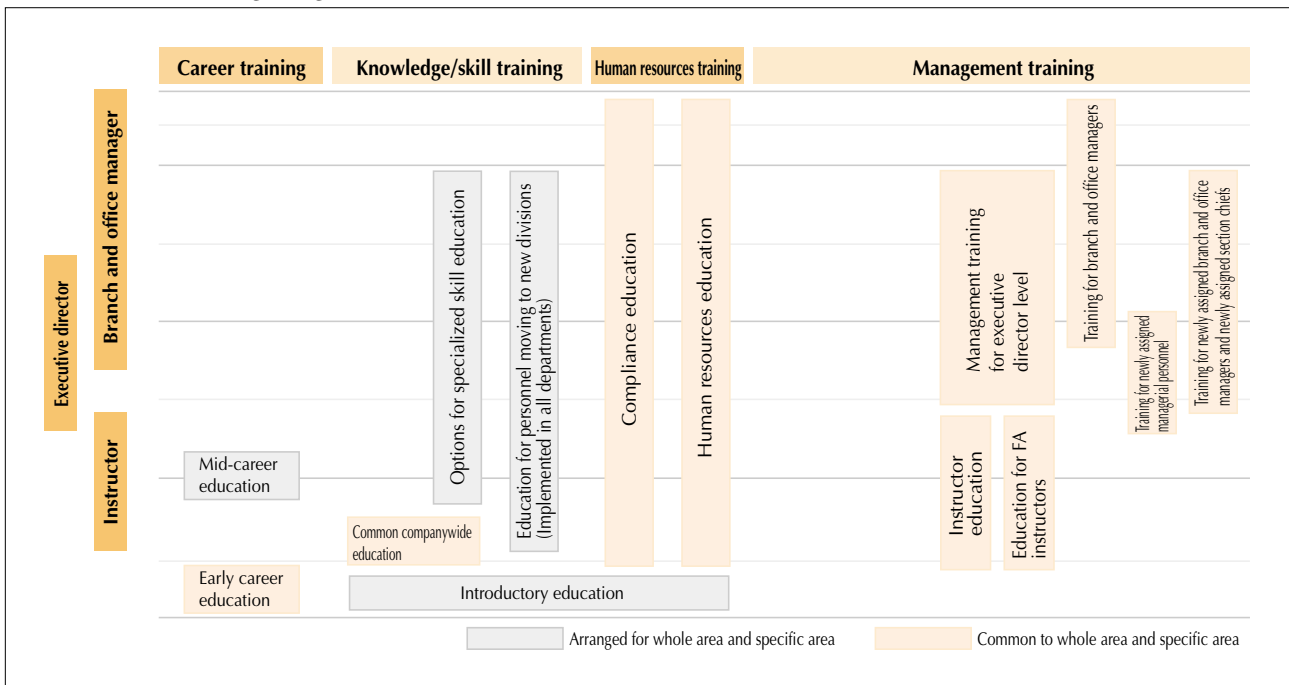
an efficient and effective means to create opportunities for employees to develop analytical skills and conceptual creativity. Our program system combines both training styles to create a synergistic effect in employee development.

Since the transition to the new personnel system the majority of the training programs that had been offered separately based on employment category have become com-

mon to all employees, expanding the education training opportunities for whole-area employees and others to include specific area employees.

As part of our program to support staff in acquiring qualifications, we reimburse tuition fees and expenses for staff who successfully gain qualifications. The cost of employee development and training at Nomura Securities Co., Ltd. was 148,000 yen per person in fiscal 2005.

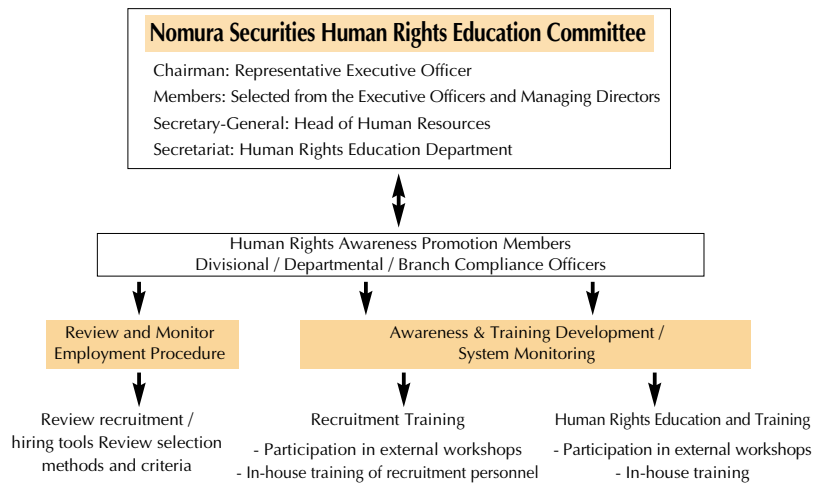
■ Outline of Training Programs <Nomura Securities Co., Ltd.>



The crucial asset of Nomura Group is "people =employees". Increasing human rights awareness in order to maintain respect for 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 Nomura Group executive officers and employees are personally aware of Nomura Group's social responsibilities. This requires a commitment to upholding the fundamental principle of "neither discriminating oneself nor permitting or tolerating discrimination". The training seeks to deepen employee understanding of human rights issues and the awareness that human rights is something that concerns us all.



In-House Training Programs

Our basic principle of never tolerating discrimination led us to establish the Nomura Group 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 conducting 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.

In fiscal 2005, 23 training programs were held at Nomura Securities Co., Ltd., involving over 10,000 participants.

Main In-House Training Programs

Human Rights Training for Nomura Group Executive Officers

1. Focuses on lectures on human rights issues conducted by lecturers from outside the company

Training for New Employees

1. Explanation of the reasons behind Nomura Group's human rights initiatives
2. Nomura Group's Human Rights Awareness Promotion System and immediate human rights concerns
3. Proper understanding of HIV infection and Nomura Group's basic policy

Training for Newly-Appointed Managers (according to position)

- Division (Department) and Branch Managers, General Section Managers, Executive Directors, Assistant Vice-Presidents, and others
1. The current world human rights situation and Nomura Group's human rights initiatives
 2. Human rights issues within the company
 3. Matters of which all managers must be aware in fulfilling their human rights duties

Training at Headquarters and Branches

1. Examples of turning a blind eye within the company and measures to be taken

Human Rights Education Committee Training

1. Human rights slogan contest
2. Human rights lectures
3. Human rights movements in the modern world and the human rights issues within the company
4. Explanation of human rights curriculum for training sessions at each branch

Sharing of Human Rights Information between Nomura Group and Related Companies

1. The current general human rights situation
2. Nomura Securities initiatives
3. Information sharing among the various companies

External Training Programs

In order to gain a broad perspective on human rights issues, representatives from the Human Rights Education Department and the Human Rights Education Committees of each department and branch office attend seminars and training conducted by the government, human rights organizations and NPOs. In fiscal 2005, 38 external training programs were held at Nomura Securities Co., Ltd.

Preventing Sexual Harassment and Power Harassment

We established our "Sexual Harassment Prevention Guide" in 1999, and created business-card size "Prevention Cards" in 2003. Three sexual harassment consultation contacts were set up both within and outside the company, with employees able to lodge complaints in person, in writing, by telephone, via e-mail or through a third party.

We are working similarly to prevent power harassment. An external consultation contact for power harassment complaints was established outside the company in June 2005, and awareness training programs are underway.

Policy on HIV Infection

We established an HIV infection (AIDS) policy in 1994, and in April 2006 this policy was revised as our "Basic Policy Concerning HIV+ Persons". This Basic Policy commits Nomura Group to working toward the elimination of discrimination and prejudice against persons with HIV, and to protecting their rights.

Sexual Harassment Prevention Guide (abridged) in Japan

- Eliminate all forms of sexual harassment from the workplace and create a brighter 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 respond to the complaint and impose strict disciplinary measures upon the person(s) responsible.
- The victim's privacy shall be protected and held in the strictest confidence, and the victim shall suffer no penalty as a result of seeking redress.
- Nomura Group shall conduct awareness training in order to prevent sexual harassment.

Basic Policy Concerning HIV+ Persons in Japan

1. Nomura Group shall neither dismiss employees on grounds of HIV infection nor subject them to any other form of discrimination.
2. Nomura Group shall exercise the utmost care in safeguarding the privacy of the personal data of HIV+ employees.
3. Nomura Group shall not conduct HIV testing in the course of regular employee health checks.
4. Nomura Group directors and employees shall make all efforts to promote proper knowledge of HIV so as to prevent infection and eliminate prejudice and bias towards HIV+ persons.
5. Nomura Group is committed to creating a workplace environment where HIV+ employees can work with peace of mind.

Creating a Safe Working Environment

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 regard for the health of every employee.

Mental Health Care

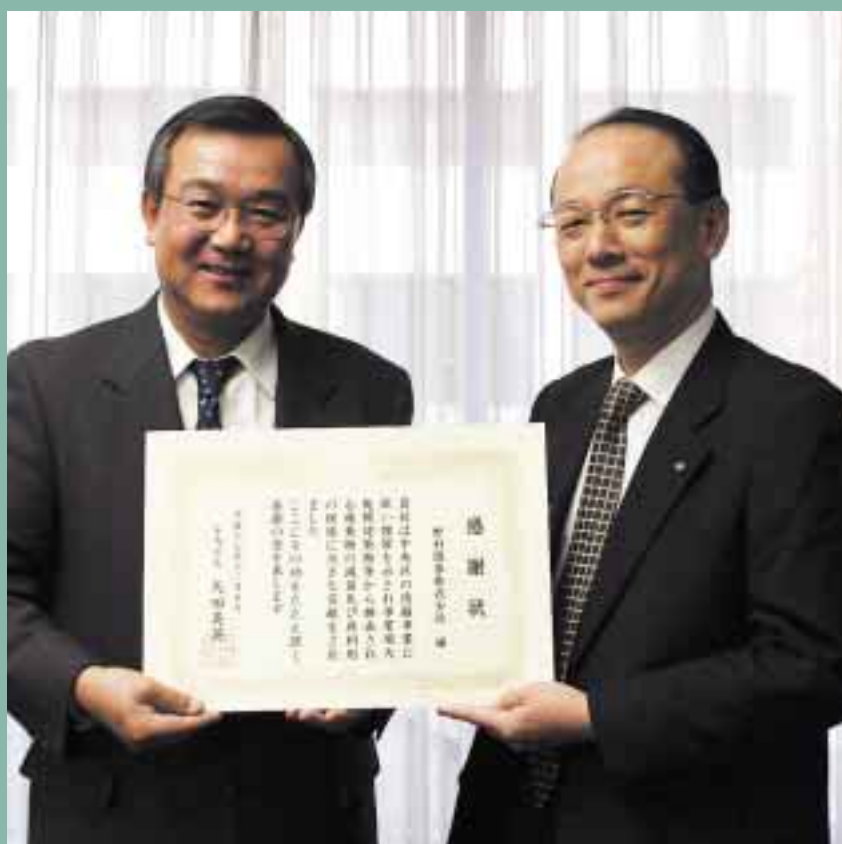
We place particular emphasis on maintaining healthy working environments with a view to improving the mental health of all employees. We started offering consultations with psychiatrists at our health care centers in 1990, and began offering the services of a full-time counselor in 2001. A 24-hour telephone counseling service linking employees and their families to physicians and counselors, Nomura Health Dial 24, was launched in 1995, and a dedicated mental health care hotline was established 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 establishing a group that specializes in promoting health care issues. We have set guidelines on regular, special and comprehensive medical examinations, including making comprehensive examinations compulsory for employees over 30 years of age and subsidizing check-ups.

In addition, we have for some time required employees working long hours to undergo mandatory health examinations. Beginning in 2006 we increased the frequency of these examinations and broadened the range of employees covered.

Environment



Nomura Securities Co., Ltd. was commended by the administration of Chuo-ku, Tokyo, in December 2005 due to its high recycling rates for paper and other environmentally friendly efforts.

Environment

The human race is confronted by a serious crisis in our global environment. Nomura Group is dedicated to reducing greenhouse gas emissions, and we are doing our utmost in other ways to protect the environment.

Nomura Group is aware that a healthy environment is as important for us as it is for all people, businesses and communities. Current environmental issues, 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 implementing environmentally-friendly "green" purchasing policies.

Our Environmental Impact

The majority of our impact on the environment comes from the power consumed at our offices. We have policies in place to reduce unneces-

sary power usage from lighting fixtures and air conditioning, while keeping our branches comfortable for customers. In addition to "green" pur-

chasing, we actively recycle stationery, pamphlets, interior furnishings, and supplies.

Environmental Action Plan and Targets

Nomura Holdings, Inc. is headquartered in Tokyo, and has submitted an Anti-Global Warming Action Plan covering fiscal 2005 through fiscal 2009 to the Tokyo Metropolitan Government. We used this opportunity to roll out a package of uniform environmental policies for our offices throughout Japan. We are now in the midst of executing a comprehensive, company-wide action plan initiated in fiscal 2005, which takes into consideration the results achieved thus far.

System for Promoting Environmental Conservation

Until now the majority of our environmental conservation-related activities have been carried out on a departmental level, with oversight provided by Nomura Securities' General Services Department. We have since established a working group comprising Nomura Group Headquarters Corporate Citizenship Department, Nomura Securities Co., Ltd.'s General Services Department, and Nomura Facilities, Inc., to examine environmental policies for the entire Group, with the objective of promoting a better-coordinated, comprehensive program.

Environmental Management Organization

Steering Group

Nomura Group Headquarters Corporate Citizenship Department
General Service Dept., Nomura Securities Co., Ltd.
Nomura Facilities, Inc.

Activities

Action plan for upgrading facilities
Examining Nomura Group management issues

■ Fiscal 2005 Results and Comments

Program	Policy	Objective	Fiscal 2005 results	Comments
Prevent global warming	Reduce greenhouse gases	20% reduction vs. 2001	19% reduction vs. 2001	Can achieve 50%+ reduction from this year on through purchases of Green Power Certificates
	Study how to reduce domestic energy consumption	Track results for all domestic offices	Results known for 55 of 131 offices	Studying how to handle offices we do not own
	Upgrade company vehicles	80% usage of low emission vehicles	37% meet 2005 standard	100% at 2000 standard
Promote "green" purchasing	Increase "green" procurement	75% "green" procurement	54%	Continuing to train purchasing officers
	Set Group guidelines	Policy-making/staff training	—	Not yet achieved, Discussions ongoing.
Waste management/ reduction	Promote recycling	Recycle 90% of waste	93%	Goal achieved
	Promote paper recycling	Recycle 98%	98%	Goal achieved
Management systems	Create Group promotion system	Survey all offices globally	Have surveyed half of domestic offices	Not yet achieved, Discussions ongoing.
	Group environmental training			

Efforts Relating to Global Warming

Global Warming

Global warming is a common concern for all mankind, and Nomura Group believes it is essential that we step up our efforts relating to it. Although power use is unavoidable in the financial services industry, the environmental impact of such power use is great. We therefore must reduce our power consumption if we are to reduce our contribution to global warming.

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. We seek to install low environmental impact equipment when replacing lighting fixtures and air conditioners. We also are reducing environmental impact through purchasing Green Power Certificates.

Reducing Fuel Consumption

Employee travel is an integral part of our day-to-day business. Nomura Group promotes the use of public transportation for both commuting and traveling to meetings. Currently, around 61% of our leased company vehicles in Japan are 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 low-emissions natural gas-powered and hybrid models. We currently have 21 hybrid vehicles in our fleet, and we plan to add more in the future.

Other Measures to Reduce Environmental Impact

There are many issues involved in the prevention of global warming that cannot be resolved by our company alone. We directly own 40% of the offices used by our Group companies, and we promote environmentally friendly practices at these. We also promote conferencing through video and other IT technologies so as to reduce vehicle use and employee travel, thereby reducing travel-related environmental impact. TV conferencing was in use at all of our offices as of March 2006.

Achievements under the Tokyo Metropolitan Government Global Warming Initiative

Our Headquarters 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. We achieved the maximum possible greenhouse gas reduction results during the first 3-year period following implementation of the plan. We implemented a new 5-year plan in fiscal 2005, which calls for even greater efforts. The plan is rooted in

Nomura Group management principles, and is aimed at making positive social contributions through global environmental conservation efforts. The goal of the plan is a reduction of CO₂ by 268 tons (6.5%) over the 5-year period beginning fiscal 2005. The basic measures and goals are being successfully met; last year's total emissions volume of 3,687 tons signified achievement of the 5-year goal in the plan's first year. We are

also making significant progress in the use of clean energy. Our usage of clean energy is equivalent to 50% of the power consumed at our Nihonbashi, Tokyo, Headquarters, and 100% of that consumed by our Takanawa training facility. The plan we submitted to the Tokyo Metropolitan Government received the top rating of AA.

Air Conditioning & Heating System upgrades

We overhauled our air conditioning units, switching to high-efficiency systems in order to reduce power consumption. In addition, we switched our energy source from oil to natural gas, reducing the volume of greenhouse gas emissions. We have also shortened the hours during which the air conditioning systems operate, and have upgraded temperature setting controls.

Increasing Lighting Efficiency

We improved the efficiency while reducing the overall number of light fixtures at our headquarters. We have made facility improvements so that lights are turned off in unused areas, and partially turned off in common areas not used as work space. Our employees' commitment to turning off unnecessary 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.

Green Purchasing

Considering the environmental impacts 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. Nomura Group encourages employees to purchase environmentally-conscious products via the corporate Intranet. We have purchasing guidelines, training, and awareness programs in place so as to

increase our rate of environmentally friendly purchasing. Our goal is to make all of our purchasing and procurement environmentally friendly.

Efforts for Reducing waste

We have adopted a number of initiatives in our efforts to meet our twin aims of reducing total waste volume as well as the amount of our waste that winds up in landfills. With our

"green" purchasing practices, we have added a fourth "R", "Reduce by green purchasing", to the 3Rs of "Reduce", "Reuse" and "Recycle". We are reducing paper use through effi-

ciency measures such as streamlining our in-house documents and converting them to data files.

Buildings, Interior Furnishings and the Environment

When we renovate or build new offices, we request that contractors 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

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. We also shred paper so that personal information safety is ensured, thereby allowing us to recycle it. We take care in separating paper categories, such as newspaper, magazines, and pamphlets, for recycling so as to increase recycling efficiency.

Other Initiatives

Reducing Water Use

Toilets account for the largest volume of water used at Nomura. In an effort to keep water waste 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, our efforts begun in 2001 to reduce water usage have been a success.

Participation in Local "Clean Up" Campaigns

We participate in neighborhood clean-up campaigns as a way of improving the local environment and maintaining good relations with local communities. Nihonbashi, the area in Tokyo where our headquarters 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.

An award from Chuo City for our environmental initiatives

On December 5, 2005, Nomura Securities Co., Ltd. received a letter of appreciation, from the Tokyo Metropolitan government for successfully reducing waste and recycling resources at its Nihonbashi headquarters. We are proud to be the first financial company recognized for this, especially as is located in an area that is home to some 2,600 businesses, many of them financial.

Our environmental conservation initiatives include a high ratio of recycling paper, reducing waste and voluntarily setting a 2% reduction target from the previous year's waste level. We achieved a recycling rate of 98.3% by toilet paper for our own use from used paper from our offices.

Europe (London)

Our London facilities used approximately 21 million kWh of electrical power in fiscal 2005, while we reduced CO₂ emissions by 15.3% in comparison with 2001. We continue to reduce our gas and water usage each year as well. Our pursuit of sustainable waste reduction efforts has resulted in 2% year-on-year reductions of waste generation and in fiscal 2005 we achieved a 12% reduction compared to the previous year.

We are continuing to focus on recycling at our offices; achieving our current target of 25% of waste being recycled and no waste going to landfill. The paper we have recycled has saved an equivalent of 208 trees over the past year.



All our IT hardware, including PCs and laptops, that has reached the end of its life with us, is either refurbished for use by schools in East Africa or is disposed of through a sustainable waste management and recycling system.

In addition to our recycling efforts, we also participated in the "100 Days of Carbon Clean Up". This campaign, which was aimed at reducing CO₂ emissions by commercial buildings was created by The Chartered Institution of Building Services Engineers, with the support of The Carbon Trust, which is dedicated to promoting investment in low-carbon technologies, energy efficiency, and renewable energy and is funded by the Climate Change Levy. We have used the campaign to raise employees' awareness of energy use at work and suggested how they as individuals can make a difference. Over the last five years we have saved over 1700 tonnes of CO₂ emissions by careful reduction of our energy use.

U.S. (New York)

Our New York facilities used approximately 9.11 million kWh of electrical power in fiscal 2005, which represents an increase over the previous year due to an increase in staff. We were forced to relocate our offices due to the 9/11 terrorist attacks at the World Trade Center in 2001, making it impossible to maintain accurate environmental impact records over time. We will continuously accumulate environmental data as part of our environmental impact reduction efforts. We will begin by doing what we can, including recycling toner cartridges and paper.

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 2005 was around 2.74 million kWh. This region, which includes China, is geographically quite large, so the use of video and Internet conferencing can contribute significantly to environmental impact reduction. Our CO₂ reduction efforts include the installation of energy-saving light fixtures. We have contracted with recycling service companies for the recycling of toner cartridges and paper.

Appendix

Major Performance Data

Financial Performance

The Japanese economy remained stagnant during the spring and summer of 2005, but signs of recovery steadily increased beginning in the autumn. Companies that had recovered profitability through restructuring began expanding capital invest-

ment and hiring, broadening the base of the recovery. Trading on the stock exchange remained within a narrow range through August 2005, but became much more active after that as fears of deflation decreased. In response to the recovery in capital

investment demand, capital raising by listed companies through stock or bond issuance reached new highs. This environment served as the background for the following results.

Major Financial Indicators

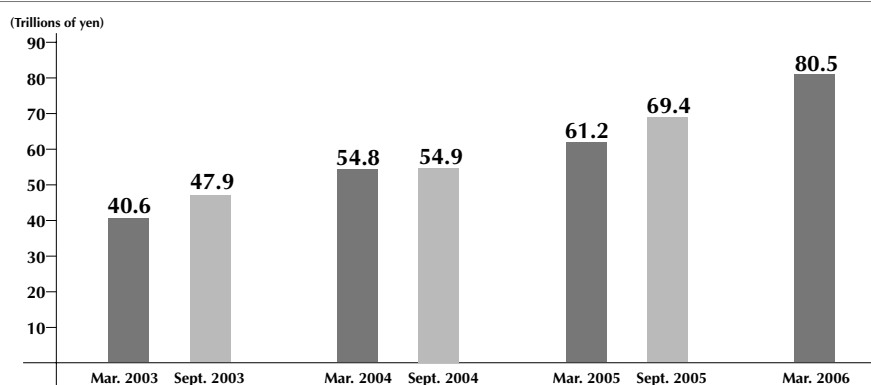
	(Years ended March 31)			
	2003	2004	2005	2006
* Net revenue (¥ millions)	566,274	803,103	799,190	1,145,650
** Income before income taxes (¥ millions)	47,409	282,676	204,835	545,013
Net income (¥ millions)	119,913	172,329	94,732	304,328
Earnings per share (¥)	61.26	88.82	48.80	159.02
Return on Equity (ROE)	7.4%	10.1%	5.2%	15.5%

* Discontinued operations not included
** Continued and discontinued operations

Balance Sheet Data

	(Years ended March 31)			
	2003	2004	2005	2006
Total Assets	¥21.1694 trillion	¥29.7530 trillion	¥34.4889 trillion	¥35.0260 trillion
Shareholder Equity	¥1.6423 trillion	¥1.7857 trillion	¥1.8684 trillion	¥2.0633 trillion
Paid-in Capital	¥182.8 billion	¥182.8 billion	¥182.8 billion	¥182.8 billion

Domestic Client Assets



* Our reported results and figures are in line with accounting principles generally regarded as fair and proper for U.S. securities firms.

Social Performance

This section provides CSR-related data for the worksites of Nomura Securities Co., Ltd., which is the largest company in Nomura Group, as well as a breakdown of community spending. As a good corporate citizen, Nomura Group believes it has a duty to contribute to society, and all

companies in Nomura Group, including those overseas, are engaged in activities and initiatives in their local communities. The Community Spending Graph below shows a breakdown of Nomura Group's community spending for the period April 2005 to March 2006.

Community spending is broken down into the following six categories: Economics and Securities Education Support; Support for Industry-University Collaboration and Research; Support for Culture and the Arts; Social Welfare Support; Regional Support Activities; and Other.

*All employee information is subject to local laws, definitions and customs. These vary greatly from jurisdiction to jurisdiction. Under the laws of each jurisdiction, this data would be different. Consequently, this information is for general purposes only.

Employee Count (Nomura Securities Co., Ltd.)	(Years ended March 31)		
	Total	Male	Female
No. of employees	10,089	5,603	4,486
Average age	38 years 7 months	41 years 4 months	33 years 5 months
Years of employment	15 years 1 month	12 years 1 month	12 years 1 month

Breakdown of Employees by age (Nomura Securities Co., Ltd.)	Total	Male	Female
profile			
Under 30	2,179	924	1,255
30~39	3,167	1,710	1,457
40~49	2,651	1,935	716
50~59	2,092	1,034	1,058

*Nomura Securities Co., Ltd. retirement age is 60.

Female management (Nomura Securities Co., Ltd.)	Female	Male	Ratio
March 31, 2006	34	3,093	1.10%
As of July 2006	51	3,283	1.50%

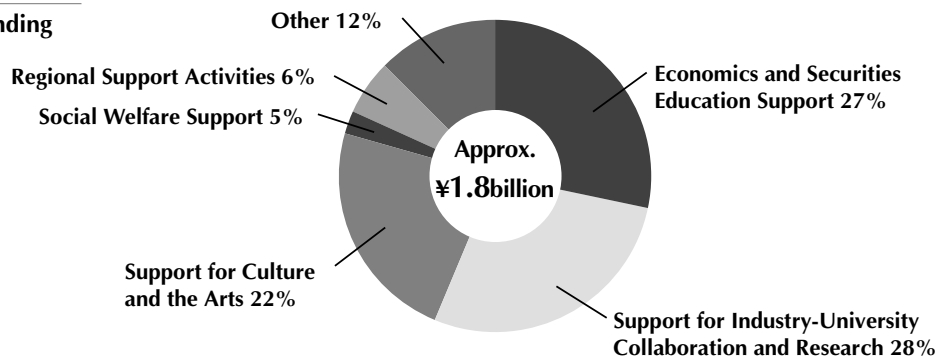
No. of senior, disabled, and non-Japanese employees (Nomura Securities Co., Ltd.)	Existence of Guidelines	Initiatives in place	No. of employees
Senior	Yes	Yes	*45
Disabled	Yes	Yes	**218
Non-Japanese	Yes	Yes	54

*Senior employees (60 years or older; as of June 1, 2006) are all employed on a contractual basis and are not included in employee count data

**The ratio of disabled employees is 1.9%.

Employee Development and Training Costs (Nomura Group)	Nomura Securities	Other domestic subsidiaries	USA	Europe	Asia	Total
Employee Development and Training Costs (Millions of yen)	1,491	97	50	188	27	1,853

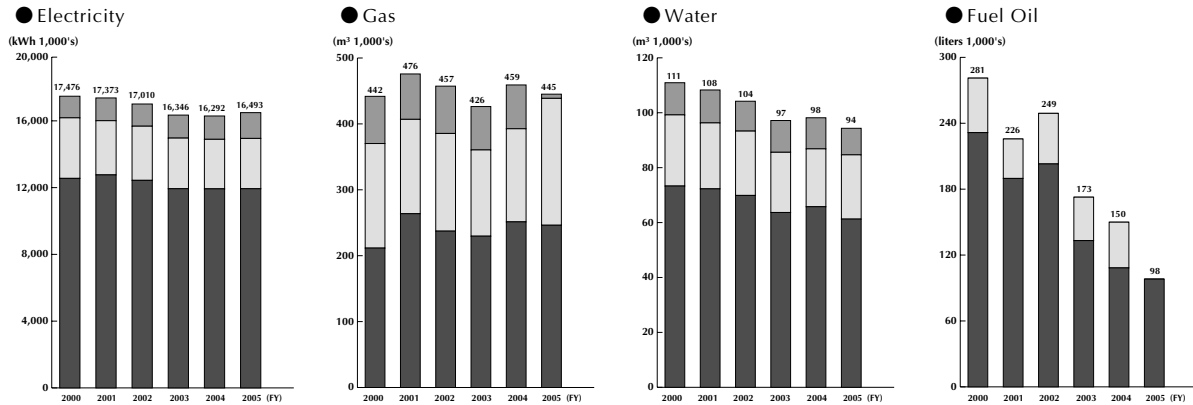
Breakdown of Community Spending (Nomura Group)



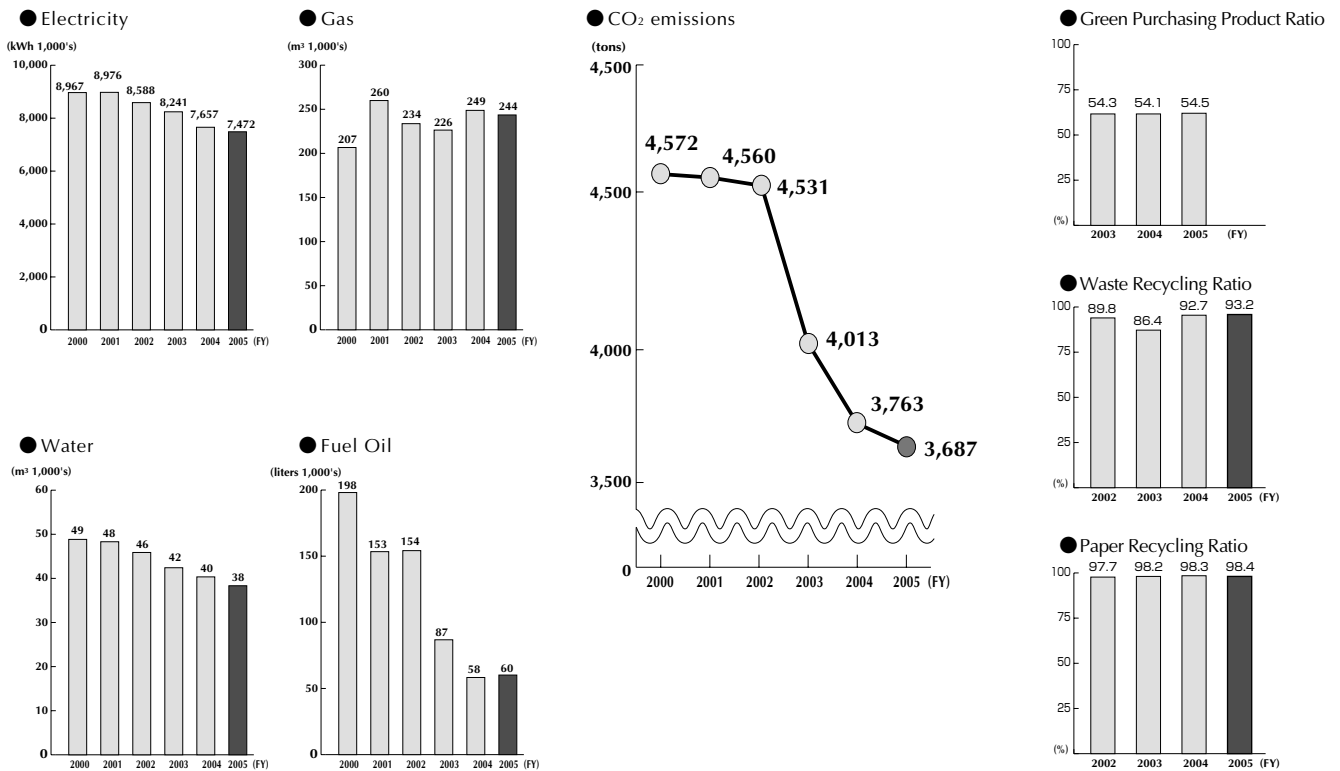
Environmental Performance

The following are details concerning the main contributing factors to Nomura Group's environmental impact, electricity, gas, water, and fuel/oil consumption at our three main offices—the Nihonbashi Headquarters complex (Main Building, Annex, Former Main Building, and Edobashi Buildings 1, 2, and 4) , Osaka Branch, and Nagoya Branch. Also, CO₂ emissions trends for the Nihonbashi Headquarters are outlined below.

Three Main Offices: ■ Nihonbashi Headquarters ■ Osaka Branch ■ Nagoya Branch



Nihonbashi Headquarters Building: Greenhouse Gas Emissions



Corporate History

1925	●Nomura Securities Co., Ltd., established as a spin-off from the Securities Department of Osaka Nomura Bank Co., Ltd.
1926	●Begins operations in Osaka as a bond house.
1927	●New York office opens.
1938	●Obtains approval for stock trading in Japan.
1941	●First to obtain approval for offering investment trusts in Japan.
1946	●Head office moves to Tokyo.
1948	●Registered as a securities firm based on the Securities and Exchange Law.
1949	●Becomes a member of the Tokyo Stock Exchange.
1951	●Obtains investment trust management firm license under the Securities Investment Trust Law.
1960	●Transfers securities operations to The Toyo Trust and Banking Co., Ltd.
	●Nomura Securities Investment Trust Management Co., Ltd. (in October 1997 merged with Nomura Investment Management Co., Ltd., to form Nomura Asset Management Co., Ltd.) established and Nomura Securities transfers securities investment management operations to new company.
1961	●Nomura Securities listed on Tokyo, Osaka and Nagoya stock exchanges.
1965	●Nomura Research Institute, Ltd., (NRI) (merged with Nomura Computer Systems Co., Ltd. in January 1988) established as a spin-off from the Research Department of Nomura Securities.
1968	●Obtains securities firm license under the amended Securities and Exchange Law.
1969	●Nomura Securities International Inc. becomes a registered member of the Boston Stock Exchange.
1981	●Nomura Securities International Inc. becomes a registered member of the New York Stock Exchange.
1986	●Nomura International Limited becomes a registered member of the London Stock Exchange.
1993	●The Nomura Trust and Banking Co., Ltd., established.
1997	●Financial Research Center established as an in-house research facility spun off from the investment research unit of NRI.
1998	●Becomes a securities company registered by the Prime Minister pursuant to an amendment to the Securities and Exchange Law.
2000	●Acquires majority shares of Nomura Asset Management Co., Ltd. This company became a subsidiary of Nomura Securities Co., Ltd.
2001	●Following reorganization into a holding company, the company is separated into a securities subsidiary, Nomura Securities Co., Ltd., and Nomura Holdings, Inc. as the holding company, and the functions are split accordingly between the two companies.
	●Nomura lists its American Depositary Shares on the New York Stock Exchange in the form of American Depositary Receipts.
2003	●Adopts Committee System.
2004	●Nomura Institute of Capital Markets Research established.
	●First CSR Report issued.
	●Nomura Facilities, Inc. established.
2005	●Transfer of operations of Nomura Satellite Communications Co., Ltd. to Nomura Securities Co., Ltd.
2006	●Joinvest Securities Co., Ltd. established.
	●Nomura Healthcare Co., Ltd. established.

Global Reporting Initiative (GRI) Guidelines Index

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● Report Profile

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* “—” stands for N/A.

“see annual” are the items described in the Annual Reports, Financial Statements, and documents submitted to the Securities and Exchange Commission (SEC). Items printed in lighter shades remain unreported.

Independent Review



Kanji Tanimoto

Professor, Hitotsubashi University Graduate School of Commercial Science

Nomura Group's CSR Report devotes the majority of its pages to serious coverage of a broad range of initiatives in areas such as corporate governance and social and environmental efforts. The starting point for the company's CSR efforts can be found in the spirit instilled at its founding, making its corporate vision clear. Since fiscal 2000 the company has issued booklets and cards containing the main points of "Our Ideals" and "Our Collective Will" to all employees so as to establish this vision firmly in their minds, with the goal of gaining society's trust in the company. It is my hope that the company will continue to work to create its new image as a leading company, taking into account all of the experience gained up to that point (including previous scandals). While the CSR Section was established within the Group

Headquarters in fiscal 2004, the change to the Corporate Citizenship Department this year is in line with the goal of strengthening of the company's CSR stance.

While I had known that Nomura Group was putting efforts into creating a CSR Report, it was not entirely clear to me how Nomura Group, as a financial institution, views CSR, or what role the CSR concept plays in the management of the company. I wondered about the place of CSR in Nomura Group's stated "Corporate Vision," and in the activities of its various lines of business. This report makes it easy to understand the importance of the various issues it describes within the overall scheme by clearly outlining Nomura Group's CSR system and goals. By clearly showing how the various CSR issues are handled, what the company's goals are, what strategic initiatives are being engaged in, and what has been achieved over the past year, the efforts undertaken by the company become easier to understand.

The main goal of the annual publication of the CSR Report is to provide information concerning the major non-financial (environmental, social, corporate governance, etc.) aspects of the company's activities over the previous year, and to demonstrate the company's fulfillment of its duty of accountability toward its stakeholders. Viewed from that perspective, the report mainly describes the overall stance taken in each area, but the actual functionality is not easy to see. While significant activities in the area of community involvement are taking place, it is also important in terms of accountability to

show clearly how they fit within the overall policy, why those activities have been selected, whether the actual social results are understood, and what benefits they provide to the company itself.

Generally speaking, the CSR of financial institutions has two basic aspects. The first is the establishment of CSR policies within the company. This is the fulfillment of basic CSR toward shareholders and investors, employees, customers, local communities, and the environment, and the fulfillment of the company's duty of accountability. The second is the role of financial schemes in supporting CSR in the business community. This means the consideration of environmental and social perspectives in financing and investment decisions, and efforts to take on social issues through the creation of new financial products. In the first instance, it is important to undertake genuine efforts to establish CSR policies and gain the trust of society. Once that has been accomplished, the company's work in the second area can achieve validity. A financial institution can function to support the CSR efforts of businesses and boost the social value of their work by offering financial products and services that serve those goals. It is my hope that Nomura Group will play a major role as a financial institution in helping to accomplish the sustainable growth of Japan's business community.

Message from the CSR Executive Officer

This marks the third year of our publishing a CSR Report, and we are pleased that Nomura Group's CSR philosophy is becoming better understood both within and outside the company. Our CSR program is still evolving and, like Nomura Group's business portfolio, has no boundaries to impede its growth. In order to better keep our CSR program in line with the ever-changing social and business environment, we made the decision to establish a Corporate Citizenship Department in July 2006. The editor's postscript of the previous CSR Report noted that in 2004 the organizational structure for CSR had been established with the creation of a CSR team within the Corporate Communications Department, and the current report notes a further change. The creation

of the Corporate Citizenship Department now provides us with an independent nucleus from which we can comprehensively oversee Nomura Group's CSR efforts. I feel that this represents a significant step for Nomura Group. The Corporate Citizenship Department will work with all Group companies to promote good corporate citizenship, such as sponsorships and donations, support for industry-university collaboration, educational activities, and environmental policies. Much discussion is now underway concerning how we can achieve a well-balanced approach to fulfilling our responsibilities to our valued stakeholders: our shareholders, clients, employees, and more broadly-speaking the regions and communities in which we operate. We will continue to re-examine how best to fulfill our role as a good corporate citizen, and look forward to receiving the ideas and opinions of our readers concerning how we might best do so.

Tetsu Ozaki
CSR Executive Officer
Nomura Holdings, Inc.

Further information on Nomura's CSR program is available in the following report and on the Nomura Holdings website.

Nomura Holdings, Inc. Annual
Report (July 2006)



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

CSR (Corporate Social Responsibility) Report 2006

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