

# For Future Generations

CSR REPORT 2010  
Nomura Holdings, Inc.

[www.nomuraholdings.com/csr/](http://www.nomuraholdings.com/csr/)



# Basic Framework of the CSR Report

## Editorial Policy

The Nomura group is using several information media to provide a more tailored CSR presentation that matches the diverse needs of our stakeholders.

The Nomura Holdings, Inc. CSR Report 2010 offers a full, detailed presentation, primarily for investors and experts, focusing on our three key priorities, contributing to the real economy from a client-focused perspective, creating a more prosperous society through our core business, and promoting workforce diversity and inclusion. The CSR Mini-book is an easy-to-understand, concise summary of our initiatives that conveys the overall picture. In addition to these, we send out current news and timely information to all our stakeholders through our website.

In presenting information on the three key priorities mentioned above, the CSR Report 2010 also reviews our efforts from the perspective of For Future Generations, the Nomura group's Corporate Citizenship Goal established in March 2010. "For Future Generations" articles in the report offer more detailed, concrete descriptions of our initiatives for addressing social and environmental challenges as well as our educational and social contribution activities for future generations, including financial and economic curricula.

We hope that as we engage with all our stakeholders through these various information media and contribute sustainable social progress and continued growth for the Nomura group.

## CSR information disclosure by the Nomura group

The Nomura group discloses information through the following reports, websites and other media to convey our CSR efforts to different stakeholders.

### CSR Report

This annual publication presents the CSR efforts of the Nomura group based on GRI (G3) and other applicable guidelines.



### CSR website

Current information on the CSR efforts of the Nomura group is posted to this website.

<http://www.nomuraholdings.com/csr/>



### CSR Mini-book

This simplified booklet describes Nomura group's CSR efforts in an easy-to-understand manner.



### Annual Report

Financial information about the Nomura group is published in its Annual Report, available at:

<http://www.nomuraholdings.com/investor/>



## About the Nomura group and this report

### Head Office

Nomura Holdings, Inc.  
1-9-1 Nihonbashi, Chuo-ku, Tokyo  
103-8645, Japan  
Tel: 03-5255-1000

### Date of Incorporation

December 25, 1925  
Paid-in Capital  
¥599,493 million  
(as of March 31, 2010)

### Business

Investment and financial services

### Report Period

April 1, 2009 to March 31, 2010  
(although some content may be outside this timeframe)

### Issue Dates

This report: September 2010

### Previous Report

August 2009

### Next Report

August 2011

### Entities Covered

Nomura Holdings, Inc., and subsidiaries (although the report also presents information on specific group companies)

### Reference Guidelines

Sustainability Reporting Guidelines (2006) of Global Reporting Initiative and Environment Reporting Guidelines (2007 Version) of Japan's Ministry of the Environment  
Charter of Corporate Behavior of Nippon Keidanren

### For More Information

Corporate Citizenship Department  
Nomura Holdings, Inc.  
Otemachi Nomura Building  
2-1-1, Otemachi, Chiyoda-ku, Tokyo  
Tel: 03-5255-1000 Fax: 03-3278-0687  
E-mail: [csr@jp.nomura.com](mailto:csr@jp.nomura.com)

### Memberships

The Nomura group belongs to and is an active member of numerous business and trade associations, including:  
Nippon Keidanren  
Japan Securities Dealers Association  
The Investment Trusts Association, Japan  
Japan Securities Investment Advisers Association  
The Financial Futures Association of Japan

# Contents

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Basic Framework of the CSR Report 1

Message from the CEO 3

## 01 | Our Approach

Corporate Citizenship Goal 5  
The Nomura Group and Its Stakeholders 5  
CSR Management 6  
CSR Structure 8  
CSR Communication 9

## 02 | Governance and Compliance

Corporate Governance 10  
Risk Management Structure 13  
Compliance 14  
Information Security 16  
Crisis Management 18

## 03 | Business for Sustainability

Implementing a Client-Focused Approach 20  
Providing and Sharing Information 22  
Serving Diversifying Markets and Clients 24  
Addressing Social Challenges through Our Business 26

## 04 | Our Community

Community Contribution 31  
Education and Cultivating the Next Generation 38

## 05 | Our People

Encouraging Employee Initiative 43  
Creating a Diverse and Inclusive Work Environment 47  
Maintaining Occupational Health and Safety 52  
Respecting Human Rights 53

## 06 | Our Environment

Environmental Management 56  
Efforts to Address Climate Change 60  
Going Paperless and Promoting Recycling 63

## Stakeholder Dialogue 66

Nomura Group's Founder's Principles and Code of Ethics 68  
Nomura Group Companies 70  
Independent Review 71  
Closing Thoughts 72  
GRI Guidelines Index 73

# Message from the CEO



The objective of Nomura's CSR, or in other words, its corporate citizenship activities, is to contribute to the creation of a prosperous and sustainable society through our core business: facilitating efficient flow of funds in the financial and capital markets. We will encourage the development of sound financial and capital markets across the globe by proactively responding to the needs of society with a client-focused approach.

## Client-focused business development

The recent financial crisis reminded us how significantly financial institutions can impact society, what challenges are inherent in our business, and how we need to be prepared to manage potential crises. I firmly believe that the communities where we operate expect us to rethink our business model and deliver products and services that accurately meet the needs of society. Since I was appointed president and CEO in 2008, I have been emphasizing the importance of our client-focused approach. We have refocused our business away from proprietary trading and other businesses that potentially result in conflicts of interest with our clients, allowing us to concentrate on the businesses that truly address the needs of clients. Our role in society is to contribute to the development of the real economy on a sustainable and worldwide basis by effectively supporting the economic activities of our

diverse clients including individuals and corporations. We must therefore emphasize the importance of managing our operations while fully recognizing that business and CSR are two sides of the same coin.

## Advancing to the next stage

Everything we have done over the past two years has been a part of our client-focused approach. We have also maintained our management vision of creating change, being world-class, and moving with speed. The acquisitions of parts of Lehman Brothers' operations were necessary to respond to client needs across the globe with speed. Now, with fewer people asking us about how we are managing the integration with Lehman Brothers, we are moving to the next stage as one firm, one team. This means offering the high-quality, world-class products and services that our clients are looking for, and gaining their confidence in our ability to deliver. Our expanded platform has positioned us to offer a broader range of solutions. For instance, during the recent market turbulence in the eurozone, we advised on the reorganization of a Spanish financial institution and acted as joint bookrunner on a bond issuance by the Greek government. We will take part in the rule-making process and respond appropriately to the changing environment. At the same time, we will work to create change through

our businesses. As the effects of the financial crisis fade, we are once again seeing a rise in protectionist sentiment around the world. It is essential that market mechanisms continue to function properly, and we will play our part in ensuring the soundness of the system.

### **Promoting diversity and strengthening governance**

Diversity is one of the strengths we bring to the table for our clients. We are undergoing a process of globalization from within, breaking down silos and connecting our Japanese operations with our international businesses. That is the only way to become a truly global firm. Local people have the most knowledge of their home market. It is critical to deliver value at the local level. After all, a global firm is essentially a collection of local operations. Before the recent acquisitions, our employees represented about 40 nationalities. This has increased to 70. We work at the local level, gathering local information to feed back into our global business to enhance our competitiveness. This is the strength of diversity that we offer. In 2009, we set up a Diversity and Inclusion team within the Human Resources Department in Japan to enforce our efforts in this area. We are just as committed to strengthening our corporate governance. To bring a more international perspective, we welcomed two outside directors to our board of directors who are based in London, the center of our wholesale business. In addition to this new European perspective, in the future we will consider ways to bring American and Asian viewpoints to our board discussions.

### **Our role in society**

Recognizing the importance of becoming more sensitive to social concerns, we pay close attention to the needs of society. We have started focusing on businesses related to social and environmental issues, particularly in the areas of water resources, agriculture, and infrastructure development. These businesses are examples of using the market economy to offer solutions that meet the needs of society. I believe this will lead to sustainable growth and that building these structures is a key role for financial institutions.

This year, we adopted the phrase “For Future Generations” to express the overriding goal of our CSR initiatives. Nomura people all over the world are committed to building relationships with their local



communities and stakeholders and contributing to society through our core business.

We have been heavily involved in financial and economic education for all age groups in Japan since the 1990s. Looking ahead, we will work closer with NPOs and NGOs in order to attain a broader perspective.

Our CSR activities will continue to be conducted through our core business. The financial and capital markets are a platform that makes economic development possible. By respecting market mechanisms and meeting the needs of society we can achieve growth for Nomura and ensure sustainable growth for society.

# 01

## Our Approach

A diverse range of stakeholders around the world supports the business operations of the Nomura group. We believe our primary role is to contribute to the real economy through our core business of facilitating efficient fund flow in the financial and capital markets while generating value for this range of stakeholders.

Toward fulfilling this role as a global financial institution, we established our Corporate Citizenship Goal in March 2010 to be shared across the entire group.

### For Future Generations

#### Our Goal

To ensure our business goals are aligned with providing positive contribution to our stakeholders and the communities where we operate.

We create opportunities for a sustainable future, making sure that the decisions we make today support the success of future generations.

### The Nomura Group and Its Stakeholders

#### Community and Society

We conduct business as a stakeholder of the community and of society as a whole. We understand societal needs through dialogue with residents, non-governmental organizations (NGOs), non-profit organizations (NPOs), and government agencies, and contribute to sustainable development through such activities as projects that address social challenges and public-interest policies.

#### Shareholders and Investors

Individual shareholders, institutional investors, and creditors provide the group with operating capital. We generate value for shareholders and investors by ensuring the proper and timely disclosure of corporate information and generating returns by pursuing sustainable business growth.

#### Clients

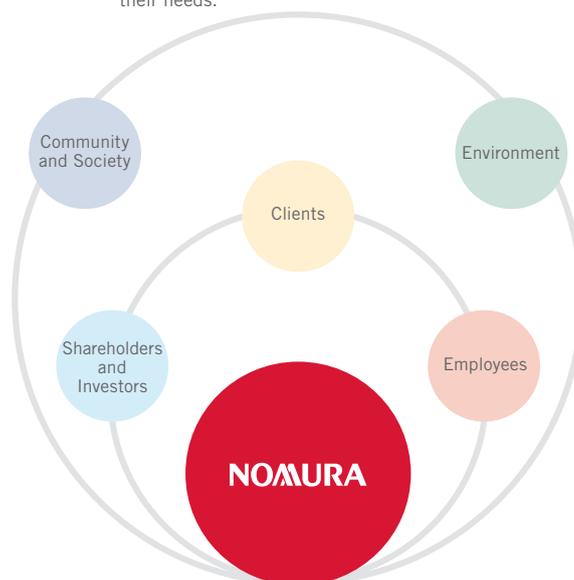
Our clients are individual and institutional investors and private and public-sector organizations with whom we do business and all capital markets participants. We generate value for clients by delivering world-class products and services based on their needs.

#### Environment

Our operations directly and indirectly impact the global environment. In addition to reducing the direct environmental impact caused by our consumption of resources and energy, we help protect the global environment by considering the indirect impact of our finance business and participating in projects that address environmental issues.

#### Employees

Our employees work in offices around the world and add value to the Nomura group. We provide them with value through working environments that optimize the potential of their diversity, opportunities for personal development, and appropriate remuneration for their services.



### CSR Management

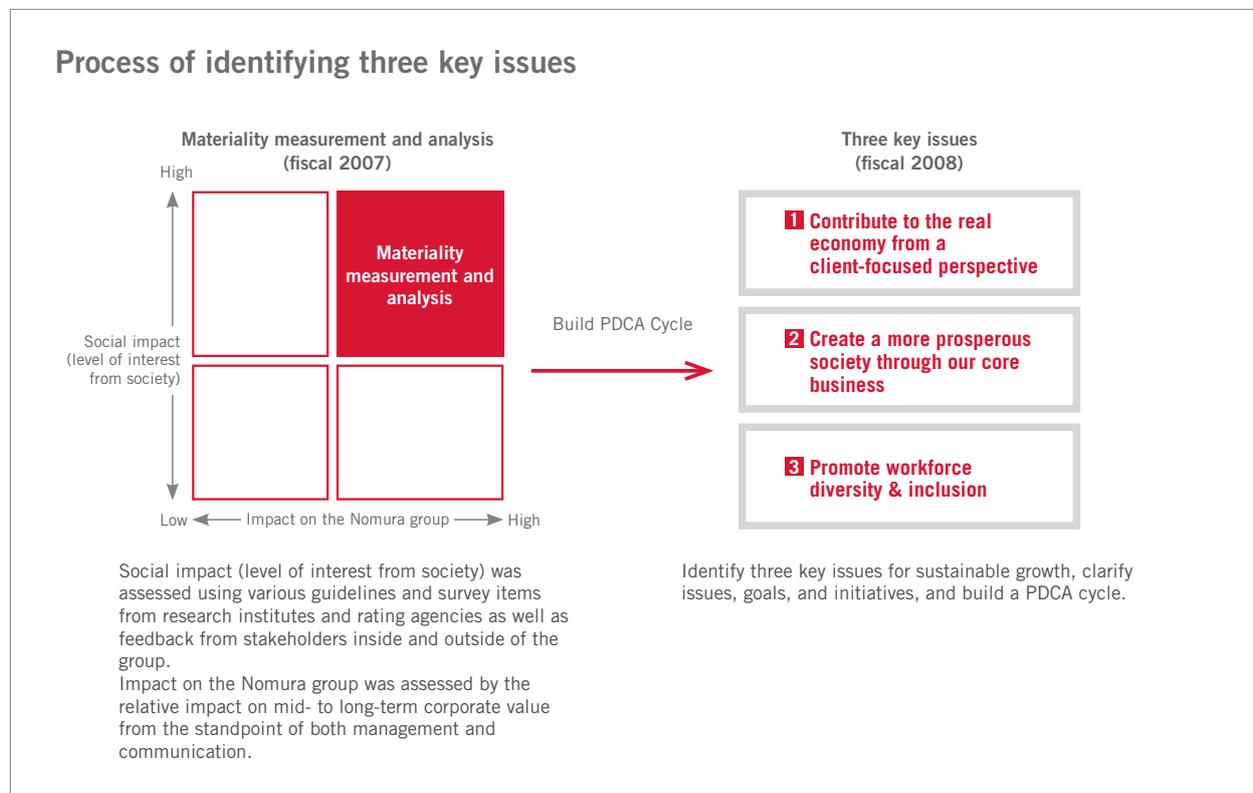
We believe that CSR requires us to contribute to the sustainable development of society through our core business, that is, facilitating efficient fund flow in the financial and capital markets.

In the wake of the recent financial and economic crisis, the financial sector is strongly expected to correctly assess and control the impact of its business activities on society. In response to this social expectation, we have been systematically advancing our management decision-making and business processes by strategically analyzing the group's business impact on the environment and society and by reflecting the findings in these processes, while recognizing CSR as a key element of both risk and opportunity.

Our materiality framework facilitates identifying priorities by assessing issues in terms of their impact from two perspectives: society and the Nomura group followed by PDCA (Plan-Do-Check-Act) cycles.

### Identifying Key Issues

In fiscal 2007, we identified material issues from two perspectives: relative importance in terms of achieving the sustainable development of society and ensuring the sustainable growth of the Nomura group. These material issues are deliberated and continuously incorporated into management considerations from mid- and long-term perspectives and reported in the CSR Report. As a result of a deeper analysis conducted in fiscal 2008, we identified and put into practice three key issues that are closely related to our business processes.



# 01

## Our Approach

### Goals and progress of each key issue in fiscal 2009

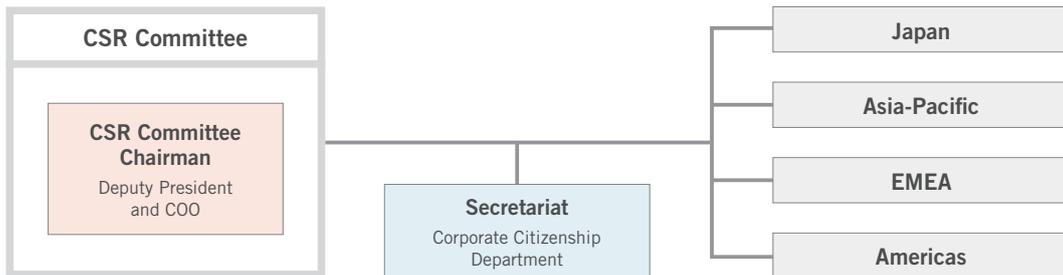
Key issue	Goal	Progress in fiscal 2009
<p><b>1</b> Contribute to real economy from a client-focused perspective (Retail Division)</p>	<p>Offer services that provide a sense of security and comfort to a diverse range of current and potential clients.</p> <ul style="list-style-type: none"> <li>• Establish client- and channel-specific systems and strengthen marketing and services</li> <li>• Provide sophisticated solutions for individual needs</li> <li>• Create an investment environment at branch offices that is comfortable for everyone</li> </ul>	<p>Establishment of client-focused service channels and head office support framework → pp. 20–21</p> <p>Development of channel-specific employee training → p. 22</p> <p>Opening of new types of branch offices and information booths → p. 24</p>
<p><b>1</b> Contribute to real economy from a client-focused perspective (Wholesale Division)</p>	<p>In line with a major trend, in which the real economy develops while global linkages are expanded, we contribute to the real economy through ongoing support of client economic activities.</p> <ul style="list-style-type: none"> <li>• Build a stronger global structure in response to globalization of client activities</li> <li>• Deliver the high-quality financial services that correspond to client demand</li> </ul>	<p>Establishment of Wholesale Division → p. 22</p> <p>Development and reinforcement of a platform to provide coverage tailored to client needs → p. 23</p>
<p><b>2</b> Create a more prosperous society through our core business</p>	<p>Consider the impact of business operations on society and the environment surrounding clients, and ensure cultivation of a sound financial and capital market from a long-term perspective.</p> <ul style="list-style-type: none"> <li>• Extend the reach of our financial and economic education program to a wider range of generations and regions</li> <li>• Actively develop solutions for tackling social issues</li> </ul>	<p>Education and nurturing the next generation → pp. 38–42</p> <p>Addressing social challenges through our business → pp. 26–30</p>
<p><b>3</b> Promote workforce diversity &amp; inclusion</p>	<p>Establish an environment in which every one of our diverse employees can proactively exploit their abilities</p> <ul style="list-style-type: none"> <li>• Increase fairness and trust in employee evaluations with different careers and contracts</li> <li>• Expand educational and training programs and networking opportunities to support career development</li> <li>• Improve the work-life balance support system</li> </ul>	<p>Preparation for and launch of “Nomura Learning Essentials,” a global core curriculum for employees at all of our locations, and improvement of our performance appraisal system → pp. 44–45</p> <p>Expansion of the diversity program → pp. 47–48</p>

### CSR Structure

The Nomura group’s Global CSR structure consists of the CSR Committee, central to the fulfillment of our CSR promotion, and the Corporate Citizenship Department, which functions as a secretariat. The CSR Committee was set up in fiscal 2008 to drive management-level CSR initiatives. Takumi Shibata, Deputy President and COO, chairs this body of five executive officers, which met three times in fiscal 2009. We launched the Corporate Citizenship Department in fiscal 2006 to facilitate inclusive and effective corporate citizenship activities. The department

promotes group CSR management in close cooperation with all of our locations to enable every group company department to deploy independent CSR programs reflecting the nature of their businesses. The department also interacts with stakeholders to effectively respond to their expectations while at the same time bringing in the voices of society to group management and employees. A dialogue between CSR Committee Chairman Takumi Shibata and an external expert is found in this report. → pp. 66–67

### CSR implementation platform



### Overview of CSR Committee deliberations in fiscal 2009

- First meeting** • Progress and issues related to global CSR and corporate citizenship activities
- Second meeting** • Global CSR and corporate citizenship structure and operations
- Third meeting** • Establishment of the Nomura Group’s Corporate Citizenship Goal

## CSR Communication

We believe internal and external communications are the keys for effectively promoting CSR activities. The self-motivated actions of group companies and departments are also essential because they are directly and indirectly related to the various stakeholders. To maintain high CSR momentum across the group, we actively communicate through information sharing, education and training, and awareness-raising activities. We keep external stakeholders informed by disclosing CSR reports and other data, conducting seminars and symposia, and assisting educational institutions. At the same time, we reflect the needs of society in our operations by engaging with all our stakeholders in decision-making related to business and social contribution initiatives.

## CSR Disclosure

We release CSR-related information through our annual CSR report and website. Through these media, we present an overview of our current status and initiatives related to the economy, society, and the environment, the three fundamental aspects of CSR, as a means to deepen stakeholders' understanding. Non-financial information such as ESG\* data required for companies is regularly disclosed through our CSR report as well as our website.

\* ESG: Environmental, social and governance aspects of management

## Building Employee Awareness

We are building employee awareness in different ways to make sure that all employees thoroughly understand their corporate social responsibilities and to deepen their awareness of group CSR activities and processes. We run communication programs to share the content of our annual CSR reports after they are released. In 2009, these programs included top management messages and feature articles as well as environmental training reports. Through our Corporate Citizenship site on our intranet, accessible to group employees worldwide, we intend to send out information that supports business and CSR integration by introducing group CSR activities, provide content that develops a basic knowledge of CSR, and post the latest CSR news every week.

# 02

## Governance and Compliance



**We intend to remain closely aligned with society and gain public trust through proactively communicating with our stakeholders.**

**We maintain firm management oversight and internal controls to safeguard organizational transparency and integrity.**

**Compliance is a top management priority and we have fostered ethical behavior among employees through strengthened management systems and employee education.**

### Corporate Governance

#### Corporate Governance Structure

Nomura Holdings instituted a committee-based corporate governance system in June 2003. Most members of the Nomination, Audit, and Compensation Committees are outside directors for optimal oversight and transparency. We delegated considerable authority to executive officers to accelerate decision-making. Seven (58%) of the 12 people on the board of directors are outside directors. Ten directors (83%) of the board do not serve concurrently as executive officers. From this year, two outside directors, Lord Colin Marshall and Dame Clara Furse, joined the board, both of whom will draw upon their deep, international experience primarily in Europe as well as their independence to oversee Nomura's management, including global business development.

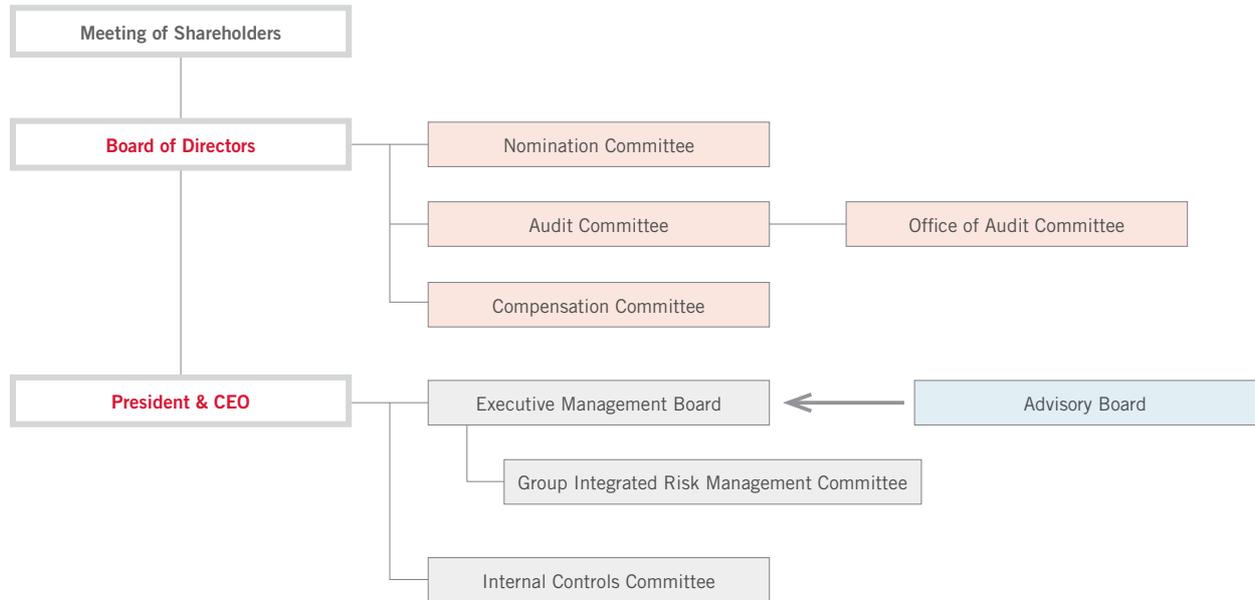
The three-person Nomination Committee, which includes two outside directors, is authorized to determine the particulars of proposals concerning the election and dismissal of directors to be submitted to a general meeting of shareholders.

The three-person Audit Committee is authorized to audit the execution of duties by the directors and executive officers and their formulation of audit reports. The committee also determines the particulars of proposals concerning the election and dismissal of independent auditors and the non-retention of such auditors to be submitted to a general meeting of shareholders. All three members are outside directors.

The three-person Compensation Committee, which includes two outside directors, is authorized to determine policies related to determining the particulars of compensation for each director and executive officer, and the particulars of compensation for each director and executive officer.

The Executive Management Board, Group Integrated Risk Management Committee and Internal Controls Committee deliberate and decide on the execution of particularly important matters as delegated by the board of directors to executive officers. In addition, an Advisory Board to the Executive Management Board receives comments from those outside the company, including corporate executives.

### Management structure of Nomura Holdings

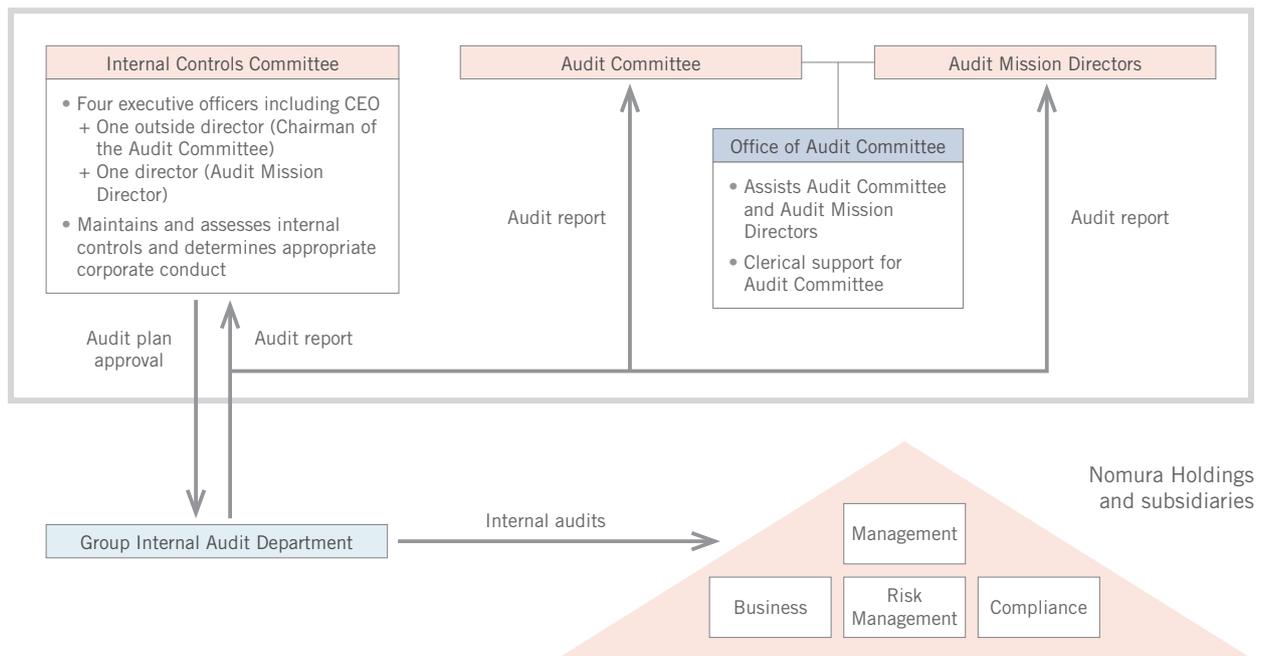


### Internal Controls System and Processes

The board of directors and the Audit Committee, the latter consisting of a majority of outside directors, play central roles in overseeing executive officers. A non-executive director chairs the board of directors to maintain focused oversight, and all members of the Audit Committee are external appointments to guarantee independence from management. An internal controls system established by the board of directors ensures that audits are properly and thoroughly conducted. The Audit Mission Director position is

assumed by a non-executive, full-time director well versed in our business and corporate affairs, while the office of Audit Committee provides overall support. The Group Internal Audit Department operates independently of all business divisions and directs internal audit departments at key subsidiaries to assess internal controls at Nomura Holdings and its subsidiaries. The Internal Controls Committee guides this department, which reports to business lines, the Audit Committee and the Audit Mission Directors.

### Internal controls system



### Disclosure

Our statement of global corporate policy regarding public disclosure of information sets out policy directives that protect confidential information while ensuring timely and appropriate disclosure. The statement adheres to the U.S. Securities and Exchange Commission's regulation on fair disclosure, which forbids companies from sharing key information with certain parties such as analysts or institutional investors before its release to the general public, thereby protecting fair and equal access for all investors to information concerning the group.

In accordance with this policy, Nomura Holdings established a Disclosure Committee. The committee decides on matters related to the release of material information, the Securities and Exchange Commission Form 20-F\* and other mandatory documents, Japanese annual securities reports and other data. The committee also plays a central role in documenting internal controls and evaluating the effectiveness of financial reporting under Section 404 of the Sarbanes-Oxley Act. The relevant operations of Nomura Holdings, Inc., Nomura Securities Co., Ltd. and other major consolidated subsidiaries in Japan and abroad are documented and appear as key items in financial statements and disclosure items.

The Group Internal Audit Department tests internal controls and reports its assessments to the Disclosure, Audit and Internal Controls Committees.

\* Form 20-F: Annual report of financial statements in compliance with U.S. GAAP (Generally Accepted Accounting Principles). Companies that are publicly listed on a securities market in the United States are required to file this form with the U.S. Securities and Exchange Commission.

### Risk Management Structure

Our business activities are inherently subject to various risks, including market and credit risks, operational risks, system risks and risks resulting from external events. Managing those risks is an integral part of management's responsibilities to secure fiscal health as well as to contribute to the maintenance and expansion of corporate value. Our risk management framework and governance structure is intended to provide comprehensive controls, monitoring and reporting.

#### Key issues and structure related to our risk management include:

- Proactive senior management commitment to risk management
- Strengthening of the risk management structure by conducting stress and scenario analysis led by a Chief Risk Officer (CRO)
- Integrated management based on risk appetite\*1 as defined by the Group Integrated Risk Management Committee\*2
- Risk management conducted by risk management departments that cooperate worldwide as well as by individual operations divisions

\*1 Risk appetite is a risk tolerance criterion based on the management strategies, goals and vitality (financial grounding) of the entire group.

\*2 The Group Integrated Risk Management Committee (GIRMC) is chaired by the CEO and includes the COO, business division CEOs, CRO (Chief Risk Officer), and other persons designated by the CEO. Under the direction of the Executive Management Board, GIRMC is responsible for deliberating and deciding on important risk management issues for the Nomura group.

#### Risk management structure



### Operational Risk Management

The Nomura group operates within a global framework for managing operational risks that have been included in the scope of risk measurement under Basel II\* in addition to market and credit risks, which are associated with the direct loss of assets, mainly trading assets.

We define operational risk as the risk of loss resulting from inadequate or failed internal process, people and systems or from external events.

The framework for the management of our operational risk is outlined in the Operational Risk Management Policy approved by the Group Integrated Risk Management Committee (GIRMC). Furthermore, our corporate Operational Risk function, as part of the Global Risk Management Department, is developing a global Basel II compliant framework. We assess and appropriately control risk through this framework, monitor and report operational risk to senior management, and continually inform and train employees to become more aware of operational risks and their potential impact on the organization. Please review the details of risk management, including market and credit risks, described in our 20-F.

\* Basel II is a regulation on capital adequacy ratio introduced at the end of March 2007 on the three pillars of: (1) minimum capital requirements; (2) supervisory review process; and (3) market discipline. Operational risk measurement was recently introduced to calculate capital adequacy ratio, as methodologies for calculating credit risk became more sophisticated.

## Compliance

### Compliance Structure

We work to prevent behavior that may give rise to suspicion of violations of legal regulations. Should such issues arise, all related information is promptly transmitted to management without exception, and systems have been put into place to deal with these appropriately. In addition, in accord with the Regulations of Nomura Group Management Structure, all group companies comply with laws and regulations that have been enacted for the industries where they engage in business activities and supervise compliance based on their internal regulations. In addition, improvements have been made to unify group companies' compliance systems, for example with the appointment of Compliance Officers and the creation of the Compliance Hotline.

To further strengthen the system for internal controls at the group's companies both in Japan and overseas, on April 1, 2007, we created the position of Group Compliance Officer and subsequently established a Group Compliance Department on July 1, 2007. Moreover, in order to respond to global business expansion and to strengthen our internal control system, we appointed a Wholesale Compliance Head on April 1, 2010.

A compliance department fosters cooperation within the group by holding regular meetings such as global compliance meetings, which will help to ensure an effective system of controls.

### Compliance Officers

Each Nomura group company in Japan 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. Matching each company's system, some group companies appoint Compliance Officers for each department, while others appoint one or several Compliance Officers 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 social standards from the standpoint of corporate ethics. Nomura Group Compliance Officers attend annual training seminars. These events reinforce awareness of their responsibilities and raise awareness within the Nomura group of the need to observe a unified compliance policy and set of regulations. Nomura Securities Co., Ltd. has established a Compliance Program, which is a detailed action plan for compliance, and developed its compliance structure based on this program. In addition to initiatives for the overall group, a Compliance Committee is also in charge of establishing the internal controls system and discussing important matters involving internal controls, in order to enhance the compliance system. Branch offices and departments hold monthly compliance awareness sessions concerning compliance-related topics provided by the head office. Training is provided using materials prepared for each branch office in a format for easy comprehension by employees, with Q&A sessions also used to clarify topics.

### Compliance Hotline

Our employees in Japan who have become aware of actions that may violate laws and regulations are able to report their concerns directly to NHI management through the Compliance Hotline. This hotline also allows such reports to go directly to an outside director as well as a legal supervisor (an independent legal attorney), in addition to the designated executive officer at NHI, information may be given anonymously, and employees have been informed that measures are in place to ensure that individuals who give their name when reporting violations do not suffer any negative consequences from their actions.

### Code of Ethics

The Nomura Group Code of Ethics promulgated in March 2004 covers all our executive officers and employees. It embodies Our Founder's Principles and stipulates the corporate governance issues and social responsibilities each group executive and employee is expected to observe. Training sessions instill complete understanding of the code. Each year, executive officers and employees renew their pledge to uphold its tenets. The full text of this code is available in this report. → [pp. 68-69](#)

## 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 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 Management

Appropriate management of client data is essential in order for the Nomura group to keep the trust of our clients and shareholders, and systems are in place to manage personal and corporate information that we store for our business operations. Going forward, we will continually enhance these systems as well as education and training for executive officers and employees, so that we rightfully earn the confidence of clients and shareholders.

### Nomura Group Information Security Policy

This policy sets out basic principles for safeguarding the security of information. Each company in the group maintains its own supplemental rules based on the policy and continually improves the management of information supplied to clients according to business requirements. Executive officers and employees can review our information security regulations on our intranet.

### Nomura Group Information Security Committee

We established this committee to deliberate key information security issues. The President & CEO appoints an executive officer to serve as the chairperson, who chooses executive officers and employees as members. The committee reports as necessary to the Group Management Committee.

### Assignment of Information Security Managers

All Nomura Holdings, Inc., Nomura Securities Co., Ltd., Nomura Asset Management Co., Ltd., and The Nomura Trust & Banking 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 providing their staff with advice and guidance in this regard.

### Complying with Personal Information Protection Legislation

The Nomura group handles personal information about its many customers with care, and efforts regarding personal information are very important. We handle customers' personal information with extreme care, complying with personal information protection-related laws and regulations as well as the Nomura Group Privacy Policy and the aforementioned information security-related rules.

Nomura Securities Co., Ltd. appointed an Information Security Manager and a checker for each department to thoroughly safeguard personal information by overseeing the management or handling of the following items.

- The status of personal information management before leaving the office
- Electronic files containing personal information
- Personal information ledgers
- Contractor pledge forms, statements, etc.
- Procedures controlling the removal of client information outside the company
- Responses to disclosure requests
- Training and other activities related to information management
- IDs/passwords
- E-mail correspondence with parties outside the company and information terminals
- Corporate information
- External recording media
- Information the company delivers by fax
- Access logs during late night hours and holidays

### Privacy Policy

The 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 otherwise mandated or required for an appropriate reason, such disclosure shall not occur without the consent of the individual.
- ③ Thorough training will be provided to officers and employees 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 personal information is provided to an external contractor, the applicable group company will take responsibility for ensuring that said external contractor has proper systems in place to protect the privacy of such personal information.
- ⑤ All requests from individuals for the disclosure, correction, and usage termination of personal information shall be carried out in accordance with all relevant laws and regulations.
- ⑥ Each Nomura group company will establish a customer consultation service and continually review and make improvements as necessary to the personal information privacy management system.

### Crisis Management

Individual Nomura group companies have had disaster and system failure response strategies in place for some time. Following the terrorist attacks in the United States on September 11, 2001, the group's response plans for all potential crises have been reworked.

The Nomura Group Crisis Management Policy is the basic policy for responding to likely crisis scenarios that would cause major disruption to our business.

In April 2005, we established the Nomura Group Crisis Management Committee, which set about addressing issues of crisis management for the group as a whole. One specific measure has been the creation of an employee safety confirmation system, which in any emergency situation (following a natural disaster, for example) will enable the Crisis Management Committee to confirm the safety of all of our employees as well as their family members. In addition, ongoing endeavors are also being made to foster awareness of crisis management through education and practice drills.

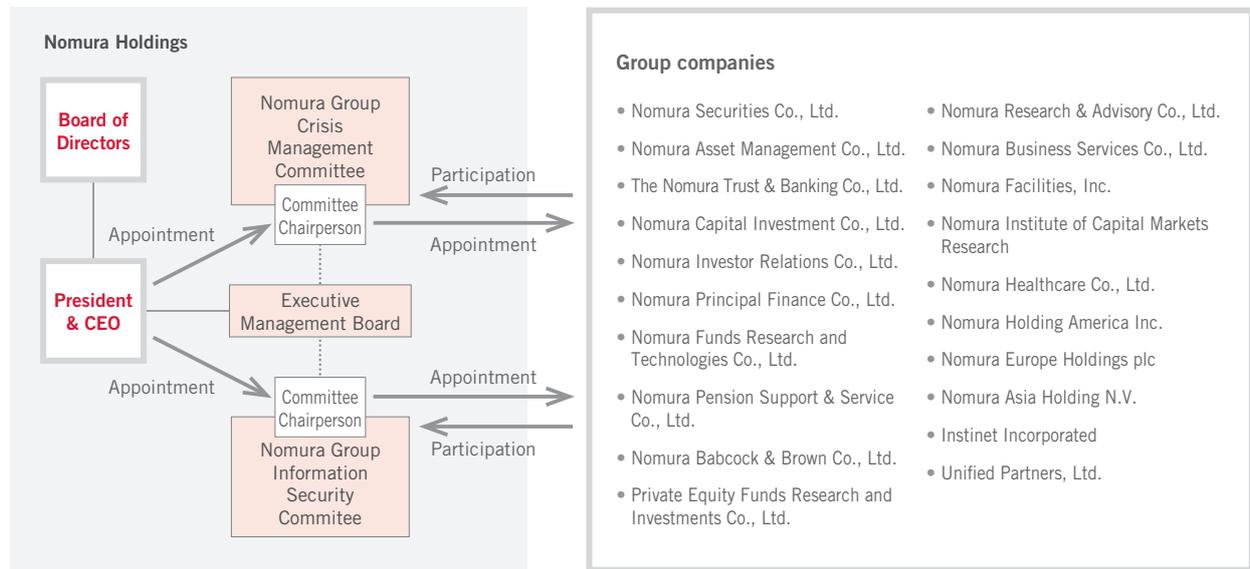
#### Nomura Group's Crisis Management Committee

The Crisis Management Committee is chaired by an executive officer nominated by the President & CEO, and is comprised of crisis management officers of each group company worldwide. Outside of emergencies, the committee functions as the governance entity for both crisis management and business continuity management, and during an emergency it will work to resolve the crisis by creating a task force and closely coordinating a response with the department affected and other supporting departments.

#### Nomura Group's Basic Policies for Crisis Management

From an awareness that crisis management is vital and necessary to our sustainable growth, when not dealing with a specific crisis all group companies implement strategies to prevent crises before they occur. The basic policy in the face of a crisis is to take appropriate action quickly and establish a clear line of command.

#### Information security and crisis management systems



**BCP (Business Continuity Plan)**

Nomura Securities Co., Ltd. and other group companies have already drawn up Business Continuity Plans (BCPs), and both backup offices and backup data centers have been established to ensure the minimum necessary level of business continuity should a disaster strike. In addition, the Nomura group's BCP is now under development in preparation for a major earthquake that could strike Tokyo, or the potential outbreak of a new strain of influenza.

**Emergency Contact Systems**

Group companies in Japan have instituted systems to ensure employee safety and an emergency contact network that a group command center will oversee. There is also a group contact system.

**Crisis Drills**

Drills are essential to maintain and improve crisis management routines and business continuity. Nomura group companies use various drills to identify shortcomings and refine their plans.

# 03

## Business for Sustainability



**The Nomura group is committed to client-focused operations that meet the expectations of a broad spectrum of clients. Our framework, combining Retail and Wholesale Divisions, enables us to pay attention to clients' needs and orchestrate business activities across the entire group. We strive to maintain our position by providing information on product content and risk, while sharing information with our clients. We are also committed to playing an integral role in resolving social issues through our core financial business.**

### Implementing a Client-Focused Approach

Our client-focused management approach is based on maintaining an essential stance of integrity. Nomura is an organization that can promptly respond to market demand.

With strategies tailored for each region, and comprehensive human resource development, we continually enhance our services to satisfy the individual needs of clients.

We established the Wholesale Division to enhance our ability to deliver optimal solutions to clients who are broadening their scope of business in a rapidly expanding global marketplace.

#### Retail Division Initiatives

We emphasize a face-to-face, consulting-based marketing approach across our 173 branches (as of the end of July 2010) in Japan. This is to provide finely tuned guidance for every customer. Our area strategies focus on delivering even greater convenience by opening new branches that reflect the local market, and also on deepening cooperation among branches.

This style of face-to-face marketing offered by Nomura provides a sense of security and forms the foundation for a robust customer base that has steadily grown over the years. Client-focused service channels are constructed with head office support systems that are developed for the specific mission of each channel in a concerted, groupwide effort to improve customer service.

At the same time, we are concentrating on online marketing and contact centers to address effectively the underlying challenges posed by diversifying client demand. For example, our integrated marketing capabilities and unified marketing strategies are further reinforcing our organizational marketing strength and Internet services, including the corporate website, Nomura Home Trade and Nomura Joy.

Our contact centers are prepared to respond quickly and accurately to client needs with considerable emphasis on developing operators who understand the needs of clients. All of these efforts reflect additional means for safeguarding Nomura quality as the sense of security and trust fostered through face-to-face marketing.

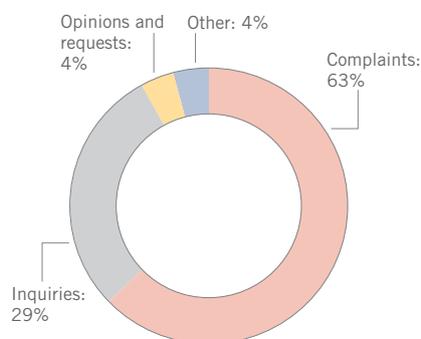
From the perspective of our business structure, a growing customer base is expecting us more than ever before to ensure our products and services closely

align with client attributes and investment resources. We have crafted our sales channels to become more client-focused and provide the best possible services for diverse needs. In terms of human resource development, we make use of satellite and web-based conferencing systems in addition to group programs to deliver training to employees as required, anytime, anywhere. We have also stepped up channel-specific employee training to improve understanding of specific client needs and deliver the best products and services for each type of client.

### Customer Help Desk Department Initiatives

Nomura Securities Co., Ltd.'s Customer Help Desk Department was originally established as the Business Consultation Department in November 1991 and given its current name in October 2006. The department operates a toll-free number for customer feedback and complaints to provide assistance for a broad range of issues. The department earnestly addresses the comments forwarded through branch offices, phone calls, letters and e-mails to the head office and other channels. It also requests that the related branch offices respond to complaints and offer advice and guidance. After analyzing client comments and requests, the department directly reports its findings to executives and related head office departments along with recommendations for incorporating customer feedback into group operations. We intend to continue these initiatives and further strengthen our credibility in the eyes of our clients.

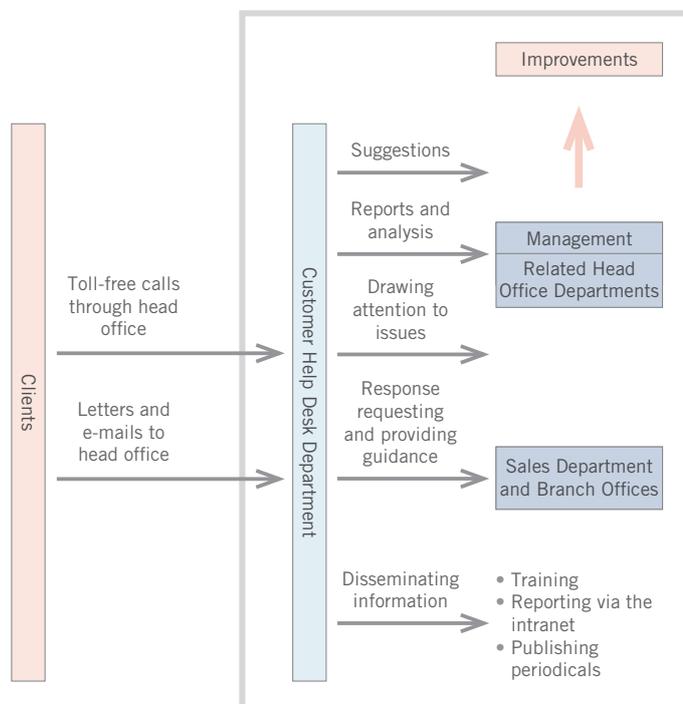
### Customer Help Desk Department report log



Type of Call	Number of Calls
Complaints	4,030
Inquiries	1,822
Opinions and requests	230
Other	227
<b>Total</b>	<b>6,309</b>

From April 2009 to March 2010

### Responding to client feedback



### Wholesale Division Initiatives

The Wholesale Division was established in April 2010 and encompasses the Global Markets, Investment Banking and Merchant Banking businesses. The creation of the new division signifies Nomura's commitment to enhancing its global business and will promote greater synergies between the wholesale businesses as well as across regions. Deputy President & COO Takumi Shibata concurrently serves as CEO of the Wholesale Division.

Jesse Bhattal, Executive Vice President, was appointed as President and COO of the Wholesale Division. Mr. Bhattal was also appointed to Nomura's Executive Management Board and will be committed to the management of the overall Nomura group. This framework fortifies our worldwide governing structure while extending the range of our solutions through stronger coordination across business lines, thereby enabling us to respond to all of our clients' needs. To reinforce our platform for providing coverage that corresponds to client characteristics, we reviewed the client service system of our investment banking business in Tokyo. We categorized corporate client business units according to client attributes and increased the functionality of our operations for specific characteristics to improve services while maintaining full coverage. In this way, we will strengthen worldwide coordination to engage actively in cross-border and cross-sectoral M&A and consolidation deals.

The globalization of financial and capital markets has driven corporate and institutional clients to also operate in a worldwide context. The Nomura group coordinates the management of our operations in Japan, Asia-Pacific, EMEA (Europe, Middle East and Africa) and the Americas, thereby bolstering our worldwide information database and human resources and establishing a structure for meeting sophisticated client needs quickly and effectively.

### Providing and Sharing Information

Sharing information with clients is fundamental to our business. This means providing data and information from our international research team with speed and accuracy in addition to legally mandated information. We have improved access to the diverse, international information sought by our clients. We are also cultivating sound financial and capital markets through communication and education efforts such as Support Dial, seminars and lectures.

### Retail Division Initiatives

We examine the financial products we offer to clients, provide accurate information about these products, and ensure that all documents are clear and easy to comprehend. Informed choice is essential; therefore we thoroughly assess client understanding of financial products and their investment resources before detailing their investment options. We then provide complete and accurate explanations to support their decisions. In adopting this approach, we fully comply with the Financial Instruments and Exchange Law as well as other relevant laws and regulations. We also demonstrate our commitment as a responsible financial services business in the areas of product origination, information provision and business solicitation. A client-focused commitment is also important for providing clients with the information they require and as they need it. The Nomura group fully deploys its international research capabilities to deliver the information that clients desire in clear, plain language and in a timely manner. Furthermore, branch offices conduct joint seminars and lectures with local groups and organizations as these are valuable opportunities for maintaining close relationships with clients in their respective regions.

### Asset Management Division Initiatives

Nomura Asset Management (NAM) endeavors to make information more accessible to clients by conducting seminars and investment performance briefings and with Support Dial. It convenes approximately 8,000 gatherings every year, comprising study sessions for sales company personnel as well as seminars and performance briefings for individual investors at Nomura Securities Co., Ltd. branch offices, banks, and branches of the Japan Post Bank in Japan. In addition to performance briefings for clients who already own investment trusts, we provide clear, straightforward explanations to help prospective first-time purchasers better understand asset management and investment trusts. These activities also help us discover emerging investment needs and then apply those findings to deliver high quality products and services.

NAM maintains a toll-free number for inquiries from individual investors and investment trust marketers at securities companies, banks, and branches of the Japan Post Bank. The service answers questions about investment and investment products for clients who already own investment trusts and prospective first-time purchasers.

### Wholesale Division Initiatives

We conduct various seminars across the globe to connect our corporate clients with institutional investors.

The 12th Nomura Investment Forum held in Tokyo from the end of November to early December 2009 gathered about 150 leading companies from Asia, including Japan, providing a place for focused, face-to-face discussions among top executives and a large number of institutional investors, including those from Japan and abroad. The forum also offered a rich lecture program inviting specialists from all over the globe and gathering economists, strategists and analysts from Nomura group offices worldwide.

We also held other events globally to provide our clients with valuable information and opportunities. These include the 6th Nomura Asia Equity Forum in Singapore in July 2009, as well as the annual Italian Investor Conference and the German Swiss Conference, both aimed at connecting European corporations with Japanese institutional investors.

As a tool for communicating with clients, the portal site Nomura Now provides information on stocks, bonds, quantitative analysis, economy and foreign exchange with a global perspective and in a unified, speedy manner. By accessing a single platform, clients obtain information on stocks and interest rates in Japan and other countries from diverse research reports, market data and analytical tools of macroeconomics. The portal currently serves approximately 45,000 clients. To respond to the needs of our global client base, its contents are presented in English, Japanese and Chinese.

Internet site IB Wave delivers analyst reports, uploaded twice daily, from the Nomura Securities Co., Ltd. Financial & Economic Research Center to approximately 1,500 corporate clients.

## Serving Diversifying Markets and Clients

We encourage first-time investors to become more familiar with investment opportunities through branch offices and information booths.

As the market diversifies, we are putting considerable effort into developing new markets and improving services to clients who invest in them.

### Retail Division Initiatives

Nomura Securities Co., Ltd. operates branch offices in Kamakura and Tsurumi in cooperation with the popular St. Marc Cafe chain. In a relaxing coffee shop atmosphere, clients can access investment information and seek advice while enjoying their favorite beverage. Features such as large tables with touch-screen monitors in common areas make it easy to learn about investing. Clients can also use NOMURA CUBE information booths to simulate investment transactions and obtain investment information through data terminals. Even those with little computer experience can comfortably operate the screens with the help of our staff. A virtual net branch also provides information about our services and more opportunities for releasing announcements.

We intend to make greater use of these tools to increase the visibility of Nomura Securities to those who may never have considered investing and help them become more familiar with the available opportunities.

### Making Branches Universally Accessible

Nomura Securities Co., Ltd. is working to make all of its facilities universally accessible to all, including the elderly and the physically challenged so they can take better advantage of our services.

We are also installing more automatic external defibrillators (AED) to be prepared for possible customer emergencies.

#### Number of universally accessible branch offices

Certified universally accessible	30
With toilets for the physically challenged	65
With elevators for the physically challenged	50
With steps removed from entrances and exits (with ramps, elevators or no steps)	129
With installations to mitigate entrance and exit steps (railings or step heights reduced)	15

#### Number of locations equipped with AED

Locations equipped with AED	9
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### Full-scale Entry into the Islamic Financial Market

Islamic finance requires consideration for religious prohibitions such as the paying and receiving of interest and investment and loans to businesses associated with alcoholic beverages or gambling.

We have been expanding our network into traditional financial services to address financing needs in the Muslim community. In 2008, Nomura Securities received a securities license in Saudi Arabia as part of its efforts to deliver financial services rooted in the local community.

The first company in the Nomura group to offer Islamic financing services was the Nomura Asset Management Co., Ltd. (NAM), which had been offering investment products in line with Islamic doctrine for overseas investors. In 2008, NAM fully launched its Islamic investment services by setting up an Islamic investment company as the first Japanese investment company in Malaysia, a country that has been aggressively seeking to improve its environment for securities markets to be “the Islamic financial center of Asia.”

In July 2010, we issued the first Islamic bond (Sukuk)\* of a Japanese financial company in Malaysia. Going forward, the entire group will accelerate initiatives in Islamic financing services.

We are working to reinforce further our system to meet financial needs in the Muslim community, which accounts for 23 percent (about 1.6 billion people) of the world’s population. These efforts include sharing information based on specific market characteristics through collaboration with our regional teams.

\* Sukuk is also referred to as the “Islamic bond” because of its similarity to bonds in financial terms. Whereas bonds carry interest, Sukuk does not, as the paying and receiving of interest is prohibited under Islamic law. Instead, investors receive dividends from the income generated by assets and businesses, such as leasing owned by the Sukuk issuer or joint capital of the issuer.

## Addressing Social Challenges through Our Business

The Nomura group understands the importance of addressing environmental, water and food resource issues, infrastructure development and other social challenges around the world through the core financial business of the group.

We foster the sustainable development of society by creating socially responsible investment (SRI) funds, engaging in research, holding conferences, and leveraging our comprehensive capabilities in other ways, thereby providing clients with new investment opportunities through the financial and capital markets.

### Environmental Support Bonds

Given the increasing concerns over climate change, the Nomura group is bridging the needs of individual investors who wish to participate in environmental solutions with the funding needs of climate change mitigation efforts worldwide to contribute to society through our core business.

In January 2010, Nomura Securities Co., Ltd. sold environmental support bonds issued by the Nordic Investment Bank (NIB), whose major focus is on environmental protection. NIB strongly supports related projects, including development of cleaner production technologies and renewable energy sources that curb greenhouse gas emissions.

The proceeds generated by environmental support bonds will be invested in various projects, such as the development of manufacturing technologies that curb greenhouse gas emissions and power generation facilities that use renewable energy sources. Investments will be made through NIB's Climate Change, Energy Efficiency and Renewable Energy (CLEERE) lending facility that has a one-billion-euro framework.

### Participating in the Environmental Island—GREEN FLOAT

In May 2010, Nomura Securities Co., Ltd. concluded an agreement with Shimizu Corporation and the Super Collaborative Graduate School project comprising 14 universities nationwide, including The University of Electro-Communications, to promote research into the technologies needed for realizing the Environmental Island—GREEN FLOAT, envisioned by the Shimizu Corporation.

Green Float is a new environmental model city concept involving the construction of an artificial island floating in the Equatorial Pacific using cutting-edge environmental technologies to achieve a carbon negative system and zero waste toward addressing global warming as well as energy and waste problems among others. Turning the concept into a reality will require financial support and innovative technologies. Nomura Securities Co., Ltd. is encouraging the participation of major companies across the world, leveraging the Nomura group's global network.

<http://www.shimz.co.jp/english/theme/dream/greenfloat.html>

### Toward Sustainable Water Resources

The United Nations estimates that about 1.1 billion people, or about one sixth of the world's population, lack access to potable water. Securing water resources is therefore a priority issue around the world that requires urgent action.

With comprehensive maintenance and operational expertise in water and sewage systems, major companies in the United States, Europe and Singapore currently command an overwhelming share of the world's water business markets. On the other hand, Japanese companies, despite their outstanding water treatment technologies, lag far behind both in operational experience and knowhow in the global market. Moreover, water-related businesses often require extensive, long-term financing. Competing with companies that are far ahead in this field thus requires stronger fundraising capacity and overall capabilities. Nomura Securities Co., Ltd. announced in January

2009 its participation in the Water Security Council of Japan (Team Water Japan), a voluntary organization with the goal of addressing water-related problems in Japan and overseas in collaboration with government, academia, industry and the financial community. The company together with the Nomura Research Institute and the Bank of Tokyo Mitsubishi UFJ set up a Water Finance Team to support Japanese enterprises that have launched water-related businesses by providing them with funding and financing advice during the project formulation stage. The team also assists a project, promoted by the Ministry of Land, Infrastructure and Transport, in which sewage is transported and reused abroad after undergoing advanced treatment in Japan. Looking ahead, we envision broadening our support of overseas water business operations by Japanese companies to develop water-resource-related technologies and businesses in Japan.

#### For Future Generations

### Resolving the financial needs of eco-businesses

Nomura Securities Co., Ltd. maintains a cross-departmental eco-business working group that regularly meets to leverage the Nomura group's comprehensive capabilities toward fulfilling the needs of clients engaged in environment-related businesses. While such businesses are highly public, they operate at extreme risk and require long-term funding. Although Japanese companies possess sophisticated technologies in water-related fields, they have difficulty competing with major overseas enterprises. We will contribute to society by financially supporting eco-businesses, including the formulation of funding recommendations for these companies, and encouraging cross-industry collaboration through M&A.

Japan enjoys many clean water resources. Harnessing these resources, and supplying water to less fortunate areas, can help in tackling the worldwide water shortage while eventually building up national strength. In the future, we will establish a system for supporting water businesses from a long-term perspective, including the formation of



water markets.

Our support for eco-businesses will reach beyond actively participating in private corporation networks to encompass review meetings with the government and research institutions to ascertain the latest trends and expert knowledge.

At the same time, we share our findings as a player in the capital markets.



**Toshiya Hasegawa**  
Senior Managing Director  
Investment Banking Business Development  
Nomura Securities Co., Ltd.

### Infrastructure Fund to Support the Growth of Emerging Countries

In June 2010, Nomura Securities Co., Ltd. announced an operational collaboration with Nippon Export and Investment Insurance (NEXI) to establish infrastructure funds in Asia and other regions. We will conduct regular discussions to exchange information and ideas for establishing an infrastructure fund using trade insurance\*.

In recent years, the demand for infrastructure, including power generation facilities, roads, ports, airports, and

water supply and sewage systems, has been expanding in emerging countries in regions such as Asia, requiring vast funding resources. In response to this demand for funding, Nomura Securities Co., Ltd. is considering the development of infrastructure funds and solicitation of investments from pension funds as well as institutional investors and others to support infrastructure projects.

\* Trade insurance covers risks associated with foreign transactions conducted by Japanese enterprises, including export, import, and overseas investment and lending.  
(See NEXI website: <http://nexi.go.jp/e/>)

#### For Future Generations

### Contributing to the growth of Asia through infrastructure project investments

The need for infrastructure development is rapidly rising in emerging countries. Asia, in particular, is now growing at an accelerated pace, and the Asian Development Bank estimates a demand for about 800 trillion yen of capital for infrastructure development in the coming decade. Even incremental increases in income will accelerate demand for cars and consumer appliances, further pushing up the need for infrastructure. We will contribute to the development of society through direct financing that makes cash resources flow from where they are abundant to where they are needed. Last year, Nomura Securities Co., Ltd. and the Nomura Research Institute were commissioned by the Ministry of Economy, Trade and Industry to research infrastructure funding. Findings indicated that investors were most concerned about country risk when considering infrastructure investments in emerging countries. Through an operational collaboration with NEXI, we plan to reduce country risk by using trade insurance and encouraging investments by pension funds and institutional investors and others who generally seek long-term investments from infrastructure projects that require



long-term funding. The overseas development of infrastructure projects through private-public sector cooperation will not only contribute to the growth of emerging countries, but also serve as a growth strategy for the Japanese economy. The success of infrastructure projects requires familiarity with the local situation. As a starting point for our global structure, we are now considering infrastructure funds in collaboration with our business unit in Mumbai, India. Going forward, we would like to expand the project across Asia.



**Takaaki Naito**  
Senior Managing Director  
Asset Finance  
Nomura Securities Co., Ltd.

### Addressing Social Challenges through Investment

Nomura Research & Advisory Co., Ltd. (NR&A) leads our efforts to serve companies engaged in the environment and new energy, agribusiness, as well as the life sciences, all of which we believe will be growth areas in this century. We provide unlisted enterprises with research, arrange conferences, and supply venture capital in advance of initial public offerings, while looking to develop new Japanese industries that will prosper in the future.

Japanese technologies hold the potential to tackle global challenges, including climate change and food shortages. We will harness our worldwide network and expertise to bring together local needs and Japanese capabilities.

### Organizing Conferences to Keep Investors Abreast of Trends

Nomura Securities Co., Ltd. and NR&A analyze industries with medium- to long-term potential and hold conferences to present their findings to investors and other parties seeking to create new industries in Japan.

#### Nomura Global Environment Technology Conference, Proposing the Future Generations of Environmental Businesses Across the World

In June 2009, NR&A held this conference at the Nihonbashi head office. The company provides unlisted companies with IPO research and venture capital, and has focused in recent years on environment-related businesses, a promising future industry. The goal of the conference is to advance industrial development by offering information on the latest trends in these sectors for investors and corporations in Japan and overseas.

This sixth annual event focused on the future generations of environmental businesses across the world. Approximately 200 participants attended presentations on such technologies as large-capacity lithium-ion batteries, geo-heat ventilation systems, solvent recycling, and the purification of groundwater into potable water.

#### Nomura Bio Conference Links Industry and Capital Markets for the 16th Year

This well-established event was held at the Takanawa Training Center in Tokyo in March 2010. A panel comprising a chief researcher from NR&A, an alliance official from a leading pharmaceuticals company, and the head of an alliance support firm discussed bio-venture commercialization strategies before an audience of over 300 bioindustry representatives and venture capitalists.

#### Nomura Conference on Food Resources for the Industrialization of Agribusiness

This second annual conference held in Takanawa, Tokyo, in December 2009 saw information on agribusiness in Japan and overseas shared amid growing concerns in Japan about tight international food markets and the nation's declining self-sufficiency. The objectives of this conference were to disseminate information inside and outside the industry and to provide an opportunity for dialogue for those in the industry. Following agribusiness prospects outlined by a researcher from NR&A, companies shared information on progress made in their efforts. The event attracted nearly 300 attendees from diverse fields, including representatives from agribusiness, food processors and distributors, restaurant chains, banks, institutional investors, venture capitalists, universities, central government agencies and municipalities, and the media, again attesting to the strong interest in agribusiness.

### Helping Solve Social Problems Through Investments and Donations

Nomura Asset Management has formulated and distributed funds that invest in the life sciences as well as environmental and renewable energy firms. One such vehicle is the Nomura Pictet Generics & Genome Fund, the portfolio of which includes generic drug firms and genome-related firms worldwide. Last year, the company donated a portion of the fund's management fees to the WHO Association of Japan\*<sup>1</sup>, which defines its mission as improving human health, to commemorate the 50th anniversary of its founding.

Another vehicle is the Nomura RCM Green Technology Fund, which invests in companies that do business in such fields as clean energy, pollution prevention and

pure water resources. A portion of the management fees are directed to the Japan Fund for the Global Environment\*<sup>2</sup>, which supports international efforts in global environmental preservation.

\*1 The WHO Association of Japan was established in 1965 as an organization authorized by the state. The mission of the association is to widely disseminate the spirit of the Constitution of the World Health Organization (WHO), cooperate in accomplishing the objectives of WHO projects, and thereby contribute to the health of people in Japan and other countries. The association has been engaged in these activities for over 40 years.

\*2 The Japan Fund for the Global Environment was created in 1993 with contributions from the government and private sectors. Profits from the fund are used for providing grants and other support to environmental protection activities by private sector groups (NGOs and NPOs) in Japan and overseas. The fund is managed by the Environmental Restoration and Conservation Agency of Japan.

### Key socially responsible investment funds from Nomura Securities

Fund	Outline	Operating Firm
Nomura Global SRI 100 (also known as Nomura Global Social Responsibility Investment)	This fund seeks investment gains on a yen equivalent basis from movements in the FTSE4Good Global 100 Index, which covers companies around the world that satisfy social responsibility standards.	Nomura Asset Management Co., Ltd.
Nomura Global SRI Index Fund DC	This fund for defined contribution pension plans invests in the mother fund of the publicly offered Nomura Global SRI 100 Fund.	Nomura Asset Management Co., Ltd.
Nomura Cloud Computing and Smart Grid Related Stock Fund	This fund supports firms involved in cloud computing, which does not consume physical resources, or smart grids that reduce transmission loss.	Nomura Asset Management Co., Ltd.
JPM World Railroad-Related Stock Fund	In response to growing attention to modal shifts for protecting the environment and more efficiently using energy, this fund invests in railroad-infrastructure-related firms.	J.P. Morgan Asset Management
Fortis China Environment-Related Stock Fund	This fund supports projects that address environmental challenges and growing energy demand by investing in Chinese companies in environment-related sectors that are essential for the sustainable development of China.	BNP Paribas Investment Partners
Pictet Next Generation Environment-Related Stock Fund	This fund backs companies that contribute to improved air quality by producing clean energy or to the water environment through water and sewage enterprises toward solving the challenges of global warming and the worsening worldwide water shortage.	Pictet Asset Management (Japan) Ltd.

# 04 Our Community



## Community Contribution

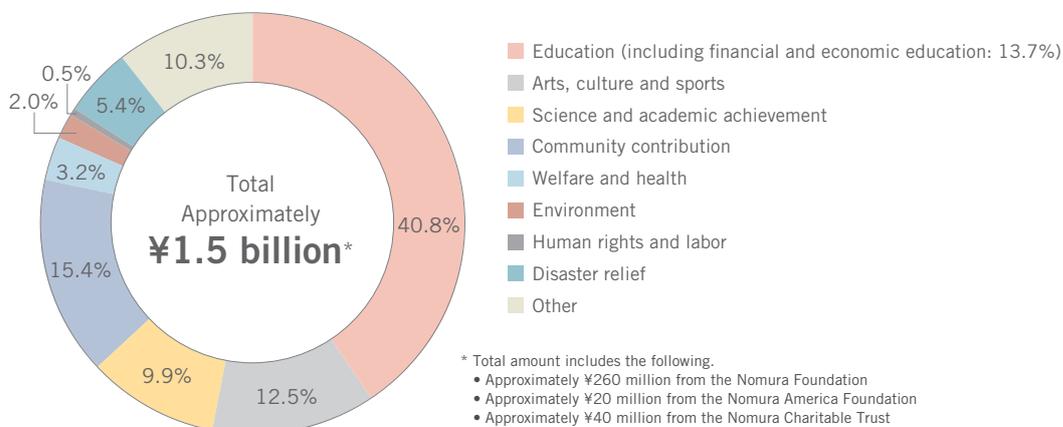
In the course of its businesses operations centered in the four regions of Japan, Asia-Pacific, EMEA (Europe, Middle East and Africa) and the Americas, the Nomura group engages with local communities to build lasting positive partnerships through initiatives such as support for education and charities.

These activities are growing and enabling us to earn trust worldwide as a responsible corporate citizen, while creating opportunities for cross-organizational team building in the Nomura group.

The Nomura group engages in social activities through its business operation worldwide as a responsible corporate citizen working to create a more prosperous society. We are also actively cultivating the next generation to develop sound capital markets, leading to sustainable growth as an enterprise that is trusted by the community.

### Community contribution expenditures

The Nomura group engaged in various social contribution activities in communities across the world where group companies are located. Areas of focus have included education; arts, culture and sports; science and academic achievement, community contribution; and the environment.



April 2009 to March 2010

## Volunteering

### Regularly Visiting Children Living in a Foster Home (Japan)

A volunteer team, a majority of which are Nomura group employees, regularly visits a foster home in Hatanaga, Shibuya, Tokyo, where the organization develops supportive relationships with the children who live there. Thirty elementary to high school-aged students who have been separated from their parents for various reasons live in this home on a temporary or long-term basis. The Nomura group members enjoy seasonal events such as sports events and bazaars with the children, listen to them talk about their school life, and provide advice about their futures as well as psychological support. This is a valuable experience for employees for recognizing in themselves their genuine care for others.

### Pro Bono Judging of Student Reports on Investment

For ten years, the Nomura group has been supporting the Nikkei Stock League Contest, a stock education contest for students in junior high school, high school or college.

Employees have voluntarily participated in the contest every year as judges and provided their expertise. In fiscal 2009, the students' reports were evaluated by 51 employees. → [p. 41](#)

### Beach Cleanup at Pui O Beach, Lantau Island (Hong Kong)

#### Over 200 employees and family members collect 2,000 kg of garbage

On October 18, over 200 Nomura International Limited (Hong Kong) employees and family members participated in a beach cleanup at Pui O Beach, Lantau Island, Hong Kong.

The event was part of the International Coastal Cleanup (ICC), the world's largest volunteer effort on behalf of the land and marine environment, involving more than half a million people from over 100 countries around the world. The Hong Kong International Coastal Cleanup Challenge (HKICC) is the largest of its kind in Hong Kong and plays an influential role in educating and engaging thousands of schools, corporations and individuals in the Hong Kong community.

As the lead sponsor of the HKICC, the Nomura team significantly contributed to Hong Kong society beyond cleaning up one of the biggest beaches in Hong Kong and collecting over 2,000 kg of debris, equivalent to 233 garbage bags; the team also supported HKICC's overall program. This initiative also provided an

opportunity for employees from different departments to get to know one another and each other's families.

### Partnering with the Udaan India Foundation to Empower Underprivileged children through Education (India)

The volunteering program with the Udaan India Foundation started in December 2009 with Nomura Powai employees making regular visits to the Udaan reading library, which provides library books to underprivileged children.

Realizing that these children faced significant problems with reading, the employees kickstarted the library reading programs for them. They spent time explaining the books to the children, employing creative ways of learning, such as role-playing various characters in the books, and reinforcing the story through discussions, which proved to be very successful for laying out their basic English comprehension skills and thus helping them read books on their own. They are now able to concentrate more on content rather than struggling with the English language.

The team also developed a computer training curriculum for children in upper grades. The curriculum was customized to cater to the children's conceptual abilities and exposure to English. The volunteers maintained a ratio of one volunteer per three students and emphasized individualized coaching to match everyone's learning pace.

Udaan students have shown great interest in honing their computer skills. Many are even contemplating a career in software development.

Many female students had opted out of mainstream schools since their family's financial situations required them to supplement family income by doing housework. The volunteers collaborated with the Udaan India Foundation and developed a "Drop Out Remedial" (DOR) program for these students. The aim of the DOR program is to assist them through a program for developing basic life skills to break the cycle of working as household domestic servants and assist them in learning vocational skills toward becoming self-reliant and supporting their families. The DOR team developed its own curriculum, which included vocational skills such as glass painting, origami, and decorative items for Diwali, and combined these lessons with sessions on health and hygiene, and nutrition and communication skills along with day-to-day knowledge of math and finance. The team has successfully instilled confidence in them as well as the joy of learning and valuable vocational skills.

## Fundraising

### FIT for Charity Run 2009 (Japan)

#### 200 employees participate to support 6 charity organizations

Around 200 Nomura group employees along with family members and friends participated in the FIT (Financial Industry in Tokyo) for Charity Run in November 2009. Financial institutions in Tokyo hold this industry-wide charity event every year to raise funds for charity organizations that are involved with socially beneficial activities rooted in the community but lack sufficient funding due to their low profiles.

In 2009, the run was held at the National Kasumigaoka Stadium with more than 5,100 runners, including about 200 Nomura group employees. A total of 97 participating financial firms raised ¥59.40 million for 6 organizations. This event turned out to be a great opportunity for employees from different departments and companies to get to know each other.

### SGX Bull Run 2009 (Singapore)

#### 30 employees run, raising over 2 million SGD

On November 20, 2009, Nomura Singapore Limited participated in SGX Bull Run 2009. This marked the sixth consecutive year that Nomura has participated in this charity event. Organized by the Singapore Exchange, the inaugural SGX Bull Run was a charity fun run for raising money through charitable corporate donations. This year's run was no exception, raising over two million SGD, which will be used to help selected charities in Singapore and neighboring countries. Team Nomura Singapore was 30-members strong this year and proved to be a huge success against runners from various business divisions. The event has also provided a platform for ongoing interaction between Nomura group staff.

### Mumbai Marathon 2010 (India)

#### 150 employees run and the company sponsors 5 NGOs

The Mumbai Marathon is one of Asia's biggest charity races with more than 100 corporations, NGOs and millions of individuals running to support various philanthropic causes.

Nomura India sponsored five NGOs in the fields of child education, cancer care and support for the elderly during this race. On January 17, 2010, 150 employees participated in the Dream run (6 km) and the Half marathon (21 km). Apart from this, 1,500 employees participated in various fundraising activities to support the NGOs that the firm sponsored.

### UK Charity Partnership (U.K.)

#### Employees raise over £600,000 to support a charity organization

The UK Charity Partner initiative by Nomura International plc is a key component of its EMEA's community affairs program. In April 2009, thousands of London-based employees selected the Teenage Cancer Trust (TCT) as their UK Charity Partner 2009–2011. This partnership has been embraced across the company, and as a result Nomura subsequently became the first ever title sponsor of TCT's flagship event—the tenth anniversary concert series at the Royal Albert Hall. The partnership with Teenage Cancer Trust enables the company to take a focused approach to fundraising efforts and enables employees to work together to raise funds.

To date, 1,500 employees have raised over £600,000. Examples of fundraising activities include: raffles, Jeans for Teens day, quiz nights, winter fairs, the JP Morgan Chase Challenge, and sponsored activities such as skydives, marathons and hiking challenges.

### Jeans Fridays (U.S.)

#### 5-dollar donation campaign raises \$32,800

A group of Instinet Incorporated employees had an idea in late 2008: What if employees were permitted to dress down from the firm's traditional business dress code and wear blue jeans for a \$5 charitable donation? Management was approached with the proposal and wholeheartedly endorsed it, agreeing to match all funds raised by employees.

Instinet donates to a different charity each month, with employees recommending the charities and Instinet's 12-person Social Responsibility Committee voting on the suggestions. Over the course of the year, employees became increasingly enthusiastic about the program; by late 2009, virtually the entire company was participating. All told, Instinet's employees have raised \$32,800 through the program, with proceeds from 2009 directed to various children's health organizations. The firm will continue to implement this program and even increase the number of participants and amounts raised while extending the program to all offices of Instinet Incorporated worldwide.

## Donation and Sponsorship

### Manabipia (Japan)

#### 6,000 people visit Nomura's booth in lifelong learning event

Every year, the Nomura group co-sponsors the National Lifelong Learning Festival (Manabipia), which develops interest in lifelong learning. The 21st festival was held in Saitama Prefecture in 2009. The booths of municipalities and companies highlighted information on the wonders of learning and applying knowledge to daily living. This year, employees of the Saitama Branch Office of Nomura Securities Co., Ltd. played a central role in presenting a booth and seminars.

Over 6,000 people visited the booth, which offered participatory activities such as a soccer free-kick game and a Nikkei Stock Average Forecasting Quiz, in which visitors forecasted the Nikkei Stock Average after one month by reviewing stock charts. The booth also featured a lifelong learning corner that displayed the textbook, "An introduction to the economy: The t-shirt shop" → p. 39, as well as a shareholder benefits corner that exhibited the goods companies have given to their shareholders. The event provided an excellent opportunity for conveying the appeal of Nomura to visitors.

### Participating in the Nenlympics (Japan)

#### 4,000 people visit 2-day health and welfare event

Nenlympics (nationwide festival for health and welfare) is a sport, culture, health and welfare event focused on senior citizens aged 60 or over. In 2009, the 22nd Nenlympics was held in Hokkaido under the theme, "For our dreams, aspirations and youthfulness." The Nomura group has been co-sponsoring these annual events. This year, employees of the Sapporo Branch Office of Nomura Securities Co., Ltd. played a central role in the operation of various activities.

In Fureai Square of Hokkaido's Kitaeru sports center, employees opened a booth and held a seminar under the theme, "Life becomes more interesting after turning 60 Let's enjoy maturity" Over 4,000 visitors attended over three days.

In the booth, employees wearing Nomura happi coats staged fun events such as, "Let's experience home trading," a securities and finance true-or-false quiz, "Guess the Nikkei Stock/Dow-Jones averages," and park golf, all the while interacting with a broad range of visitors from children to adults.

### Oaklands School Partnership (London)

#### 120 employee volunteers support 7 programs

Oaklands School and Nomura International plc (NIP) have partnered since October 2008 in enriching the school's curriculum and providing experiences beyond the normal reach of students. Oaklands is a small secondary school in Tower Hamlets with 600 students and 47 faculty members. Despite its location in one of the most deprived parts of Europe, the school was rated as outstanding by Ofsted and is designated as a High Performing Specialist School. NIP, through this partnership, enriches the school curriculum and provides special experience-based learning opportunities to students.

Currently over 120 volunteers regularly support the school through 7 weekly programs: Reading, Numbers, Science, French, Business Mentoring and a Japanese Club. In addition to the volunteer activities, Nomura hosts work experience students, competitions and student training days.

Nomura makes annual corporate donations, which are used to develop the school's recreational facilities and implement extracurricular programs. This year, the funding enabled 20 students to visit Tokyo and New York. The students had the unique experience of visiting Nomura's offices in both Japan and the United States.

### Make-a-Wish Donation (U.S.)

#### Bringing dreams to life for 40 children

Upon celebrating the 40th anniversary of Instinet Incorporated in 2009, management realized that Instinet's considerable history of innovation had been made possible by two past-and-present constants: its clients and its employees. Instinet decided the best way to thank these two groups would be to give back to the community.

As a result, Instinet partnered with the Make-a-Wish Foundation to grant the wishes of 40 children with life-threatening medical conditions. Fulfilled wishes included a day-long shopping spree for an eight-year-old, the construction of a log cabin-themed playhouse for a seven-year-old, and a trip to Alaska to allow a ten-year-old from Texas to see snow for the first time.

### Community Contribution Activities of Branch Offices in Japan

173 branch offices (as of July 2010) of Nomura Securities Co., Ltd. across Japan are undertaking various efforts, including cultural and educational support, welfare and volunteer activities, and contributions to local economic development as a member of the community and society. In fiscal 2009, a total of 8,164 employees participated in 405 community initiative events.

#### Community contribution activities by area

##### **A** Tohoku, Hokuriku areas

**1,517** employees participate in **53** activities.

Major activities

- Asahikawa Branch: Family excursion
- Fukushima Branch: Sponsorship and employee donations to the light-up project of a local shopping street
- Yamagata Branch: Experiential learning for junior high school students

##### **B** Kanto area (including Tokyo)

**2,364** employees participated in **127** activities.

Major activities

- Utsunomiya Branch: Volunteering and donating to "Flower Road"
- Urawa Branch: Volunteering for Small Kindness Campaign
- Machida Branch: Sponsorship and volunteering for charity film screening for blind children

##### **C** Tokai and Koshin area

**1,459** employees participated in **44** activities.

Major activities

- Shizuoka Branch: Volunteering for Abe River cleanup
- Matsumoto Branch: Sponsoring Saito Kinen Festival Matsumoto
- Toyota Branch: Experiencing the world of work for junior high school students

##### **D** Kinki area

**1,648** employees participate in **79** activities.

Major activities

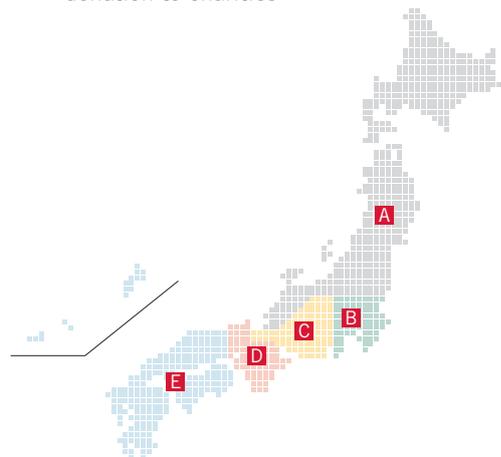
- Umeda Branch: Financial and economic education in a lifelong learning center
- Gakuenmae Branch: Volunteering for PMF Chamber Concert
- Kishiwada Branch: Holding Senshu Community Healthcare Symposium

##### **E** Chugoku, Shikoku, and Kyushu areas

**1,176** employees participate in **102** activities.

Major activities

- Matsuyama Branch: Co-sponsoring and volunteering for road safety campaign
- Okayama Branch: Volunteering for Asahi River cleanup
- Shimonoseki Branch: Collecting used stamps for donation to charities



## Foundations

### Nomura Foundation

Three incorporated foundations established by the Nomura Group—the Nomura Foundation for Social Science, The Nomura Cultural Foundation and the Tokyo Club Foundation for Global Studies—merged in April 2010 to signal a fresh beginning as the Nomura Foundation. Each of the three foundations became a public benefit corporation in December 2008 upon enactment of the law concerning public benefit corporations. Subsequently, they merged into a single entity in the first such case in Japan under the new law. The Nomura Foundation inherited the programs of the three foundations along with their aim to “contribute to advancing academic research in Japan, the world economy and the arts and culture, fostering international talent and encouraging international understanding.” Having integrated the three foundations into one, we intend to streamline its organizational structure, raise the efficiency of its management, and strengthen collaboration between its programs.

The Nomura Foundation supports academic research and educational activities in the social science disciplines, such as law, political science and economics, under its grant program inherited from the Nomura Foundation for Social Science. In fiscal 2009, the foundation awarded grants to 68 social science projects (¥29.05 million). Major activities and resources supported by the foundation include the Foreign Law Materials Reading Room at the University of Tokyo Faculty of Law, which is open to the public.

Under its program for supporting foreign students, formerly undertaken by The Nomura Cultural Foundation, scholarships are awarded to foreign students at graduate schools in Japan majoring in the liberal arts and social sciences. In fiscal 2009, the foundation awarded scholarships for 18 foreign students (¥32.40 million). The foundation took over the world economic research activities of the Tokyo Club Foundation for Global Studies, consigning surveys of the world economy focused on the macro level and capital markets, holding study conferences, and publishing research results. In fiscal 2009, the foundation held a conference on macro economy studies in Japan as well as a conference on capital market studies in China and the United States, and also published the *Chinese Capital Markets Research* quarterly magazine.

In its program for supporting the arts and culture inherited from the Nomura Cultural Foundation, the foundation supports up-and-coming artists, including

musicians as well as performances, and activities focused on international arts and cultural exchanges. In fiscal 2009, grants were awarded to 116 arts and culture projects (¥136.50 million). Major activities supported by the Nomura Foundation include the Pacific Music Festival (PMF → p. 42) and patronage of the Nomura Art Prize at Tokyo University of the Arts. Additional information about the Nomura Foundation and its work along with instructions for submitting grant applications can be found on the foundation website at <http://www.nomurafoundation.or.jp/en/>.

### The Nomura Charitable Trust

#### Providing grants to 3,000 young people for 2 years in the U.K.

The Nomura Charitable Trust aims to improve the lives of disadvantaged young people who need assistance in Europe and the Middle East. The trust was founded in July 2009 to formalize the grant-giving programs of Nomura Europe Holdings plc.

In partnership with organizations that empower young people, the trust addresses their educational attainment and employability and helps raise their aspirations. Grants are awarded to help young people develop enduring connections with society.

For example, the trust provides 2-year grants for 120 students through the SHINE on Saturday school program in London, which works to boost the academic achievement of disadvantaged and challenged children.

→ p. 37

### The Nomura America Foundation

#### Establishing a program to match donations made by employees

The Nomura America Foundation (NAF), a New York non-profit organization established in 1994, awards grants to organizations for charitable, scientific, literary, and educational purposes. NAF supports a variety of large and small organizations that promote the arts, cultural awareness, music, science, education, children’s welfare, and community projects, as well as international relief for poverty, disease, and disaster emergencies. To broaden its reach, NAF established two matching gift programs through which it matches donations made by employees of Nomura Holding America Inc. (NHA) and certain U.S. affiliates to qualified educational institutions and international relief organizations.

### For Future Generations

## The Nomura Charitable Trust

The Nomura Charitable Trust was established to release unclaimed assets from Nomura Europe Holdings plc to formalize charitable giving across the region. The Trust provides an opportunity for Nomura's employees to get involved in philanthropic work by recommending potential grant recipients. The Trust has a diverse board of trustees from across the business and corporate divisions.

Although it is independent of the Nomura group and has a purely charitable focus distinct from the business of Nomura, we believe our responsibility as a financial institution is to integrate our financial knowledge, expertise and experiences into our philanthropic work.

The Trust is a new organization that has been formally established for just over one year. The Trust's biggest achievement is the number of disadvantaged and at-risk young people we have been able to support through our combined grant giving and volunteer support. Through carefully selected investments we have been able to assist the education, employability and aspirations of 3,000 young people across the region.

A formal application process is undertaken to select organizations, and charities referred by employees are carefully reviewed to determine whether they are directly working with disadvantaged young people that fit the criteria and focus areas of the Trust. The charities are then invited to give a presentation to the board, which provides the trustees with the opportunity to ask questions directly to the charities. Once a grant is made, the Trust will have the opportunity to visit the charity and observe the benefits resulting from the grant. Successful organizations complete reporting requirements that detail the qualitative and quantitative progress made toward the project goals, including a description of the population served and benefits to the community during the grant period.

The Trust's plans over the coming year include increasing



**Lord Colin Marshal**  
Chairman, The Nomura Charitable Trust

the number of volunteers supporting Trust funded projects and also developing a results matrix to measure and evaluate impact in order to better understand the benefits of our work.

#### Organizations supported by the Nomura Charitable Trust



#### The Brokerage Citylink (U.K.) 570 young people impacted

The Brokerage Citylink seeks to raise the aspirations and awareness of young people attending state schools by showing them the careers and opportunities available in the financial and business service sectors.



#### Friends of The Citizens Foundation (Pakistan) 528 young people impacted

Friends of The Citizen Foundation raises funds for The Citizens Foundation (TCF), Pakistan's leading education charity. TCF builds and operates schools in Pakistan to provide a modern, high-quality education for the poorest strata of society.



#### LIFEbeat (U.K.) 90 young people impacted

LIFEbeat is a unique organization that seeks to raise the aspirations of young people through dynamic, week-long residential camps and ongoing support. The camps provide a safe environment for young people to gain confidence, build self-esteem and develop leadership qualities.



#### Support and Help IN Education (SHINE) (U.K.) 120 young people impacted

SHINE supports educational projects that serve disadvantaged, disengaged and challenged children and young people toward raising their levels of achievement. SHINE works with children ages 5 to 18.



#### Tower Hamlets Education Business Partnership (THEBP) (U.K.) 2,000 young people impacted

THEBP strives to instill in the young people of the London Borough of Tower Hamlets the initiative, belief and skills for pursuing meaningful careers. THEBP recruits businesses and business volunteers to help young people of all abilities develop basic employability, finance and enterprise capabilities.

### Education and Cultivating the Next Generation

While knowledge about finance and economics is important for appropriate wealth building, it is also the key to developing a sound capital market from a long-term perspective.

The Nomura group has been among the first to develop financial and economic education curriculums for young people, starting with university-level courses offered in 2001. We are now contributing significantly to

educational activities for a broad range of generations, from elementary school children to university students and adults.

We are also cultivating the competencies of tomorrow's leaders in the arts and culture by, for example, supporting the Pacific Music Festival (PMF), an international music education program that started in 1990.

#### Financial and economic education programs offered by the Nomura group

Teaching Materials		Educational Programs		Courses	The Internet
7–12 years old	The Economics Classroom The Secret of Money: The Business of a Securities Company	“Manabou Classroom”			
13–15 years old	An introduction to the economy: The t-shirt shop Finance for beginners	Nikkei Stock League Contest		—	
16–18 years old	Finance for beginners	Nikkei Stock League Contest Financial education programs		—	Man@bow Financial education programs
College students	—	Nikkei Stock League Contest		Finance courses at universities (Japan) Financial lecture (Thailand's Chulalongkorn University)	
Adults/community	—	—		Financial lecture	

#### “The Economics Classroom”

We published this book for upper-grade elementary school students in 2008 and have donated around 170,000 copies to 2,000 schools across Japan. Schools receive sets of textbooks and teacher instruction manuals. The textbook follows events in the lives of three characters to help students learn about economics and take them through ten topics on such areas as prices, taxes, companies, and climate change.

#### “The Secret of Money: The Business of a Securities Company”

This publication describes the roles of money, banks and securities companies in a simple, comic-book style. We donated copies to 24,000 elementary schools and 2,400 public libraries nationwide in 2003.

#### “Manabou Classroom”

The Nomura group employees visit elementary schools in the community to teach fifth- and sixth-grade students how the economy and society work. Under the theme of foreign exchange, these finance professionals offer easy-to-understand explanations about types of currency, exchange rates and the influence of a strong or weak yen on trade as well as an engaging learning game on exchange fluctuations.

#### Man@bow Economic Learning Website

Nomura Securities Co., Ltd. and the Nihon Keizai Shimbun, Inc. jointly sponsor this website, which offers financial seminars for heightening general interest in and understanding of finance and the economy. Content includes commentary for ordinary people on current topics and market trends. Individual investors, for example, can use the site to learn about asset management.

### **“The t-shirt shop”**

We published this text in 2006 to supplement social studies classes and have donated around 330,000 copies to about 3,300 junior high schools across Japan. The set includes a student textbook that uses simple language and pictures to explain complex financial and economic concepts. A teacher’s manual includes worksheets and examples for class exercises. The book tells the story of three fictional junior high school students who start a t-shirt business. In working through the textbook, students learn about how the economy works, such as company purchasing, international trading and corporate social responsibility as well as economic and financial terminology.

### **“Finance for beginners”**

We published this book in 2005 and have donated copies to 11,000 junior high schools and 2,400 public libraries across the nation. It features a qualified financial planner who explains financial and economic mechanisms in lay terms to junior high school students in her neighborhood.

### **Special Sponsorship of the Nikkei Stock League Contest**

2009 marked the tenth year of this stock education contest, held by the Nihon Keizai Shimbun, Inc. for junior high school, high school and university students. The Nomura group has served as a special sponsor since the contest began. In the tenth competition, we started to present Nomura Awards to teachers who are committed to the dissemination of financial and economic education through the Nikkei Stock League.

### **Development of Financial Education Programs**

Since 2007, Nomura Securities Co., Ltd. and Ritsumeikan University have jointly developed financial education programs for high schools to cultivate financial talent. The program involves assessing economics education in high schools, building networks with education stakeholders and developing and designing financial education programs. In fiscal 2009, we presented the results of our assessment and research at a symposium and launched Web pages under the title, “Monetary policy and career planning for high school students.”

### **Finance Courses at Universities Throughout Japan**

The Nomura group offers practical finance courses to universities nationwide to provide practical knowledge of the real economy to Japan’s future economic leaders.

### **Financial Lecture at Thailand’s Chulalongkorn University**

In 2009, Capital Nomura Securities Public Company Limited (Bangkok) organized its seventh annual financial lecture at Chulalongkorn University. This year, Mr. Sean Darby, the chief Asia strategist for the Asian and emerging markets of Nomura International (Hong Kong), presented a special lecture, entitled “Recession in the world economy and the reaction of Asian stock markets.”

### **Finance Seminars for Lifelong Learning Programs**

Most people have few opportunities to learn about financial and economic systems even though they are deeply relevant to their lives. We address this problem by offering seminars for lifelong learning programs in local communities and workplaces. Courses cover financial planning concepts for comfortable retirement and are relatively simple so they even benefit beginners. More than 230,000 people have taken these courses since they were first offered in 2003.

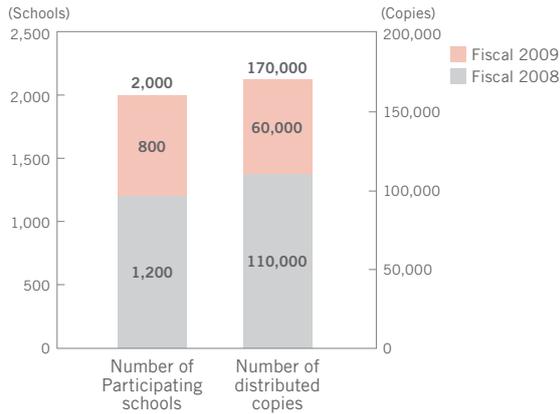
# 04

## Our Community

### Total number of participants in financial and economic educational programs

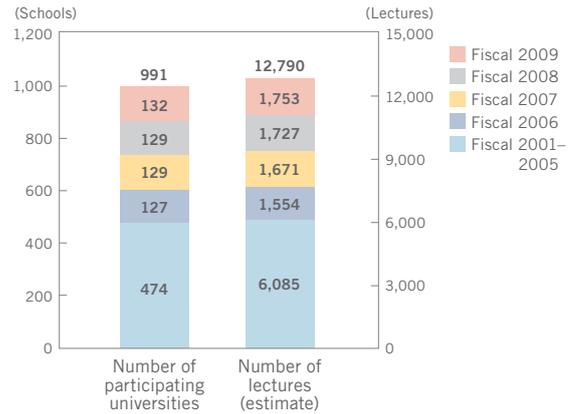
#### "The Economics Classroom"

170,000 copies donated to 2,000 elementary schools since fiscal 2008



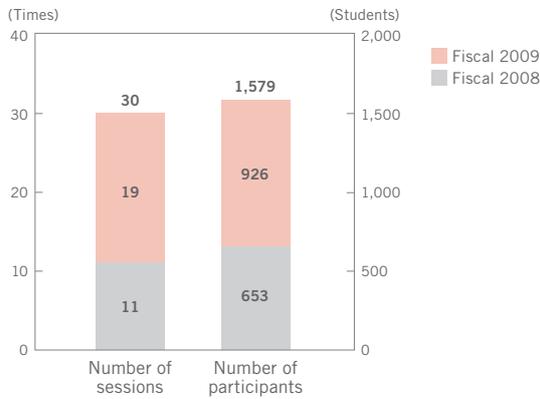
#### Finance courses

(1) About 12,790 lectures in 991 universities since fiscal 2001

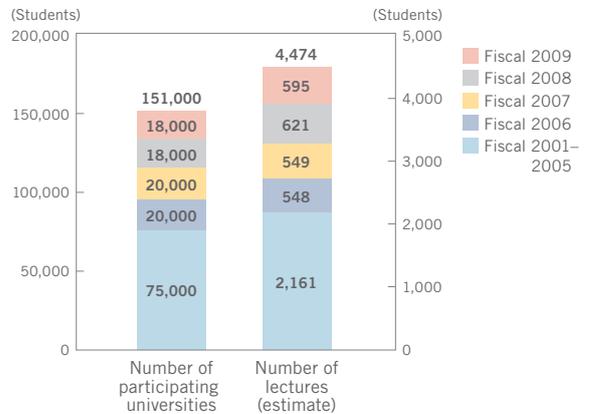


#### "Manabou Classroom"

30 sessions in elementary schools with a total of 1,579 participants since fiscal 2008

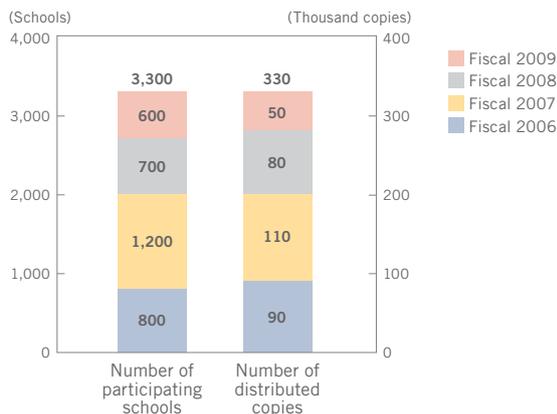


(2) About 151,000 students in attendance and about 4,474 employee lecturers



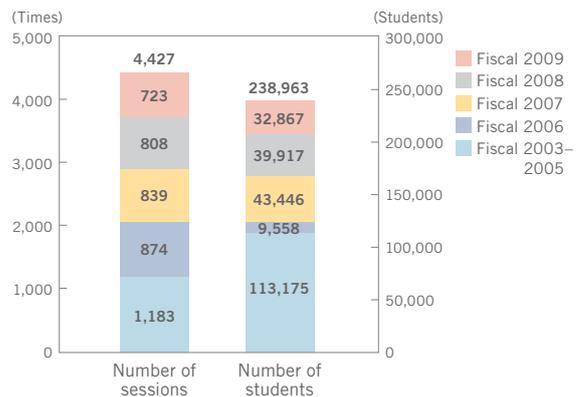
#### "The t-shirt shop"

330,000 copies donated to 3,300 junior high schools since fiscal 2006



#### Finance seminars for lifelong learning programs

4,427 sessions with 238,963 participants since fiscal 2003



For Future Generations

## 10th anniversary of the Nikkei Stock League—Financial and economic education through the stock education contest

The Nikkei Stock League Contest, for which Nomura has been a special sponsor, marked its tenth anniversary in 2009. Looking back on these ten years, we asked judges, teachers and contestants to talk about the contest from their respective points of view.

### Contest to demonstrate process rather than results

Judge  
**Mr. Ken Shibusawa**  
Chairman, Commons Asset Management Inc.



I had the honor of participating as a judge in the Nikkei Stock League Contest, in which teams of junior high school, high school and college students report on the investment themes they have selected. The key point was not how much they had earned with their simulated portfolios, but the process of learning itself and how they expressed what they had learned in reports based on their own analyses. That is, the purpose is not to focus on prices as in a game, but to learn about the value of Japanese companies across the world.

### Program for developing an understanding of society through stocks

Teacher of the Nomura Award-winning team  
**Mr. Yoshihiro Uchida**  
Rikyoo Ikebukuro Junior & Senior High School



I and my students have participated eight times in the Nikkei Stock League Contest, starting from the second contest. During our first challenge, my team selected a topic related to the 9/11 event in the United States, and although they did not win a prize, their participation in and of itself changed their awareness and lifestyle. The contest is recognized at our school as a program for developing the ability to understand society through stocks. Even students who were not initially interested are now volunteering to participate. Coaching students is not easy, but I believe our ongoing participation in this contest is of value.

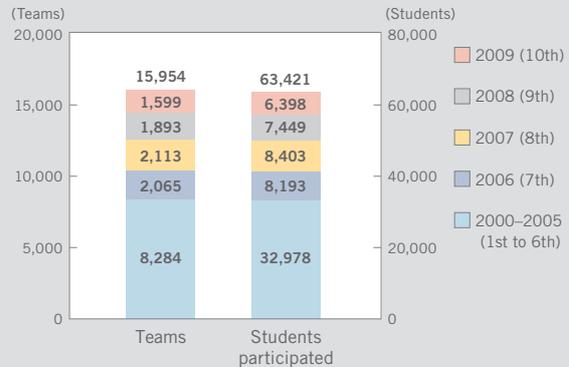
### Stock investments build society

Winner of the highest award of the 9th Nikkei Stock League Contest  
**Ms. Yoshino Sakurai**  
Third-year student (at that time) of the Kagoshima University Fuzoku Junior High School



I have participated in the contest for three years since my first year at the junior high school. I selected the theme of crime prevention in the first year, soy beans in the second, and Japan as seen from abroad in the third, when I won the highest prize. Through the contest I learned that stocks are for investment and not speculation. We invest in enterprises with the hope they will make society better and that society will develop through the enterprises that reflect our wishes. This is what I have learned about stock investment, what I have learned has become a valuable part of my life.

### Contest participation



Nomura volunteer judges—125 judges in total  
Fiscal 2009 (10th contest): 51  
Fiscal 2008 (9th contest): 42  
Fiscal 2007 (8th contest): 32

**Pacific Music Festival (PMF)**

The international music educational festival was first held in 1990 as the brainchild of the late Leonard Bernstein. The Nomura group and the Nomura Cultural Foundation have been special corporate sponsors and have contributed funding since the event's inception in recognition of their common goal of contributing to music worldwide by fostering young talent.

A total of 129 young musicians selected through auditions around the world gathered in Sapporo for about one month in 2009. Under a team of top-class instructors, the group held concerts in cities throughout Hokkaido as well as in Tokyo and Osaka.

# 05 Our People



**The Nomura group values employee diversity and strives to be an organization that benefits from a virtuous circle in which the development of employees' distinctive strengths drives corporate growth.**

**We therefore develop systems that help our people attain their full potential. We also work to maintain a creative working environment in which a wide range of employees can confidently make full use of their abilities.**

**In addition, we constantly seek to raise employee awareness across the globe and maintain safe and healthy work environments.**

## Encouraging Employee Initiative

The establishment and ongoing improvement of personnel systems is important for enabling people with diverse career backgrounds and values to demonstrate their talents as part of our global business. We therefore accommodate diverse working styles and utilize a rehiring system that provides more opportunities for all employees to develop their capabilities. We also provide appropriate assessments and feedback through a merit-based system, diverse education and training programs to help all employees develop their careers.

### Hiring

Hiring at the Nomura group reflects the diversity of the financial services business. We provide candidates with a sound understanding of our businesses and what to expect when working with us. In our hiring decisions, we place priority on applicants' potential as well as their current abilities. At Nomura Securities Co., Ltd., for example, new graduates are hired as whole area employees, specific area employees, financial advisors or specified employees, thereby supporting individual work styles. In the same way, mid-career hires are employed as needed by individual business departments as whole area employees, specific area employees, financial advisors, specialist employees or specified employees.

### Training and Development

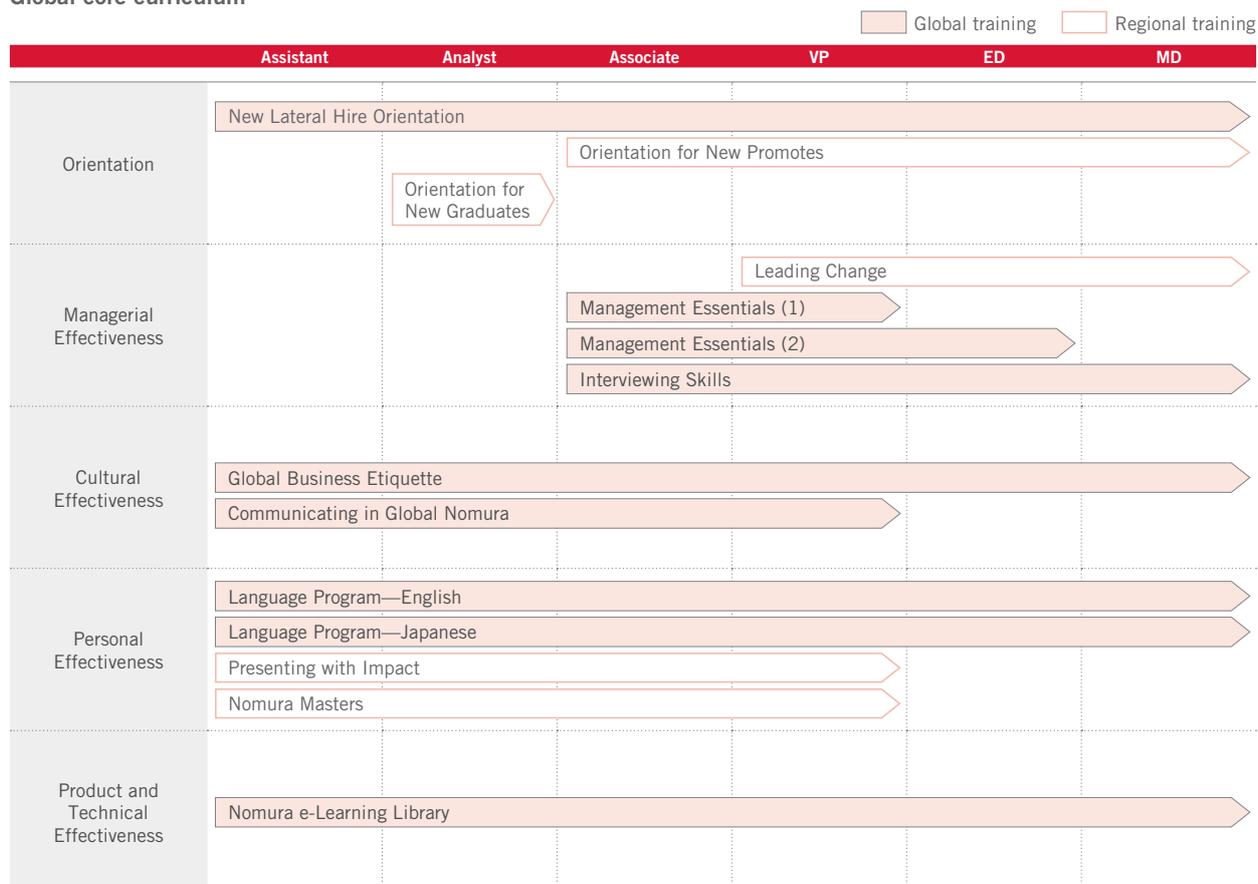
#### Fostering Global Professionals

Fostering global professionals and systematically managing talent are top priorities for the Nomura group. We believe that investing in the best people regardless of nationality and making optimal use of their talent will drive corporate growth and advance their professional development. In May 2010, teams from Japan, AEJ (Asia Except Japan), and EMEA (Europe, Middle East and Africa) jointly launched a global core curriculum entitled, "Nomura Learning Essentials." This curriculum establishes a common language and standards for expected results in the Nomura group. It aims for more efficient and dynamic communication by developing and regularly implementing training programs that are essential across sectors, countries and regions.

Programs are grouped into categories: orientation, management skills, cross-cultural skills, personal productivity, and product/technical skills.

To better understand the impact of this investment on human resource development, we brought greater consistency into our performance appraisal system. Each employee works with their supervisor to set goals for the year and to identify concrete actions, knowledge and skills necessary for achieving the goals and create a training plan that includes on-the-job training. During performance appraisals, we review how training contributed to employee achievement in attaining goals. Beyond these efforts, we are implementing a number of initiatives worldwide, such as advancement programs for cultivating genuinely global leaders by reconceptualizing global leadership.

#### Global core curriculum



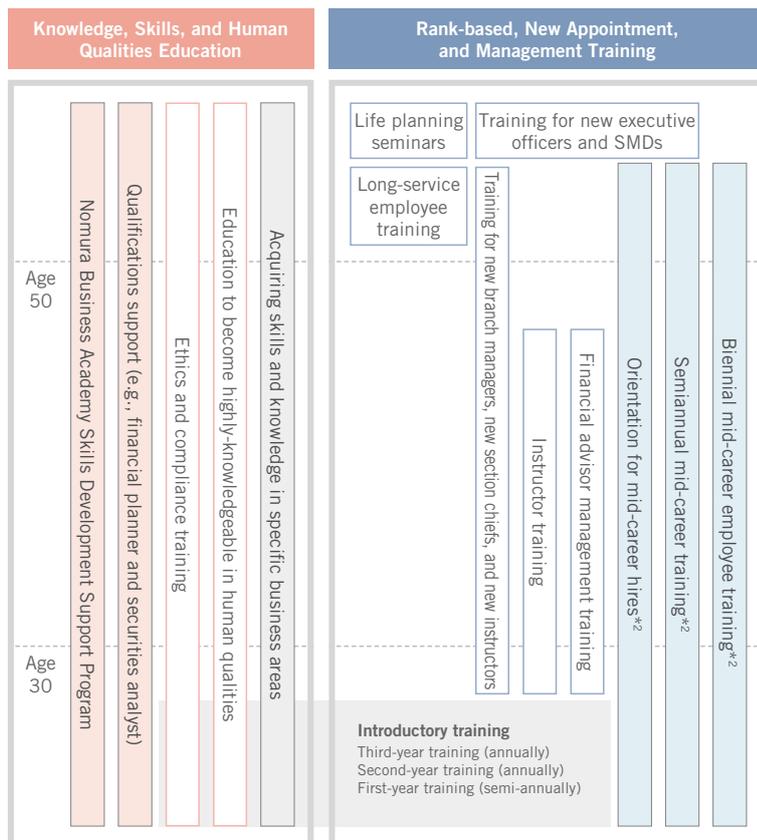
### Human Resource Development at Nomura Securities Co., Ltd.

In the finance and securities business, employees must be able to reach their full potential in order to provide the best possible service to clients. In Japan, Nomura Securities Co., Ltd. has been strengthening compliance and professional ethics education as well as human qualities and management skills, particularly in training for newly hired, appointed or promoted employees. Various education programs have been offered through group training to develop human resources capable of thinking, acting and delivering results on their own as members of Nomura, significantly encouraging their professional growth. Practical business training that

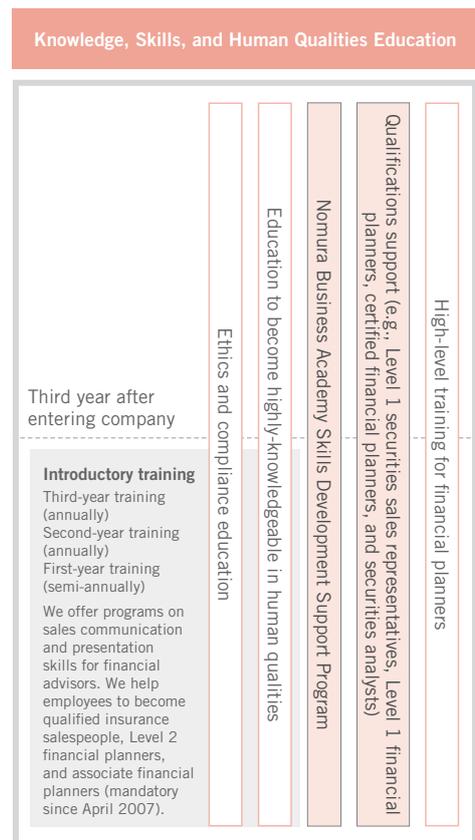
includes knowledge and skill acquisition is conducted by individual departments in addition to Web-based tools and e-learning to efficiently and effectively upgrade employee competencies. We intend to continually update these programs.

To assist employees in gaining the necessary skills for reaching their full potential, we cover the costs of certification examination fees and other employee expenses as well as voluntary training programs, and provide support for commuting and correspondence courses associated with learning another language. Education and training expenses per employee at Nomura Securities Co., Ltd. were 120,300 yen in fiscal 2009.

### Whole area employees, specific area employees, and specialist employees\*1 training system



### Financial advisor training system



\*1 Excluding those in assistant positions \*2 Trainings targeting employees hired mid-career (excluding those in assistant positions)

### Rehiring System

Under a program in effect since April 2006, group companies can rehire employees who are retiring after having reached 60 years old, the mandatory age in the relevant jurisdiction or the upper age limit of their contract. In principle, employees who wish to continue working are rehired under one-year contracts that can be renewed on an annual basis or as otherwise specified until their 65th year. Nomura Securities Co., Ltd. annually rehires around 70% of its retirees. Under this system, employees are able to achieve a work-life balance at the end of their regular working lives and, at the same time, we benefit from the contributions these employees make through their skills and experience. The system is also designed to provide employees with work and compensation packages that match their individual abilities and experience while enabling them to flexibly select how they will work and live after retirement.

Nomura Securities Co., Ltd. has established a Work-Life Support Department so that it can better respond to individual retirement situations, including employee duties, welfare benefits and life planning, by separating functions related to the planning, formulation and operation of the rehiring system. We will continue to improve this system to ensure its smooth operation.

## Creating a Diverse and Inclusive Work Environment

As we continue our growth into a world-class investment bank, there has been a global push over the past year on building and shaping our corporate culture. With commitment from Nomura's leadership, work has continued in the Diversity and Inclusion space to unify our culture and to engage our people in an open and collaborative environment.

We are also improving our support systems for employees to be more inclusive of a variety of different working styles.

### Diversity and Inclusion Initiatives

#### Our Global Ambitions

An ongoing priority for the company has been to establish a corporate culture based on the new Vision and Values announced in January 2010 by CEO Kenichi Watanabe. The vision of being a leading, client-driven, global financial services firm that sets the standard for performance and trust underpins every part of our operations.

The development of our corporate culture in the Asia-Pacific region including Japan was further advanced by the training program, "Partnering Across the Firm," which engaged more than 3,000 employees across the region. The sessions offered employees an opportunity to increase their understanding of potential biases and preconceptions and the effects this can have on their interaction.

In EMEA (Europe, Middle East and Africa), following the Executive Committee's approval of the region's first Diversity and Inclusion strategy, a Diversity and Inclusion Steering Group has been established to drive the implementation of the strategy within each business division and across the organization.

In the Americas, where Nomura has experienced rapid growth, our focus continues to be on attracting and developing culturally intelligent employees, improving working and client relationships and ultimately improving business performance.

#### Diversity and Inclusion in Japan

In 2010, Nomura strengthened the Diversity and Inclusion Asia-Pacific team by adding three new members based in Japan. With the ever-increasing need to deliver world-class services to clients across the globe and mid-career changes increasingly becoming the norm even in Japan, it has never been more critical to

create an environment that welcomes the rich diversity represented by each and every employee and making them feel part of a team. The Diversity and Inclusion team, with the support of management, raises employee awareness and encourages their involvement in internal networks. In line with Nomura's ambitions to become a global enterprise that can respond innovatively to client demands with better services and solutions, the regional Diversity and Inclusion teams partner across the globe, aligning strategy and action to position the company as the employer of choice, boost performance and productivity, and strengthen relationships with our clients.

#### Women in Nomura (WIN) Turns One

Women in Nomura (WIN) employee network launched in 2009 in EMEA and Asia-Pacific, marked its first year as a fully-fledged worldwide initiative with its official launch in Japan in July 2010. At the launch event, female leaders from across the financial services industry were invited for a panel discussion on topics such as the importance of networking, the advantages of being a diverse organization, and how to balance work and life. WIN provides vital opportunities for employees to attend lectures by guest speakers and to network across businesses and across the world.

In addition to extending offerings to employees across the globe, WIN has also increased client engagement. In April 2010, WIN hosted an event for clients on Dr. John Llewellyn's research, "The Ascent of Asia." This business networking event provided an opportunity to share Nomura's most recent research into Asia's markets, reaffirming Nomura as a true leader in the market. WIN also hosted the book launch of Avivah Wittenburg-Cox's, "How Women Mean Business" in June. Wittenburg-Cox, along with a panel consisting of Tarun Jotwani, CEO EMEA, and senior leaders from Shell and Cisco, discussed how to transform corporate culture into a more inclusive environment and the positive impact this can have on a business.

Nomura's diversity networks are open to all of our people.

#### International Women's Day

International Women's Day, annually held on March 8, is a global event that celebrates the economic, political and social achievements of women. Commemorated by the United Nations, it is a day when people divided by countries, cultures, boundaries and backgrounds come together to reflect on the progress and achievements made in equality.

In 2010, Nomura celebrated this day across the world. The celebrations began in Tokyo with Nomura hosting the 2010 kick-off event for the Association for Women in Finance (AWF) with Deputy President and COO Takumi Shibata, who spoke about Nomura's global ambition, expansion of the business, and achievements in the area of diversity and inclusion. In Hong Kong, Ms. Leonie Ki, Managing Director of New World China Enterprises Projects Ltd. and one of the women featured

in the "Women on Boards: Hang Seng Index 2009" report shared her personal success story. In India, Ms. Zia Mody, a prominent Indian legal consultant, spoke with employees on the topic of defining what it means to be successful. In London, Dame Clara Furse, Outside Director, talked about the changes in corporate governance from her perspective and how the role and expectation of board members have changed over the years.

#### For Future Generations

### Nomura's Diversity Networks

The Nomura group encourages its people to connect and communicate openly, building lasting relationships across boundaries and in diverse teams. Through supporting the development of employee networks and communities of interest, we are breaking down silos, engaging our people, and strengthening employee relationships across the globe. Nomura's three networks — Life & Families Network, Women in Nomura (WIN), and Nomura LGBT (lesbian, gay, bisexual, and transgender) Network — are expanding their activities in various locations across the world.

The Employee Life & Families Network aims to provide information, awareness and support on family and life management matters. It supports employees who are rearing children or caring for others as well as the wellbeing of employees. The network officially launched in EMEA with a film screening in December 2009 with over 80 children of Nomura employees and their parents/carers in attendance. Since then, network activities have continued to explore topics such as communication with children and child safety on the Internet. The first event of the network in APAC focused on effective child-raising.



WIN is committed to opening the debate for all employees on the value of women in business and how a diverse employee base can benefit our

people, our clients and our firm. Several thousand employees have participated in various WIN events across the world.

The mission of the LGBT Network is to create an open and collaborative culture where every employee can be themselves, perform at their full potential, and be respected regardless of their background. The network aims to embed this vision and deepen mutual understanding across the organization. All three networks were also launched in Japan during Diversity Week, celebrated in July 2010, accompanied by commemorative events.



Employee network events in each region

### Vision Statement & Values

Being part of an organization that is undergoing dynamic change and growth has led employees of the Nomura group to call for a clear vision and shared values to define and nurture a new corporate culture. In response, a global project team was launched in

the summer of 2009. After discussions involving 300 people from all over the world, the Vision Statement & Values were formalized in January 2010. They represent a shared understanding of the values and the standards of behavior required from all of our people across the globe.

#### Vision Statement

To be a leading, client-driven, global financial services firm setting the standard for performance and trust.

#### Values

##### At Nomura we lead

We have the integrity and conviction to do the right thing, the ability to inspire, and the passion to stay ahead. We are committed to the long-term success of our organization.

##### At Nomura we create

We are innovative and make change happen. We seek competitive advantage by challenging existing thinking, creating opportunities and driving continuous growth.

##### At Nomura we connect

We communicate openly and build lasting relationships. We work together, across boundaries and in diverse teams—engaging our people, clients, communities and shareholders.

##### At Nomura we perform

We put clients first. We think strategically and focus on consistent and sustainable performance, executing our ideas and delivering results.

### Valuing Communication

Communication is vital to invigorating the Nomura group. Our efforts to promote communication range from Town Hall Meetings with top management in locations across the world to disseminating messages from management and informing employees of important decisions through the intranet and corporate newsletters. Open workplace communications are just as vital as messages from top management. Nomura Asset Management (NAM) launched lunchtime “China Table Meetings” for employees who are Chinese nationals or involved in China-related business to deepen understanding about China and build NAM’s expertise. NAM also believes that the understanding and support of family members is indispensable for employees to freely exercise their abilities, and so the company also holds annual family days that invite family members to tour the workplace.

The Nomura group holds seminars for employees across the world to explain Nomura’s founding principles, history, and social mission in simple terms. In March 2010, Senior Communication Officer (SCO) Koichi Ikegami from the Corporate Citizenship Department held a seminar entitled, “Our proud history—understanding Nomura’s journey,” in New York for Nomura group employees in the United States. Over 1,000 participants learned about our founder, Tokushichi Nomura, who trekked around the world with dreams of building a global financial firm. Mr. Ikegami held similar seminars at other offices in Asia, Europe and the United States, as well as Japan, providing a large number of employees with the opportunity to share a common understanding and values based on Nomura’s history and spirit.

### Seminars for employees to learn about Nomura’s history and spirit

Date	Venue	Number of Participants
October 13, 2008	London, U.K.	50
February 17, 2009	Powai, India	900
June 29, 2009	Powai, India	700
July 1, 2009	Singapore	300
July 2, 2009	Hong Kong	200
July 3, 2009	Hong Kong, Seoul, Shanghai, Sidney and Taiwan	375
October 5, 6, 2009	London, U.K.	187
October 12, 2009	Shenzhen, China	200
March 17, 18, 19, 2010	New York, U.S.A.	1,050

### Nomura Group Achieves Next-Generation Law Targets

The Japanese government enacted the Law for Measures to Support the Development of the Next Generation in 2005 to create a more conducive environment for balancing work and child-rearing. This legislation requires businesses with more than 300 employees to present action plans for creating parenting-friendly work environments. Since April 2007, companies achieving their targets have been able to apply to heads of municipal labor bureaus to certify what they have been able to do.

Nomura Securities Co., Ltd. received certification again in fiscal 2009 as a result of developing a plan that

would enable male employees to take childcare leave and shorten working hours for employees needing to care for their children.

### Holidays and Employee Unions

Nomura Securities Co., Ltd. (NSC) provides up to 20 days of annual paid leave. Average time off in fiscal 2009 was 9.8 days. From April 2007, we made our system more flexible and attractive by allowing employees to take leave in half-day units. Two employee unions cover 56.8% of NSC employees under collective bargaining agreements.

## Nomura Securities Co., Ltd. Childcare and Family Nursing Care Support Framework

(as of April 1, 2010)

### Childcare Support

#### 1. Pre- and post-natal leave

Female employees can take a leave of 6 weeks before delivery, 14 weeks for multiple births, and 8 weeks after delivery.

A total of 192 employees took one of these leaves in fiscal 2009. An employee whose spouse or partner gives birth can take five days of leave in addition to annual paid vacation.

#### 2. Childcare leave

A parent can take up to two years of leave up to a child's second birthday. The leave can be taken in two installments (once for a child younger than one and once for a child older than one and younger than two). We reinstate employees to their original or equivalent positions. A total of 304 employees used this program in fiscal 2009.

#### 3. Special work hours during child-rearing years

An employee is exempt from overtime and holiday work and can choose to work six hours per day up to his/her child's third birthday.

#### 4. Leave to care for sick or injured children

An employee receives up to five days a year of paid leave to care for a sick or injured child (up to ten days for multiple children) who has yet to enter elementary school after their leave. A total of 365 employees took leaves for this purpose in fiscal 2009.

#### 5. Childcare time

Employees can work up to two hours less per day to care for children up to the third year of elementary school; 76 employees used this program in fiscal 2009.

#### 6. Assistance with daycare expenses

We pay half the cost (up to ¥20,000 per child, per month) of day-care services for employees' preschoolers. There were 292 employees who received this assistance in fiscal 2009.

### Family Nursing Care Support

#### 1. Family nursing care leave

An employee can take up to 730 days of leave to care for a parent, spouse or child in need of nursing care. We reinstate employees to their original or equivalent positions after their leave. A total of 13 employees took leaves under this program in fiscal 2009.

#### 2. Family nursing care plan that reduces working hours

Employees can work up to one hour less per day for up to 730 days instead of taking family nursing care leave. Two employees used this program in fiscal 2009.

#### 3. Paid leave for family nursing care

An employee can take up to five days of paid leave per year to care for one family member who is in need of nursing care (up to ten days to nurse multiple family members).

### Work-life Balance

#### • Childcare and family nursing care handbook

An easy reference handbook with information on available childcare and family nursing care support systems was published and distributed to employees.

#### • Initiatives for family and work-life balance

Work-life balance support, such as through provision of information on family and life management, support of employees who have families, and promotion of good health.

→ p. 48

## Maintaining Occupational Health and Safety

We have thorough policies in place to ensure an environment in which employees can work comfortably in good health. We place great importance on employee health, and particularly mental health, including treatment, preventive counseling and efforts to raise employee awareness of mental health issues.

### Creating a Comfortable Working Environment

We strive to prevent occupational illnesses and injuries while maintaining comfortable and safe workplaces. Key considerations include desk space, lighting, and office temperature controls. Offices outside Japan comply with local requirements in keeping their work environments safe. We have also undertaken various physical and mental healthcare initiatives for employees.

### Mental Healthcare

Nomura places particular emphasis on mental healthcare as part of providing a healthy working environment for all employees. We started offering consultations with psychiatrists at our healthcare centers in 1990 and offering the services of a full-time counselor in 2001. Nomura Health Dial 24, a round-the-clock telephone counseling service linking employees and their families to physicians and counselors, was launched in 1995. Since 2006, employees have had access to face-to-face counseling on a nationwide basis. In 2010, a dedicated mental and physical healthcare telephone consultation service, in both English and Japanese, was established to provide additional care with due consideration for privacy issues. We are raising employee awareness of mental health issues by introducing mental health self-check tools, distributing education pamphlets and providing thorough staff training.

### Health Management

We have taken a number of steps beyond the role played by our internal healthcare centers to facilitate employee health management, including establishing a department that specializes in promoting good health. We have set guidelines on regular and comprehensive medical examinations—for example comprehensive examinations are required for employees over 30 years old—and check-ups are subsidized.

Furthermore, we have for some time required that employees working long hours undergo mandatory health examinations. Following amendments to the Occupational Health and Safety Law in April 2006, we increased the frequency of these examinations and broadened the range of employees covered.

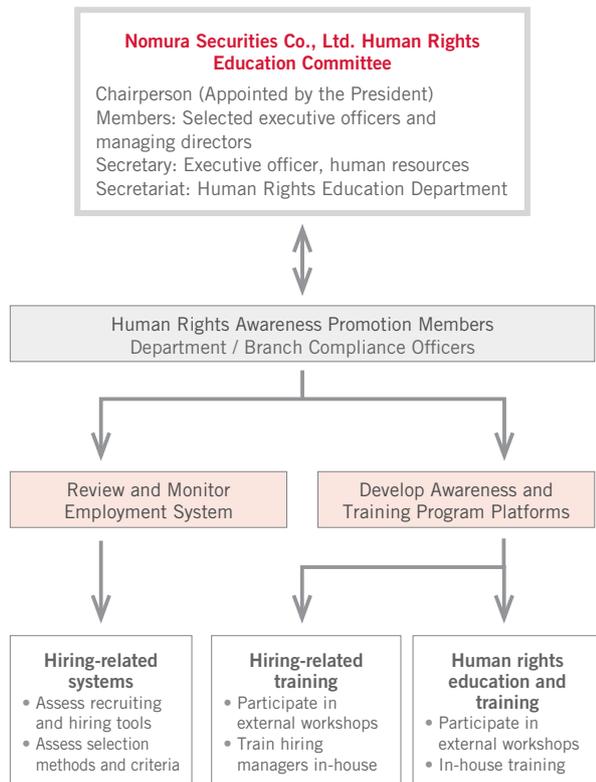
## Respecting Human Rights

The Nomura group recognizes that respecting the human rights of employees working in our offices around the world is a fundamental responsibility. We have therefore put in place a system centered on the Human Rights Education Committee for preventing discrimination and harassment. We also strive to raise awareness of human rights worldwide by regularly conducting human rights awareness training for executive officers and employees.

### Human Rights Training

Our human rights awareness training is intended to ensure that all Nomura executives and employees are personally aware of the group's social responsibilities. This requires a commitment to upholding the fundamental principle of "neither discriminating, nor permitting or tolerating discrimination." The training seeks to deepen employee understanding of human rights issues and the awareness that human rights are a concern for all. The structure of human rights training at Nomura Securities Co., Ltd. is summarized below.

#### Human rights training structure



### In-house Human Rights Training

Human rights at Nomura is overseen by the Nomura Group Human Rights Education Committee and Human Rights training programs for all executive officers are provided at least once a year.

In October 2009, the 11th Human Rights Training Session for executive officers was held at our head office in Nihonbashi, Tokyo. We invited Mr. Haruyoshi Yamamoto, the director of Yokohama Rosai Hospital Mental Health Center for Workers, to deliver a lecture entitled, "Mental health and human rights of workers," for about 100 executive officers. The audience appreciated the rich content of his lecture, which included recommendations for employee human rights and mental health.

Our education system for employees is centered on the Nomura Securities Co., Ltd. Human Rights Education Committee. During the five days from May 24 to 28, 2010, we provided human rights classes under the topic, "A bright and pleasant workplace free of harassment," for about 3,100 employees of the Otemachi head office. Participants split into groups to discuss one of seven different situations before presenting their conclusions. This year we again offered a time for explanations in English for employees who are not native speakers of Japanese. The sessions provided an opportunity for reflecting on everyday behaviors from the perspective of human rights toward fulfilling the promise of the workshop title.

Our education programs address the entire field of human rights, including discrimination against Japan's Dowa communities, foreign residents and the handicapped, as well as the issues of sexual and power harassment.

In 2009, 30 sessions were held with over 14,000 participants from Nomura Securities Co., Ltd.

## Main In-house Training Programs

### 1. Human rights training for group executive officers

- Primarily lectures on human rights issues conducted by instructors from outside the company

### 2. Introductory training for new employees and introductory orientation for mid-career hires

- Explanation of why the group is actively involved in the area of human rights
- The group's platform for promoting human rights awareness and deepening understanding on the human rights issues that surround us
- Correct understanding of HIV infection and the group's basic policy

### 3. Training for newly appointed managers

- The human rights situation in the world and the group's human rights initiatives
- Human rights issues within the company
- Matters all managers must be aware of and the role that they should take

### 4. Training at head offices and branch offices

- Understanding the content of the Prevention of Sexual Harassment and Power Harassment Guide Training through discussions related to "Creating a professional working environment free of harassment"

### 5. Human Rights Education Committee Training

- Award for human rights slogan
- Human rights-related lectures
- Human rights movements in the world and human rights issues within the company
- Explanation of procedures of human rights training sessions held at branches

### 6. Information sharing between the Nomura group and related companies

- The current situation regarding human rights
- Initiatives by Nomura Securities Co., Ltd.
- Information sharing among companies

## Preventing Sexual and Power Harassment

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

to prevent power harassment. An external contact point for power harassment complaints was established in June 2005, and awareness training programs are held to raise employee awareness of this issue. In September 2009, we thoroughly revised the publication, included English consultants contact information, and changed the title to "Prevention of Sexual Harassment and Power Harassment." An English translation of the new guide is also posted on the company intranet.

## HIV Policy

We established our Basic Policy Concerning HIV-infected employees in 1994 (revised in April 2006) as our basic stance on people infected with HIV. This initiative pledges the Nomura group's commitment to helping eliminate prejudice against those with HIV and to protecting their rights.

## Basic Policy Concerning HIV-infected Employees in Japan

- ① The Nomura group shall neither dismiss employees on the grounds of HIV infection nor subject them to any other form of discrimination.
- ② The Nomura group shall rigorously safeguard the personal data of HIV-infected employees.
- ③ The Nomura group shall not test for HIV in regular employee health checks.
- ④ The Nomura group shall strive to ensure that executive officers and employees have a correct understanding of HIV to prevent infection and eliminate prejudice toward those infected with HIV.
- ⑤ The Nomura group shall create workplaces where HIV-infected employees can comfortably work.

## Participating in External Workshops

Our Human Rights Education Department and human rights awareness promotion members of individual departments and branch offices broaden our perspective by participating in human rights seminars and workshops offered by government organizations, human rights agencies, and non-profit organizations.

**Employee data** (as of March 31, 2010)**Number of Nomura Group employees**

	At March 31, 2007	At March 31, 2008	At March 31, 2009	At March 31, 2010
Japan	12,841	13,938	15,320	15,053
Europe	1,791	1,956	4,294	4,369
Americas	1,322	1,063	1,079	1,781
Asia-Pacific	900	1,070	4,933	5,171
Total	16,854	18,026	25,626	26,374

**Number of female managers at Nomura Securities Co., Ltd. and percentage of total in Japan**

	At March 31, 2007	At March 31, 2008	At March 31, 2009	At March 31, 2010	At July 1, 2010
Female	52	71	141	159	186
Male	3,203	3,285	3,677	3,900	4,139
Percentage	1.60%	2.12%	3.69%	3.92%	4.30%

**Numbers of seniors\*<sup>1</sup> and persons with disabilities\*<sup>2</sup> at Nomura Securities Co., Ltd. in Japan**

	Guidelines		Initiatives		Number
	Yes	No	Yes	No	
Seniors		Yes	Yes		590
Persons with disabilities		Yes	Yes		285

\*1 All people aged over 60 are on short-term contracts. They are not included in the number of employees.

\*2 The percentage of employees with disabilities was 1.88% at June 1, 2010.

**Nomura Group education and training expenses**

	Nomura Securities Co., Ltd.	Other domestic subsidiaries	Europe	Americas	Asia-Pacific	Total
Educational and training expenses (millions of yen)	1,543	125	417	174	148	2,407

\* 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.

# 06 Our Environment



The Nomura group aims to lower its overall environmental impact and address environmental issues through its financial services.

We established a group environmental management system to drive comprehensive efforts in Japan, while all our business sites across the globe strive to reduce our collective environmental impact.

We have enhanced disclosure to present group environmental targets and achievements.

## Environmental Management

The Nomura group established an environmental management system to ensure the comprehensive and well-planned promotion of environmental preservation activities.

We are working to lower our overall environmental impact with a particular focus on climate change and the sustainable use of resources.

### Environmental Statement and Environmental Policy

All our employees undertake initiatives in line with this statement and policy. We based the statement on an environmental issues commitment in our Code of Ethics.

#### Environmental Statement

The Nomura group believes a healthy environment is the foundation of stable economic and social conditions for future generations.

We are committed to acting in an environmentally responsible manner and should therefore approach environmental issues positively.

#### Environmental Policy

- 1 We encourage investment and constructive engagement in environmentally friendly goods and services.
- 2 We will assess environmental risks and continually strive to minimize pollution and improve the environment.
- 3 We will comply with relevant environmental laws and regulations and engage with external stakeholders on environmental issues.
- 4 We are committed to reducing waste and conserving energy and natural resources to minimize the impact of our footprint on the environment.
- 5 We will communicate this policy to all employees to raise awareness of environmental issues and encourage environmentally friendly initiatives.
- 6 We make this policy available for public review.

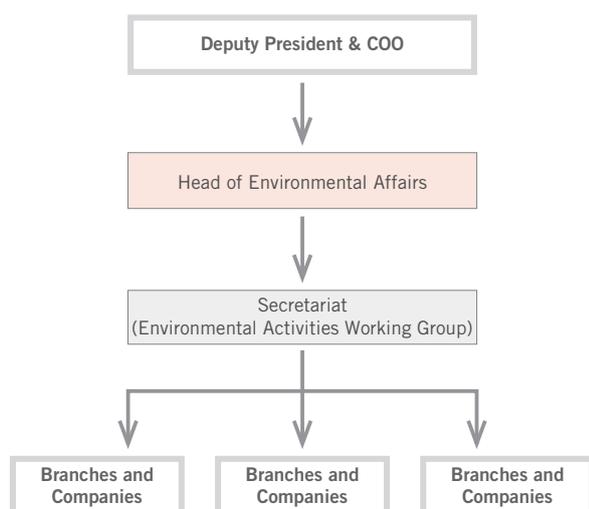
### Environmental Management of the Nomura Group

#### Environmental Management Implementation

The Nomura group maintains an environmental management system and formed the environmental activities working group to oversee efforts under this system. This body serves as a secretariat that is comprised of representatives from the Corporate Citizenship Department, the General Services Department of Nomura Securities Co., Ltd., and Nomura Facilities, Inc.

Our environmental management system is based on PDCA cycles across all group companies under the following structure.

#### Nomura group environmental management structure



#### Environmental Training

In fiscal 2009, we launched an environmental training program for all Nomura group employees. The program includes basic environmental knowledge, including concerns over climate change and declining biodiversity as well as our environmental management efforts. In the program's first year, 82% of employees participated.

#### Checking our Environmental Efforts

To increase the effectiveness of our environmental management system, we conducted an environmental efforts status review across all Nomura group companies. The response rate was 80.5%. Our goal is to continuously improve quality through ongoing surveys and status reviews of activities in all the companies.

#### Response rate of the environmental efforts status review

	Head Office	Branch Offices	Group Companies
Valid responses	109 (departments)	120	15
Response rate (overall average)	80.5%		

#### Management Review

The Head of Environmental Affairs reviews activities under our environmental management system once a year. After assessing all efforts and results, including the relative achievement of environmental goals and overall performance, the director issues necessary instructions for the next year to ensure continuing improvement.

# 06

## Our Environment

### Environmental Targets

We have accomplished all the environmental targets set for fiscal 2009. We are working to further reduce our environmental impact by setting new targets for fiscal 2010 based on the accomplishments of fiscal 2009.

### Fiscal 2009 environmental objectives

No.	Aspects	Objectives	Targets	Initiatives	Assessment
<b>Management systems</b>					
1	Build domestic environmental management system	Complete domestic environmental management system	Complete domestic environmental management system	<ul style="list-style-type: none"> <li>① Conduct in-house training</li> <li>② Check environmental efforts</li> <li>③ Conduct management review</li> </ul>	○
<b>Greenhouse gas emissions</b>					
2	Usage of electricity, gas, water, gasoline, and heavy crude oil	Cut overall energy consumption	Assess energy consumption and consider reduction targets	<ul style="list-style-type: none"> <li>① Launch power consumption data system</li> <li>② Launch water and gas consumption data system</li> <li>③ Assess overall data and identify issue factors</li> </ul>	○
3	Nihonbashi head office power usage	Cut power consumption	Lower power consumption to 8.4% below fiscal 2002 level	<ul style="list-style-type: none"> <li>① Turn off unnecessary lights (with patrols to ensure compliance)</li> <li>② Maintain proper air-conditioning temperatures</li> <li>③ Upgrade to high-efficiency lighting</li> </ul>	○ Reduced by 26.3%
4	Branch office power usage	Install high-efficiency lighting	Switch to high-efficiency lighting at 19 branch offices	<ul style="list-style-type: none"> <li>① Decide installation details</li> <li>② Install</li> <li>③ Confirm efficiency</li> </ul>	○ High-efficiency lighting at 21 branch offices
5	Company vehicle emissions	Switch to fuel-efficient, low-pollution vehicles	Fuel-efficient, low-pollution vehicles to account for 67% of fleet	<ul style="list-style-type: none"> <li>① List vehicles to be replaced</li> <li>② Choose replacement vehicles</li> <li>③ Replace after approval</li> </ul>	○ 76% of vehicles replaced
<b>Green purchasing</b>					
6	Office supplies usage	Promote green purchasing	Green products to account for 75% of supplies request system items	<ul style="list-style-type: none"> <li>① Post product pamphlets on supplies request system</li> <li>② Call for the purchase of green supplies at time of order</li> <li>③ Purchase green supplies</li> </ul>	○ Green products accounted for 75% of purchase
<b>Paper usage</b>					
7	Copy paper usage	Cut copy paper consumption	Reduce use of paper bought through supplies request system compared to fiscal 2008	<ul style="list-style-type: none"> <li>① Display posters promoting lower copy paper consumption</li> <li>② Encourage all branches and departments to reduce reliance on copy paper by using e-mail and intranet</li> <li>③ Cut copy paper consumption</li> </ul>	○ Reduced by 15%
8	Electronic distribution of prospectuses	Reduce number of accounts receiving hard copies of prospectuses	Increase number of accounts that accept prospectuses in electronic form	<ul style="list-style-type: none"> <li>① Expand scope of products with electronic documentation</li> <li>② Inform clients of electronic document delivery option</li> </ul>	○
9	Digitization of internal forms	Employ system for applications and approvals	Reduce use of paper forms	<ul style="list-style-type: none"> <li>① Identify forms that can be digitized</li> <li>② Add relevant forms to applications and approvals system</li> <li>③ Internally publicize and promote use of electronic forms</li> </ul>	○ Use of systems expanded to 189 forms
10	Elimination or digitization of internal confirmation forms	Reduced use of paper for internal confirmation forms	Stopped printing 224 forms, saving around 700,000 sheets annually	<ul style="list-style-type: none"> <li>① Assess the impact of digitizing or reducing the number of forms</li> <li>② Eliminate or digitize relevant business forms</li> </ul>	○ Eliminated printing of 224 forms

## Fiscal 2010 environmental objectives

No.	Aspects	Objectives	Targets	Initiatives
<b>Greenhouse gas emissions</b>				
1	Usage of electricity, gas and water	Reduce CO <sub>2</sub> emissions at Nihonbashi head office	Lower CO <sub>2</sub> emissions to 15% below fiscal 2002 level at Nihonbashi head office	<ul style="list-style-type: none"> <li>❶ Turn off unnecessary lights (with patrols to ensure compliance)</li> <li>❷ Maintain proper air-conditioning temperatures</li> <li>❸ Upgrade to high-efficiency lighting</li> </ul>
2	Branch office power usage	Install high-efficiency lighting	Switch to high-efficiency lighting at 13 branch offices	<ul style="list-style-type: none"> <li>❶ Decide installation details</li> <li>❷ Install</li> <li>❸ Confirm efficiency</li> </ul>
3	Company vehicle emissions	Switch to fuel-efficient, low-pollution vehicles	Fuel-efficient, low-pollution vehicles to account for 76% of fleet	<ul style="list-style-type: none"> <li>❶ List vehicles to be replaced</li> <li>❷ Choose replacement vehicles</li> <li>❸ Replace after approval</li> </ul>
<b>Waste</b>				
4	Waste generation	Promote waste recycling at Nihonbashi head office	Recycle 90% of the waste at Nihonbashi head office	<ul style="list-style-type: none"> <li>❶ Promote waste separation during environmental training</li> <li>❷ Separate waste</li> </ul>
<b>Green purchasing</b>				
5	Office supplies usage	Promote green purchasing	Green products to account for 75% of supplies request system items	<ul style="list-style-type: none"> <li>❶ Promote green purchasing during environmental training</li> <li>❷ Purchase green supplies</li> </ul>
<b>Paper usage</b>				
6	Copy paper usage	Cut copy paper consumption	Reduce consumption of paper bought through supplies request system to 15% below fiscal 2006 level	<ul style="list-style-type: none"> <li>❶ Display posters promoting lower copy paper consumption</li> <li>❷ Promote lower copy paper consumption during environmental training</li> <li>❸ Cut copy paper consumption</li> </ul>
7	Electronic distribution of prospectuses	Reduce number of accounts receiving hard copies of prospectuses	Increase number of accounts that accept prospectuses in electronic form	<ul style="list-style-type: none"> <li>❶ Expand scope of products with electronic documentation</li> <li>❷ Inform clients of electronic document delivery option</li> </ul>
8	Digitization of internal forms	Employ system for applications and approvals	Reduce use of paper forms	<ul style="list-style-type: none"> <li>❶ Identify forms that can be digitized</li> <li>❷ Add relevant forms to applications and approvals system</li> <li>❸ Internally publicize and promote use of electronic forms</li> </ul>

### **Environmental Management of Nomura International plc**

Nomura International plc (NIP), our U.K. subsidiary, has maintained ISO 14001 certification of its environmental management system at its London headquarters, Nomura House, for the last three years and has been regularly audited by the British Standards Institution. In an effort to reduce our environmental footprint, the real estate and services team is working to lower electricity consumption and increase the recycling of materials such as paper, aluminum and plastic. Preparations are underway to extend ISO 14001 certification to our new building at One Angel Lane in the City of London, which opens this summer.

### **Efforts to Address Climate Change**

We are addressing the issue of climate change through such efforts as reducing power consumption at offices and purchasing green power certificates. We also assess and collect the groupwide environmental performance data to maintain progress and meet targets. Going forward, we will ensure comprehensive disclosure of environmental information for all of our offices across the globe.

#### **Reducing Power Consumption**

Our efforts to reduce power include an ongoing program of replacing air-conditioning, lighting and other equipment with low environmental impact models and higher-efficiency applications.

We are lowering emissions from our heating systems by replacing oil-fuelled models with gas-powered units. We have shortened the operating hours of our air-conditioning systems and have tightened temperature setting controls.

We have formulated and gradually implemented our high-efficiency lighting program (utilizing daylight using illuminance sensors and introducing motion sensor lighting), completing 21 improvement projects in fiscal 2009. Furthermore, every employee is committed to reducing power consumption by, for example, ensuring lights are off in areas not being used. We also began using LED lighting for some areas of the Nihonbashi head office buildings.

In addition, we are installing in our offices energy-saving automatic vending machines that have less impact on the environment than conventional models.

### Purchasing Green Power Certificates

As part of efforts to reduce our environmental footprint, in fiscal 2006 we began purchasing 5.9 million kWh in green power certificates annually. Green power now accounts for half the electricity that our Nihonbashi head office consumes and all of the power used by the Takanawa training center every year. In addition, we purchased 2,000 kWh in green power certificates at the 29th Chuo Bank Seminar held by the Nomura group in April 2009 and ran the event using biomass power. When it convened its annual general meeting in May 2009, the Green Energy Partnership presented Nomura Holdings with an award for proactive contribution to the green energy cause.

#### Green Power certificate purchases from Nomura group events

Month/Year	Event	Location	Green Power Contracted (kWh)
April 2008	28th Chuo Bank Seminar	Tokyo	3,000
July 2008	Nomura Asia Equity Forum 2008	Singapore	25,000
September 2008	Tokai Tri-Prefecture Nomura Asset Management Fair	Nagoya	7,000
December 2008	Nomura Asset Management Fair	Tokyo	7,000
February 2009	Kansai Nomura Asset Management Fair	Osaka	15,000
April 2009	29th Chuo Bank Seminar	Tokyo	2,000

### Achievements Under Tokyo Metropolitan Government Global Warming Initiative

The Tokyo metropolitan environmental security ordinance requires businesses that are heavy CO<sub>2</sub> emitters to submit anti-global warming action plans. In December 2005, Nomura Securities Co., Ltd. submitted its plan for the main building, annex and former main building of the Nihonbashi head office. For fiscal 2005 through 2009, we continued efforts such as equipment renewal and operational improvements to cut CO<sub>2</sub> emissions by 6.5% from our average for fiscal 2002 through 2004. As a result, we reduced emissions by 25%. We are now developing a new five-year plan to further reduce emissions at the Nihonbashi head office buildings in accordance with the revision of the ordinance in April 2010.

### Reducing CO<sub>2</sub> Emissions from Employee Travel

Around 76% of company vehicles that we lease in Japan are defined by the Ministry of Land, Infrastructure and Transport as low-emission models, compared with 65% in fiscal 2008. Our fleet also includes 50 hybrid vehicles, an increase from 44 in fiscal 2008. Of the newly introduced vehicles in fiscal 2009, 96% were low emission models. We will deploy more such vehicles as existing leases expire. In addition, we are promoting eco-driving to reduce CO<sub>2</sub> emissions.

To further reduce our environmental impact, we use videoconferencing, ensure adequate operation of IT equipment, and cut vehicle use and employee travel. All our offices had installed videoconferencing systems by March 2006.

#### CO<sub>2</sub> emissions from employee travel

	(Metric tons)		
	2007	2008	2009
Air travel (domestic)	6,444	6,611	6,716
Air travel (international)	2,421	2,088	1,871
Railway	323	349	385
Automobile	—	—	1,954
Total	9,188	9,048	10,926

### Green Purchasing

We strive to minimize the environmental impact of the goods and services we purchase. The green purchasing guidelines of Nomura Securities Co., Ltd. and Nomura Holdings cover personal computers, displays, servers, printers, and other IT equipment. Such products must be deemed necessary and comply with strict energy-saving, toxic substance, and 3R (reduce, reuse, and recycle) requirements.

#### Green purchasing ratio (Nomura Securities Co., Ltd.) (%)

2005	2006	2007	2008	2009
54.5	55.8	61.0	75.0	75.0

### Participating Worldwide in Earth Hour 2010

Around 30 Nomura group offices in Asia-Pacific and Europe participated in Earth Hour on March 27, 2010. Participants turned off lights for one hour from 8:30 p.m., local time. This annual initiative of the World Wildlife Fund (WWF) raises awareness about conserving energy in around 128 participating countries. We are committed to using natural resources carefully, conserving energy and helping build a sustainable society. Participating in campaigns like Earth Hour is valuable for enhancing employee awareness of the issues.

#### CO<sub>2</sub> emissions (Figures in parentheses show adjusted CO<sub>2</sub> emissions after factoring in electricity purchased with green power certificates.)

(Metric tons)

	2005	2006	2007	2008	2009
Nomura group companies in Japan	13,229	32,624* <sup>1</sup> (30,324)	33,131 (30,831)	45,913* <sup>2</sup> (43,613)	49,474 (47,174)
London	9,442	10,255	10,090	10,109	9,759

#### Power consumption

(Thousand kWh)

	2005	2006	2007	2008	2009
Nomura group companies in Japan	31,299	78,848* <sup>1</sup>	84,568	92,903* <sup>2</sup>	95,436
London	21,156	22,953	22,798	22,795	22,096

#### Water consumption

(Thousand m<sup>3</sup>)

	2005	2006	2007	2008	2009
Nomura group companies in Japan	116	301* <sup>3</sup>	308	300* <sup>2</sup>	180
London	44	54	44	37	44

#### Gas consumption

(Japan: Thousand m<sup>3</sup>; London: Thousand kWh)

	2005	2006	2007	2008	2009
Nomura group companies in Japan	663	924* <sup>3</sup>	941	896* <sup>2</sup>	1,063
London	1,816	2,027	1,512	1,615	1,360

\*<sup>1</sup> Expanded collection of data from three main offices to 163 domestic branches and group companies

\*<sup>2</sup> Lehman Brothers data included

\*<sup>3</sup> Expanded collection of data from three main offices to 163 domestic branches

## Going Paperless and Promoting Recycling

We are working to reduce paper consumption through such efforts as distributing electronic prospectuses for the sustainable use of resources.

We are also effectively utilizing limited natural resources through various recycling activities in our offices.

### Cutting Paper Use by Distributing Digital Prospectuses and Reports

**Saved paper, if piled into a single stack, would rise 1.2 times higher than Mt. Fuji**

Nomura Securities Co., Ltd. takes advantage of the widespread access to online services to increasingly distribute electronic prospectuses and reports to clients and thereby conserve paper and reduce waste.

We began e-mailing prospectus files to clients in April 2008. This saves a lot of paper as prospectuses are mandatory for all products and contain many pages of details. Our electronic approach is popular among clients since they can print what they want and easily find the information they need. In August 2008, we enabled investment trust and other clients to request promotional brochures by e-mail instead of by post. By the end of April 2010, clients for about 870,000 accounts, or around 15% of total accounts, received such documents electronically.

We are also reinforcing our Home Trade Service, which enables clients to check the state of transactions online. We offer Nomura Eco Discounts on account management fees and stock brokerage fees for clients who subscribe to this service.

These efforts effectively reduced annual A4 paper use by 44 million sheets, which, if stacked up, would rise as high as 4,400 meters, 1.2 times higher than Mt. Fuji.

### Eliminating and Digitizing Internal Forms

**Request and Approval System Cuts Annual Paper Consumption by Roughly 165,000 Sheets**

We are digitizing forms and reports internally through our application and approval system, which we launched in July 2008. At the end of March 2010, we had completely digitized around 189 types of forms, which reduced annual paper consumption by 165,000 sheets in fiscal 2009.

### Eliminating Paper Forms Saves 700,000 Sheets Annually

Nomura Securities Co., Ltd. constantly reviews the daily flow of forms from its data center. In fiscal 2009, the center stopped producing around 224 of its 2,350 forms, reducing annual paper consumption by 700,000 sheets.

### Office Paper Consumption Down 300 Metric Tons from Peak

We are assessing our copy paper usage to reduce consumption. In fiscal 2009, Nomura Securities Co., Ltd. used 730 metric tons of A4 copy paper, or 29% less than the 1,027 metric tons used in fiscal 2006. This was the result of a poster, e-mail, and intranet-based campaign launched in fiscal 2007 to reduce office paper consumption as well as cost.

**Copy paper consumption (Nomura Securities Co., Ltd.)** (Metric tons)

2005	2006	2007	2008	2009
952	1,027	950	867	730

### Recycling Efforts

The Nomura group is pursuing various recycling initiatives focusing on the Nihonbashi head office buildings of Nomura Securities Co., Ltd.

In fiscal 2009, 3.6 tons of cafeteria garbage was composted into fertilizer, and waste oil from the cafeteria was recycled into soap, fertilizer or paint. Used fluorescent lights are crushed and separated into metal, glass and mercury, which are then reused as metal materials, repurposed glass or other building and cement materials, as well as fluorescent light bulbs or test reagents. We also purchase toilet paper rolls made from discarded confidential documents.

In fiscal 2009, we generated 89,721 kWh, equivalent to the monthly electricity use of 314 households, by incinerating waste from the Nihonbashi head office, reducing CO<sub>2</sub> emissions by 50.7 tons per year.

#### Paper recycling ratio

(Nomura Securities Co., Ltd. Nihonbashi head office)

2005	2006	2007	2008	2009
98.4	98.5	94.8	95.4	94.8

#### Waste recycling ratio

(Nomura Securities Co., Ltd. Nihonbashi head office)

2005	2006	2007	2008	2009
93.2	93.6	92.6	92.4	91.6

### The Eco-cap Campaign

This initiative entails collecting plastic bottle caps and selling them to recycling companies. The Japan Committee Vaccines for the World's Children, a nonprofit organization, uses the proceeds to buy one vaccine for every 800 caps and send the medicine to children in developing countries. Nomura Business Services was the first group company to participate in this campaign; all now contribute. Recycling companies use the caps to make veneer, building materials, stationery and other products, thereby avoiding incineration that would emit CO<sub>2</sub>. At the end of fiscal 2009, we had provided caps equivalent to 3,591 vaccines.

### Environmental Preservation Initiatives in London Nomura International plc Receives "Clean City Award" for Eight Consecutive Years

Nomura International plc (NIP), our U.K. subsidiary, received a gold award in the City Of London Clean City Awards, the eighth year we have received an award. These awards were introduced in 1994 by the City of London and are presented each year to companies that have successfully reduced their waste. Following the principle of "reduce, reuse and recycle," over 1,700 companies participate in the initiative, including small shops, financial institutions and multinational corporations.

NIP obtained ISO 14001 certification in 2007 and has continued to proactively carry out an environmental program. In addition to recycling, NIP is working to keep down overall building energy consumption by reducing the hours for office equipment use and introducing lighting with sensors that automatically turn lights on and off by detecting the presence of people in a room. The fact that NIP has received the Clean City Award in recent years shows that people outside the company recognize how NIP's initiatives have led to positive results.

### Committed Recycling Activities

NIP is totally committed to recycling. With the "bin the bin" campaign we got rid of trash cans at each desk at Nomura House and One Angel Lane. Doing so not only promotes recycling by getting employees to take their waste to the recycling bins, but it also creates a more open office environment with no waste bins obstructing the aisles. Beyond recycling paper, plastic bottles, printer cartridges and computers, we also collect mobile phones and eyeglasses, which are repaired by a charity organization and then donated for reuse in developing countries. We also collect shoes and clothes, which have been cleaned and mended, and donate then via a charity organization to get people back into work.

## For Future Generations

## Environmental Education for Future Generations

The Nomura group holds environmental educational events and enlightenment programs for children to pass on the importance of taking care of our environment.

### Summer Holidays Environmental Event

In August 2009, the corporate citizenship department held an event for elementary and junior high school students to raise environmental awareness in homes. The title of this year's event was: "Summer homework under an environmental theme—Make a unique recycled umbrella!" A total of 22 participants attended, consisting of children from the Wakakusa Dormitory supported by the Nomura group, and the children of employees. After an environment quiz to learn why CO<sub>2</sub> is increasing in the world, Mr. Jun Otsuka, representing the Shibukasa Project, which lends clear plastic umbrellas free of charge mostly in the Shibuya area, spoke about the mass disposal of such umbrellas in Japan and the activities of the Shibukasa Project. Finally, each participant drew a picture on a clear plastic umbrella that he or she had brought or on an unused one collected within the Nomura group in an awareness-raising effort toward reducing CO<sub>2</sub> emissions by addressing a waste problem close to home. Some children proudly took their umbrellas with them, while others offered their umbrellas to



Mr. Otsuka so that people could use them through the project. The children learned about respecting everything we use.

### Kids' ISO Program

ArTech, a Japanese non-profit organization, leads this global program to educate children about environmental management systems that underpin the ISO 14001 standard. The program provides opportunities for children to contemplate the environment and collaborate with other participants around the world. This initiative is part of the framework of the United Nations Decade of Education for Sustainable Development. Nomura group employees and their families have participated in the program during the summer break since 2007.

In fiscal 2009, 18 people spent 7 days exploring ways to conserve electricity, gas, water, and other resources, thereby reducing CO<sub>2</sub> emissions by 61 kilograms.

# Stakeholder Dialogue

## Challenges for Nomura as a global player

Here we share the opinions and insights of Mr. Shizuo Fukada of the Caux Round Table on the current management and CSR challenges facing the Nomura group as it builds a stronger global presence.

**Mr. Shizuo Fukada**  
Executive Advisor to the Chairman  
Caux Round Table-Japan

President of Inter-Business Network (IBN), Executive Advisor to the Chairman, Caux Round Table-Japan, and former Corporate Advisor, Board of Directors Office, Omron Corporation. Involved in a broad range of international CSR activities since the 1990s, Mr. Fukada has played a significant role in the world business community in ISO/SR standardization. He has also served in various posts, including member of several committees in the field of international trade investment and trade.

**Takumi Shibata**  
Deputy President and COO  
CSR Committee Chairman  
Nomura Holdings, Inc.

### What Nomura needs to do now to exercise global leadership



Shizuo Fukada

**Shibata:** We have now reached the stage at which we must thoroughly consider what our identity should be in this era of globalization, what ideal figure we want society to have of us, and how we intend to accomplish this from inside the organization. The general public sees the financial industry as having caused significant harm to society by engaging in business with indifference as regards providing added value to clients while devoting itself exclusively to proprietary trading for its own benefit, resulting in taxpayers having to pay for the losses. This is how people view financial institutions, at least in Europe and the United States. Although Nomura's roots are in Japan, not in Europe or the United States, and it has never had to rely on funds from the government, we still exist as an entity of the same financial world that requires self-control and good business practices, while earning profit only after providing added value to our clients. Forms of such added value can be timely information provision, consultation inherent in product offerings, global research, liquidity in securities transactions, corporate finance

advice and funding support. All of these are the basics of any client-focused business. Now we have come to an era in which individual clients demand selected investment opportunities from all over the world, institutional investors demand services on a global level, and businesses demand that advice on M&A be relevant to global networks. We must be a global player in order to respond to our clients' global needs.

**Fukada:** I believe there are three requirements for global players. The first is to be competitive using your own strengths. The second is the ability to make decisions quickly after selecting precise information in the midst of ongoing globalization and accelerated development. The third is vision. This third requirement, in particular, calls for forward-looking judgment rooted in a profound understanding of economically advanced nations. I have heard the expression, "Doing well and doing good." This means, make profit and also benefit society, or to put it another way, business and CSR must be fully integrated. Companies in Europe and the United States have a history of gaining public respect through such activities.

**Shibata:** Having a vision is essential. I believe our position allows us to provide materials that contribute to market development in Japan. We are expected to make judgments now on what we do in the future, including medium-to-long-term perspectives as well as the short term.



Takumi Shibata

### Realizing a global vision

**Fukada:** A key for realizing this vision is responding to diversity. Addressing regional differences in values, ethics and business thinking is difficult and time-consuming. There are two points to keep in mind in this process. One is to respect and somehow incorporate into management thinking and practice an international code of conduct that encompasses universal values and principles as a driving force for unifying diverse values. The other is to firmly establish the Nomura group's philosophy, principles and strategies. These should be built on the Founder's Principles as the Nomura Group Philosophy, on which all employees can base their actions. To do this, you and President and CEO Watanabe need to take on leadership as a missionary to disseminate and firmly establish this philosophy through your global organizations while also allowing for enough time and effort to make it happen.

**Shibata:** The time for thinking about the integration with Lehman Brothers and Nomura is over. New waves of diverse employees have come on board, requiring creation of a new culture. The soil must be ready to accept diversity in the first place. President and CEO Watanabe uses the phrase, "globalization from within." This means there must be a change on the Japanese side. The creation of shared values requires a definition of positive action rather than restrictive rules. That is, we should clearly express the values we want to deliver to society. This is the background for establishing the Vision and Values (→ p. 49) in January 2010.

### Focus area of CSR

**Shibata:** Viewed as a jet flight on which we are heading toward becoming a global bank departing from Asia, we have not yet attained cruising speed. The plane shakes when it takes off and gains altitude. At this stage, one of the first priorities is to focus on our core business for the sake of stabilizing operations and establishing accountability. We must also pursue added value for clients at the same time, since this is the essence of our business, that is, the creation of value for clients. Given that our *raison d'être* is to provide information in addition to funds as a fuel for society, our business itself contributes to society. As a major theme of CSR or corporate citizenship, we hold up the phrase, "For Future Generations," to focus our actions. This, however, requires further discussion across the company. Any activity should support the goal of sustainability. Nurturing young people to take action on their own in a market economy is an appropriate financial institution activity "For Future Generations." Our roles also include sharing information and recommendations with public institutions, such as governments around the world, from the perspective of sound market mechanisms and economic development.

**Fukada:** While you say you intend to become a leading global financial services firm, questions may be raised outside the company in relation to various concerns, such as: Can you really handle these kinds of issues? To answer these questions, you should be open and make your ongoing efforts visible to your stakeholders. It is important to embed corporate governance, internal control and risk management into your organizational culture and to ensure the transparency of every process, from philosophy and goal setting to execution, for external stakeholders. On that basis, I advise you to step up your contributions to the next generation. Please keep in mind the principle, "They, not you, define Nomura," that is, external stakeholders define the value of the Nomura group. Finally, CSR is evolving as new issues emerge amid an ever-evolving world. Therefore, I believe it is important for executive management to keep their antennae turned outward and keenly observe the surrounding environment.

I wish you all the best in achieving further corporate growth in the global arena.



# Nomura Group's Founder's Principles and Code of Ethics

## 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."

### 2. Principle of putting the customer first

"We must place our customers' interests before our own."

### 3. Global ambition

"Nomura is destined to become an active player on the international stage."

### 4. Emphasis on rigorous research and analysis

"We have a duty to research scientifically the intrinsic nature of all securities."

### 5. Staying one step ahead

"Always strive to stay one step ahead. Stagnation is retrogressive."

### 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."

### 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."

### 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."

### 9. Business development frame of mind

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

### 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."

## Code of Ethics

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.

### 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 nongovernment 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

Revised: April 1, 2006

### Mission Statement

- ① We are committed to enriching society by delivering superior investment services.
- ② We are not afraid to continually challenge conventional wisdom and actively encourage change in order to pursue growth.
- ③ We are committed to putting our clients at the heart of our business, developing and

maintaining long-standing relationships based on trust.

- ④ We are one firm, committed to delivering the full range of our capabilities, knowledge and resources to meet the needs of our clients.
- ⑤ We respect diversity and value differences of opinion.

Established: March 29, 2007

### Principles of Conduct for Executives

As executives of Nomura Group, we undertake to follow the highest ethical standards of honesty and integrity and will adopt the following principles:

- ① Be creative and innovative.
- ② Seek out opportunities, communicate, execute.
- ③ Manage ourselves, our teams, and the Group.
- ④ Take appropriate risks and actively manage those risks.
- ⑤ Demonstrate leadership, inspire our colleagues.

Established: March 29, 2007

### Principles of Conduct for Employees

As employees of Nomura Group, we undertake to follow the highest ethical standards of honesty and integrity and will adopt the following principles:

- ① Challenge  
Do you embrace challenges without ever giving up?
- ② Appreciate  
Do you strive to attain customers' trust and appreciate your customers?
- ③ Change  
Do you hesitate to change or make changes?
- ④ Cooperate  
Do you cooperate beyond your business line and position?
- ⑤ Propose  
Do you make proposals to create new values?

Established: September 28, 2007

# Nomura Group Companies (As of July 1, 2010)

## Nomura Holdings, Inc. and its major subsidiaries

### Japan

Nomura Securities Co., Ltd.  
Nomura Asset Management Co., Ltd.  
The Nomura Trust & Banking Co., Ltd.  
Nomura Babcock & Brown 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 Research & Advisory Co., Ltd.  
Nomura Business Services Co., Ltd.  
Nomura Facilities, Inc.  
Nomura Institute of Capital Markets Research  
JOINVEST Securities Co., Ltd.  
Nomura Healthcare Co., Ltd.  
Private Equity Funds Research and Investments Co., Ltd.  
Unified Partners, Ltd.

### Americas

Nomura Holding America Inc.  
    Nomura Securities International Inc.  
    Nomura Corporate Research and Asset Management Inc.  
    Nomura Derivative Products Inc.  
    Nomura America Mortgage Finance LLC  
    Nomura Fund Research and Technology America Inc.  
    Nomura Securities (Bermuda) Ltd.  
    Nomura Canada Inc.  
Nomura Financial Holding America LLC  
    Nomura Global Financial Products Inc.  
Nomura Holdings North America, Inc.  
    Nomura Securities North America, LLC  
Instinet Incorporated

### Europe & Middle East

Nomura Europe Holdings plc  
    Nomura International plc  
    Nomura Code Securities Ltd.  
    Nomura Bank International plc  
    Banque Nomura France  
    Nomura Bank (Luxembourg) S.A.

Nomura Bank (Deutschland) GmbH  
Nomura Bank (Switzerland) Ltd.  
Nomura Italia S.I.M.p.A.  
Nomura Netherland N.V.  
OOO Nomura  
Nomura Sweden AB  
Nomura Investment Banking (Middle East) B.S.C.  
Nomura Saudi Arabia  
Nomura (CIS) Limited  
Nomura Corporate Advisory (Central & Eastern Europe) Sp. z.o.o.  
Nomura Istanbul Corporate Advisory Services AS  
Nomura Funding Facility Corporation Ltd.  
Nomura Global Funding plc  
Nomura Europe Finance N.V.  
Nomura Principal Investment plc  
Nomura Capital Markets plc  
Nomura Structured Holdings plc  
Nomura European Investment Limited

### Asia-Pacific

Nomura Asia Holding N.V.  
    Nomura International (Hong Kong) Limited  
    Nomura Futures (Hong Kong) Limited  
    Nomura Securities (Hong Kong) Limited  
    Nomura Asia Ltd.  
    Nomura Singapore Limited  
    Nomura Securities Singapore Pte. Ltd.  
    Nomura Commodities Singapore Pte. Ltd.  
    Nomura Financial Investment (Korea) Co., Ltd.  
    Nomura Malaysia Sdh. Bhd.  
    Nomura Securities Malaysia Sdh. Bhd.  
    Nomura Australia Limited  
    Nomura Securities Philippines, Inc.  
    P.T. Nomura Indonesia  
Capital Nomura Securities Public Company Limited  
Nomura Financial Advisory and Securities (India) Private Limited  
Nomura Corporate Advisory (Shanghai) Co., Ltd.  
Nomura Asia Investment (India Powai) Pte. Ltd.  
    Nomura Services India Private Limited

\* Nomura group: The Nomura group is a financial services group comprising Nomura Holdings, Inc. and its domestic and overseas subsidiaries licensed under each different jurisdiction and operating under local laws.

## Independent Review

As a stakeholder concerned about the future of the financial markets, I am interested in seeing how the Nomura Group will sharpen its competitiveness by realizing a sustainable business model. The key issue today, as the financial sector faces increasingly severe public scrutiny, is to raise the transparency of the group. I believe this is how the Nomura group can gain greater appreciation by the international community. This is the basis for my comments on the Nomura group's CSR Report 2010.

The Nomura group is to be commended for steadily developing and reporting CSR activities through its core business. Based on the materiality identification in fiscal 2007, the group narrowed down the key priorities closely aligned with its core business to three in fiscal 2008: (1) contribute to the real economy from a client-focused perspective, (2) create a more prosperous society through our core business, and (3) promote workforce diversity and inclusion. In 2009, the group reported on the progress achieved under each key priority. The message from the CEO also conveys a strong determination to vigorously pursue these goals. This approach of prioritizing CSR activities based on how they are related to the company's business should prove more effective than doing a little of everything. Also worth highlighting is that this report for the first time includes a dialogue with an external expert. I encourage the company to further pursue stakeholder dialogues going forward.

Additional effort may be required in disclosing information about the Nomura group's initiatives in a way that facilitates objective evaluation by external stakeholders. In the process of advancing CSR activities, it is important to confirm, through two-way communication, how well stakeholders understand and evaluate these activities. Reviewing the report from this point of view, the message from the CEO certainly states "we pay close attention to the needs of society." Not so clearly expressed, however, is how the company listens to the voice of society, takes action on what it hears, and translates what it learns into improved performance. This is particularly true in regard to events that have attracted significant public concern, such as the Nomura group's response to the recent financial and economic crisis and the acquisition of Lehman Brothers.

Although the report does explain the company's efforts toward building a global corporate culture for promoting workforce diversity as a key priority, it does not provide sufficient related information, such as the challenges the company is facing or its strategy for addressing these challenges and monitoring progress, which would quantitatively and qualitatively support an objective evaluation.

In terms of another key priority, "creating a more prosperous society through our core business," I recommend providing greater detail on the strategy and process for grasping and addressing the environmental and social impacts of the Nomura group's business activities in addition to describing efforts such as contributions through financial and economic education or products and services.

Another area for improvement is the lack of information on how the Nomura group will incorporate environment, society and governance (ESG) factors into its business strategy as well as its daily operations. The report states that the CSR Committee chaired by the COO was established to drive CSR activities; yet only the agenda of the committee is shared. Unfortunately, the report does not include more details about its activities, such as specific results and subsequent improvements. This might prevent stakeholders from accurately assessing the CSR activities of the Nomura group.

Strengthening the reputation of the group's CSR activities and reporting will require first studying the advanced CSR efforts of leading global companies, calmly and objectively evaluating your own activities, and then providing information that is reasonably comparable and transparent.

I am convinced the Nomura group possesses the qualities for continued growth as a global firm in many aspects, including management vision and human resources. I hope the group will consider my recommendations in its actions and take full advantage of its distinctive characteristics to be valued by society as an enterprise that deserves to grow far into the future.

Hiroshi Ishida

Executive Director, Caux Round Table-Japan  
Associate Professor, Institute of Business and Accounting,  
Kwansei Gakuin University

## Closing Thoughts

This is our seventh annual CSR report.

The financial crisis of recent years has reminded us just how much impact financial institutions can have on economies worldwide and made us re-examine our business and how we operate. The CSR-related activities and ESG (environment, social and governance) factors of every company have been attracting greater attention amid rising social expectations, with ISO 26000 (Guidance on social responsibility) scheduled to take effect in the coming year.

The Nomura group has now reached the stage at which we aspire to exercise global leadership. Having decided to be a global player, we must be accepted by the communities where we operate as a global corporate citizen. Since the company's inception, our basic principle has been to contribute to the creation of a sustainable society by facilitating efficient fund flow in the financial and capital markets with a client-focused approach. This is exactly what is expected of us, but we must revisit what this means in today's changing context. Providing solutions to social and environmental challenges by applying our expertise through our core business should be the most efficient way to achieve these goals. Responding to our clients should be the first step toward increasing company value, which then will benefit other stakeholders. As our CEO remarks, business and CSR are two sides of the same coin, and one of our roles is to offer solutions by structurally

integrating the needs of society into the market economy. → p. 3 We have therefore arrived at the point where we must thoroughly consider how to integrate our CSR activities into corporate strategy so that we can best contribute to a sustainable society in which we work for the future as a global player. The purpose and reason for our activities may not only come from our responsibility or a license to operate, as implied by the term "corporate social responsibility," but from our need to grow sustainably and a willingness to take on the role of a model corporate citizen.

Alongside these changes, the essential meaning of CSR has expanded, from initially referring to philanthropy or charitable contribution and compliance to encompass various initiatives for the sustainable growth of companies and society utilizing resources that include expertise, business experience and people.

Nomura's Corporate Citizenship department will provide non-financial information, taking into account various evolving international disclosure standards and guidelines. At the same time, and perhaps more importantly, we are determined to play a role in connecting our business with communities and to incubate new businesses and activities that are responsive to the environments where we operate.

Nami Matsuko  
Head of Corporate Citizenship Department  
Nomura Holdings, Inc.

## External evaluations

Nomura group CSR initiatives have won strong commendations. Nomura Holdings' stock has been included in the Dow Jones Sustainability Indexes, the FTSE4Good Index, and the MorningStar socially responsible index since September 2006.



### Dow Jones Sustainability Indexes

The world's first sustainability equity indices, Dow Jones & Company (U.S.) and Sustainable Asset Management (Switzerland), jointly choose the companies to be included in these benchmarks.



### FTSE4Good Index

Jointly owned by the Financial Times (U.K.) and the London Stock Exchange, FTSE established a socially responsible investment index comprised of prime enterprises across the world.



### MorningStar Socially Responsible Index (MS-SRI)

Morningstar Japan K.K. created this socially responsible investment benchmark, a first in Japan, which covers the share prices of the nation's 150 most socially responsible companies.

# GRI Guidelines Index

“—” stands for N/A. “AR” are the items described in the Annual Reports and documents submitted to the Securities and Exchange Commission (SEC).

## 1. Strategy and Analysis

Item	Indicator	Report Page
1.1	Statement from the most senior decisionmaker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	pp. 3–4
1.2	Description of key impacts, risks, and opportunities.	pp. 6–7

## 2. Organizational Profile

Item	Indicator	Report Page
2.1	Name of the organization.	pp. 1, 70
2.2	Primary brands, products, and/or services.	p. 1 AR
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	pp. 1, 70 AR
2.4	Location of organization's headquarters.	p. 1
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	p. 70
2.6	Nature of ownership and legal form.	pp. 1, 70
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	p. 70 AR
2.8	Scale of the reporting organization, including: <ul style="list-style-type: none"> <li>• Number of employees;</li> <li>• Net sales (for private sector organizations) or net revenues (for public sector organizations);</li> <li>• Total capitalization broken down in terms of debt and equity (for private sector organizations); and</li> <li>• Quantity of products or services provided.</li> </ul>	AR
2.9	Significant changes during the reporting period regarding size, structure, or ownership including: <ul style="list-style-type: none"> <li>• The location of, or changes in operations, including facility openings, closings, and expansions; and</li> <li>• Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations).</li> </ul>	—
2.10	Awards received in the reporting period.	p. 72

## 3. Report Parameters

Item	Indicator	Report Page
<b>Report Profile</b>		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	p. 1
3.2	Date of most recent previous report (if any).	p. 1
3.3	Reporting cycle (annual, biennial, etc.)	p. 1
3.4	Contact point for questions regarding the report or its contents.	p. 1

### Report Scope and Boundary

3.5	Process for defining report content, including: <ul style="list-style-type: none"> <li>• Determining materiality;</li> <li>• Prioritizing topics within the report; and</li> <li>• Identifying stakeholders the organization expects to use the report</li> </ul>	pp. 1, 6–7
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	p. 1
3.7	State any specific limitations on the scope or boundary of the report.	p. 1
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	—
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	pp. 6–7
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	—
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	—

### GRI Content Index

3.12	Table identifying the location of the Standard Disclosures in the report.	pp. 73–77
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### Assurance

3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	
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#### 4. Governance, Commitments, and Engagement

Item	Indicator	Report Page
<b>Governance</b>		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	pp. 10–13 AR
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	pp. 10–13
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	—
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	p. 51 Investor Relations
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	AR
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	pp. 10–13
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	p. 8
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	pp. 5–9, 68–69
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	p. 8
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	p. 8
<b>Commitments to External Initiatives</b>		
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	pp. 10–19
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	p. 1
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: <ul style="list-style-type: none"> <li>• Has positions in governance bodies;</li> <li>• Participates in projects or committees;</li> <li>• Provides substantive funding beyond routine membership dues; or</li> <li>• Views membership as strategic.</li> </ul>	p. 1

#### Stakeholder Engagement

4.14	List of stakeholder groups engaged by the organization.	p. 5
4.15	Basis for identification and selection of stakeholders with whom to engage.	p. 5
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	pp. 66–67

#### 5. Management Approach and Performance Indicators

Item	Indicator	Report Page
<b>Financial Services Sector Specific Disclosure on Management Approach</b>		
FS1.	Policies with specific environmental and social components applied to business lines.	pp. 5–9, 56, 68–69
FS2.	Procedures for assessing and screening environmental and social risks in business lines.	pp. 6–7
FS3.	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	
FS4.	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	pp. 9, 14–15, 53–54
FS5.	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	pp. 26–30
<b>Product and Service Impact</b>		
<b>Aspect: Product Portfolio</b>		
FS6.	Percentage of the portfolio for business lines by specific region, size (e.g., micro/SME/large) and by sector.	
FS7.	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	
FS8.	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	pp. 26–30
<b>Aspect: Audits</b>		
FS9.	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	
<b>Aspect: Active Ownership</b>		
FS10.	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	
FS11.	Percentage of assets subject to positive and negative environmental or social screening.	
FS12.	Voting polic(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.	

## GRI Guidelines Index

### Economic

	Management approach	pp. 6–7
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#### Aspect: Economic performance

EC1.	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	p. 31 AR
EC2.	Financial implications and other risks and opportunities for the organization's activities due to climate change.	pp. 26–30, 60–62
EC3.	Coverage of the organization's defined benefit plan obligations.	pp. 47–51 20–F
EC4.	Significant financial assistance received from government.	

#### Aspect: Market Presence

EC5.	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	
EC6.	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	
EC7.	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	

#### Aspect: Indirect Economic Impacts

EC8.	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	pp. 26–30, 31–42
EC9.	Understanding and describing significant indirect economic impacts, including the extent of impacts.	

### Environment

	Management approach	pp. 6–7, 56–60
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#### Aspect: Materials

EN1.	Materials used by weight or volume.	p. 63
EN2.	Percentage of materials used that are recycled input materials.	p. 64

#### Aspect: Energy

EN3.	Direct energy consumption by primary energy source.	p. 62
EN4.	Indirect energy consumption by primary source.	p. 62
EN5.	Energy saved due to conservation and efficiency improvements.	pp. 60–62
EN6.	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives.	—
EN7.	Initiatives to reduce indirect energy consumption and reductions achieved.	pp. 60–62

#### Aspect: Water

EN8.	Total water withdrawal by source.	p. 62
EN9.	Water sources significantly affected by withdrawal of water.	—
EN10.	Percentage and total volume of water recycled and reused.	—

#### Aspect: Biodiversity

EN11.	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	—
EN12.	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	—
EN13.	Habitats protected or restored.	—
EN14.	Strategies, current actions, and future plans for managing impacts on biodiversity.	—
EN15.	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	—

#### Aspect: Emissions, Effluents, and Waste

EN16.	Total direct and indirect greenhouse gas emissions by weight.	p. 62
EN17.	Other relevant indirect greenhouse gas emissions by weight.	p. 61
EN18.	Initiatives to reduce greenhouse gas emissions and reductions achieved.	pp. 60–62
EN19.	Emissions of ozone-depleting substances by weight.	—
EN20.	NO <sub>x</sub> , SO <sub>x</sub> , and other significant air emissions by type and weight.	—
EN21.	Total water discharge by quality and destination.	—
EN22.	Total weight of waste by type and disposal method.	p. 64
EN23.	Total number and volume of significant spills.	—
EN24.	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	—
EN25.	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	—

#### Aspect: Products and Services

EN26.	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	pp. 63–64
EN27.	Percentage of products sold and their packaging materials that are reclaimed by category.	—

#### Aspect: Compliance

EN28.	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	—
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#### Aspect: Transport

EN29.	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	p. 61
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#### Aspect: Overall

EN30.	Total environmental protection expenditures and investments by type.	
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## GRI Guidelines Index

### Society

#### ■ Labor Practices and Decent Work

	Management approach	pp. 6–7, 43–46
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#### Aspect: Employment

LA1.	Total workforce by employment type, employment contract, and region.	p. 55
LA2.	Total number and rate of employee turnover by age group, gender, and region.	
LA3.	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	p. 51

#### Aspect: Labor/Management Relations

LA4.	Percentage of employees covered by collective bargaining agreements.	p. 51
LA5.	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	

#### Aspect: Occupational Health and Safety

LA6.	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	
LA7.	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	
LA8.	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	p. 52
LA9.	Health and safety topics covered in formal agreements with trade unions.	

#### Aspect: Training and Education

LA10.	Average hours of training per year per employee by employee category.	p. 55
LA11.	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	pp. 44–45
LA12.	Percentage of employees receiving regular performance and career development reviews.	pp. 43–46

#### Aspect: Diversity and Equal Opportunity

LA13.	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	p. 55
LA14.	Ratio of basic salary of men to women by employee category.	

### ■ Human Rights

	Management approach	pp. 6–7, 53–54
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#### Aspect: Investment and Procurement Practices

HR1.	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	
HR2.	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	
HR3.	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	pp. 53–54

#### Aspect: Non-discrimination

HR4.	Total number of incidents of discrimination and actions taken.	
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#### Aspect: Freedom of Association and Collective Bargaining

HR5.	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	—
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#### Aspect: Child Labor

HR6.	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	—
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#### Aspect: Forced and Compulsory Labor

HR7.	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor.	—
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#### Aspect: Security Practices

HR8.	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	pp. 53–54
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#### Aspect: Indigenous Rights

HR9.	Total number of incidents of violations involving rights of indigenous people and actions taken.	—
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### ■ Society

	Management approach	pp. 6–7
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#### Aspect: Community

SO1.	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	
FS13.	Access points in low-populated or economically disadvantaged areas by type.	
FS14.	Initiatives to improve access to financial services for disadvantaged people.	p. 24

#### Aspect: Corruption

SO2.	Percentage and total number of business units analyzed for risks related to corruption.	
SO3.	Percentage of employees trained in organization's anti-corruption policies and procedures.	pp. 14–15
SO4.	Actions taken in response to incidents of corruption.	

## GRI Guidelines Index

### Aspect: Public Policy

S05.	Public policy positions and participation in public policy development and lobbying.	pp. 1, 5
S06.	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	

### Aspect: Anti-Competitive Behavior

S07.	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	—
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### Aspect: Compliance

S08.	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	
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### ■ Product Responsibility

	Management approach	pp. 6-7, 20-22
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### Aspect: Customer Health and Safety

PR1.	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	p. 21
PR2.	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes.	—

### Aspect: Product and Service Labeling

FS15.	Policies for the fair design and sale of financial products and services.	p. 22
PR3.	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	pp. 22-23
PR4.	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	—
PR5.	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	pp. 20-22
FS16.	Initiatives to enhance financial literacy by type of beneficiary.	pp. 38-41

### Aspect: Marketing Communications

PR6.	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	
PR7.	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	

### Aspect: Customer Privacy

PR8.	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	
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### Aspect: Compliance

PR9.	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	
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