

# Nomura Sustainability Day

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Nomura Holdings, Inc.



October 5, 2021

# Our Founder's Principles

Securities business (our core business) / Enrich the nation (contribute to our stakeholders)

## Nomura's Raison d'être

**"Nomura's mission is to enrich the nation through the securities business. This is something we must absolutely see through."** (Empirical Research on Investment Trusts, compiled by Nomura Securities Research Department)

## Principle of Putting the Customer First

"Principle of Putting the Customer First  
We must place our customers' interests before our own."  
(100th edition of Osaka Nomura Business News)

## Global Ambition

"Nomura is destined to become an active player on the international stage."  
(*"Looking Back at My Life"*, by Tsunao Okumura)

## Emphasis on Rigorous Research and Analysis

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

## Staying One Step Ahead

"Always strive to stay one step ahead. Standing still is retrogressive." ("Nomura Tokuanden")

## Entrepreneurial Spirit

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

## Human Resources

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

## Emphasis on Team Work

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

## Business Development Frame of Mind

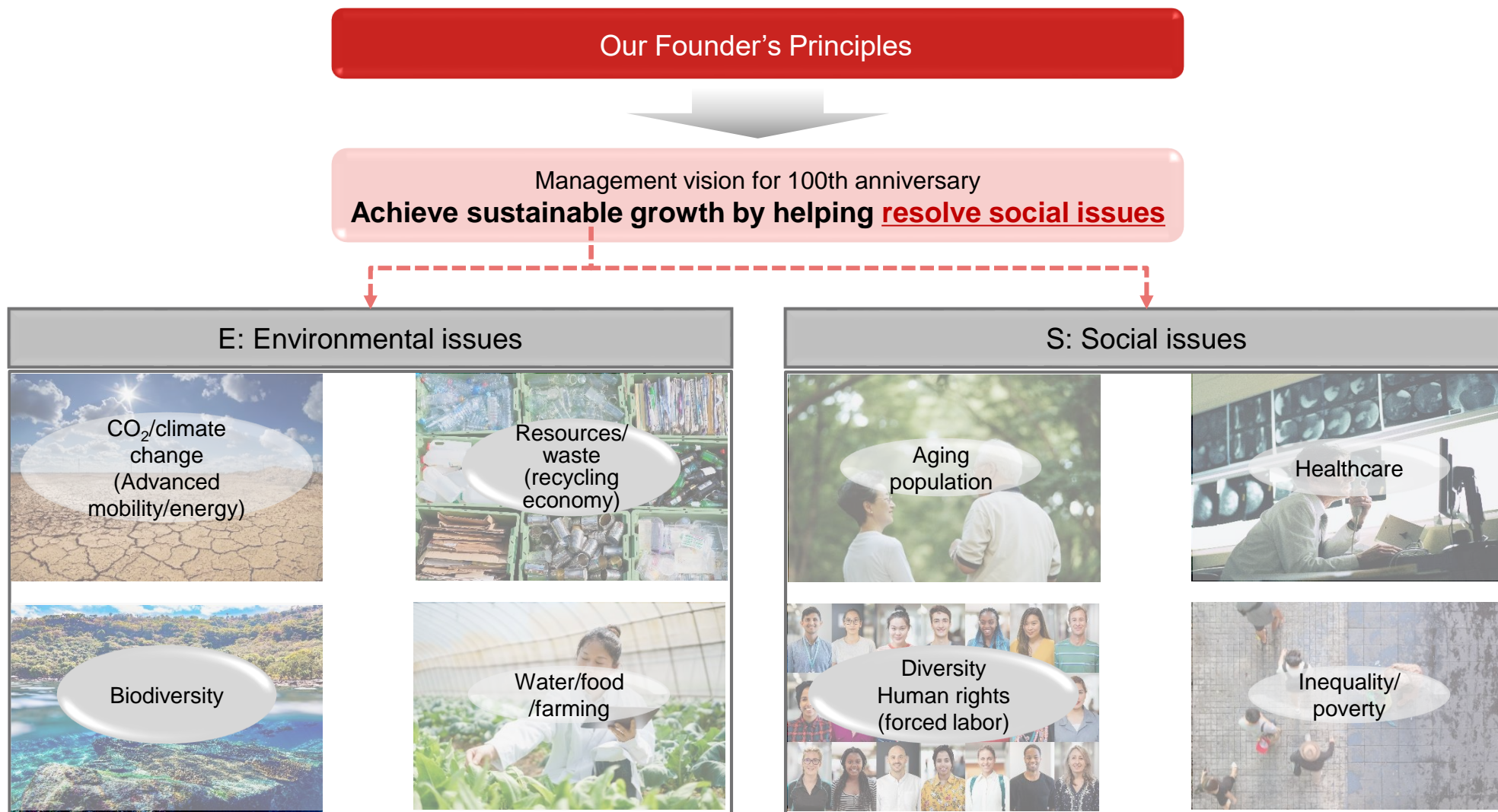
"We must have the courage to boldly follow the path of our convictions." ("Tsutakatsura")

## Customer Service Mindset

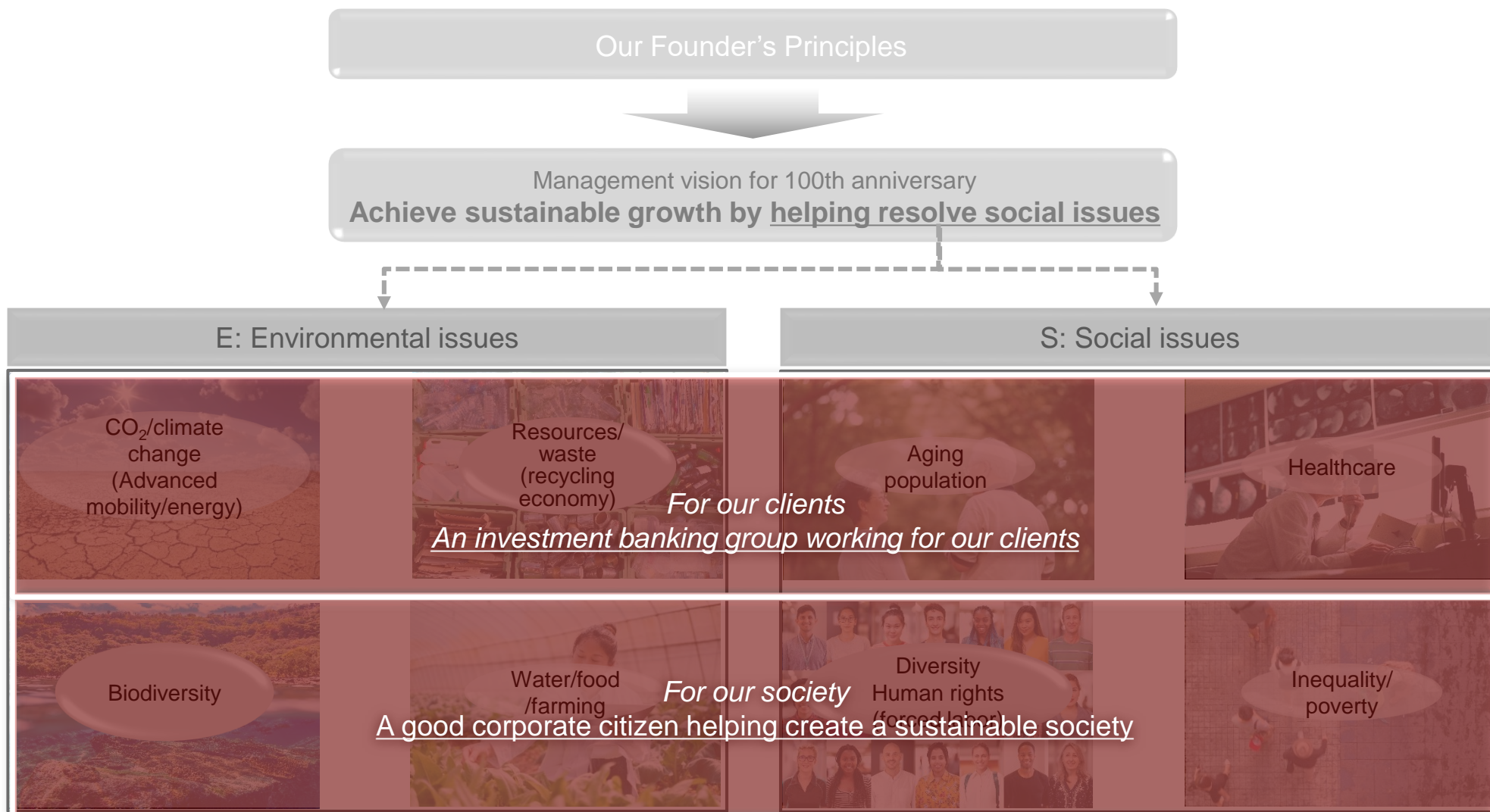
"If you conduct your work in a mechanical manner, believing simply that your role is over once the deal is done, there is no use in drawing on the strengths of those around you." ("Tsutakatsura")

# Our Founder's Principles: Management vision for 100<sup>th</sup> anniversary

NOMURA



# Our sustainability initiatives

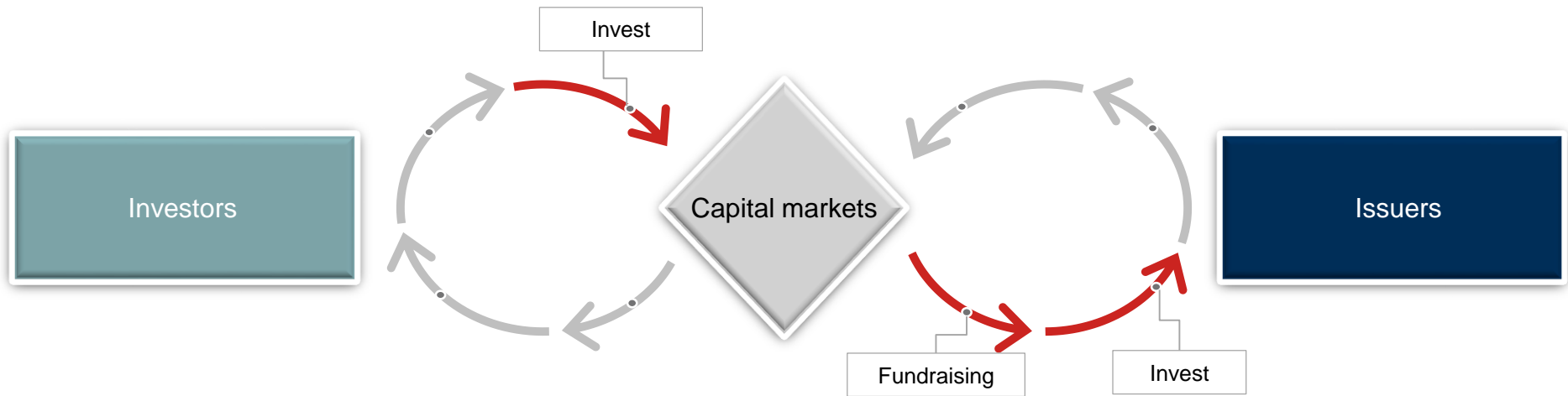


***For our clients:***

**An investment banking group working for our clients**

# For our clients: Sustainability initiatives centered on investment

**NOMURA**



**NOMURA**

*For our clients – An investment bank working for our clients*

## 3 Creating a better future for individuals

- Offer ESG investment products
- Financial inclusion for seniors
- Financial literacy

## 2 Contributing to sustainability as an institutional investor

- Responsible investment
- Funding to address social issues through asset management

## 1 Supporting the sustainability efforts of issuers though funding and capital flows

- Provide resources to resolve environmental and social issues through sustainable financing
- Tackle environmental issues through advisory services

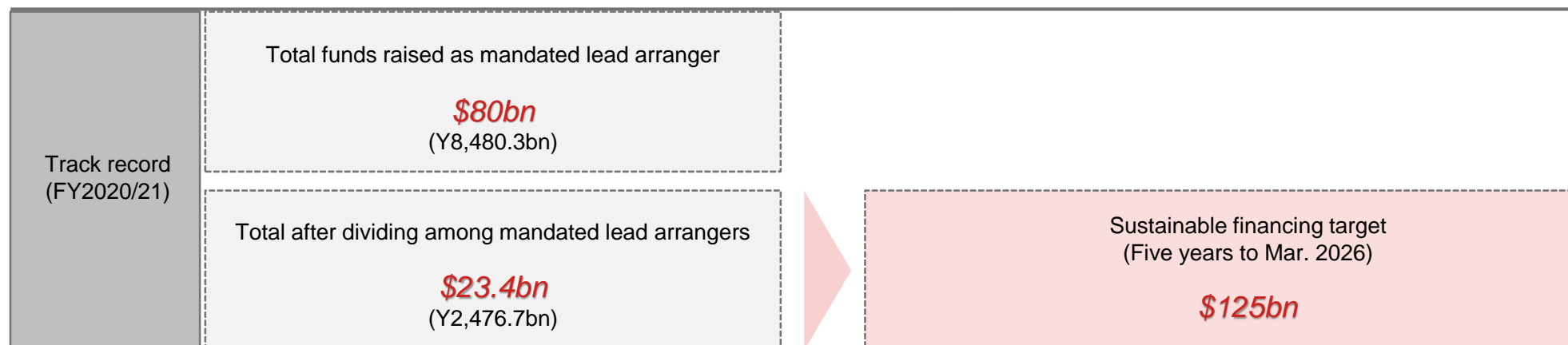
## 4 Differentiated approach leveraging the full capabilities of Nomura Group

- Advisory services (food, agriculture, asset/business succession, healthcare/caregiving)
- Leveraging content to deliver new value

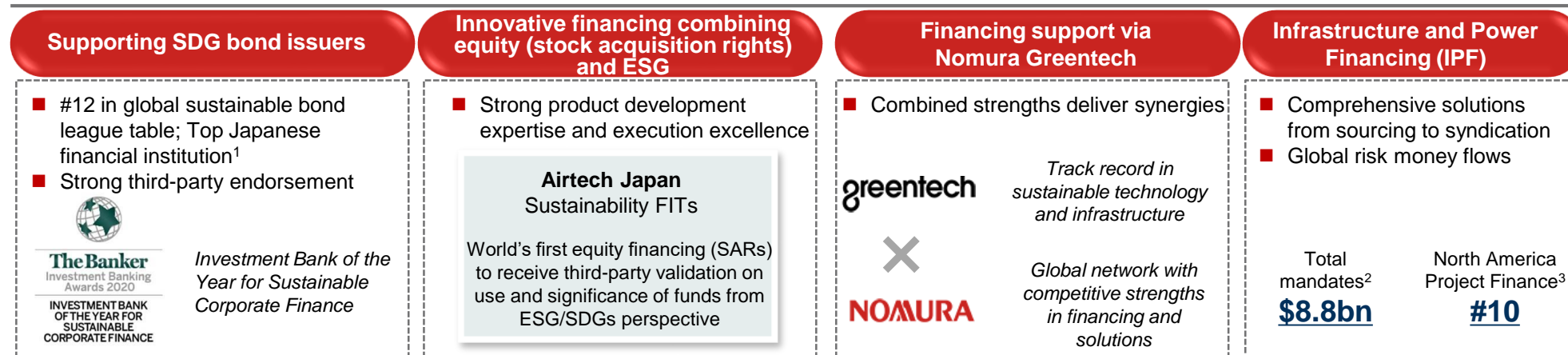
# For our clients: Financing to address environmental issues

	E	S
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For our society		

## Contributing to decarbonization through sustainable financing



## Drivers to achieve sustainable financing target



1. Source: Refinitiv, Jan - Dec 2020.

2. Total amount of assets financed since launching IPF business in 2017.

3. Source: IJ Global.

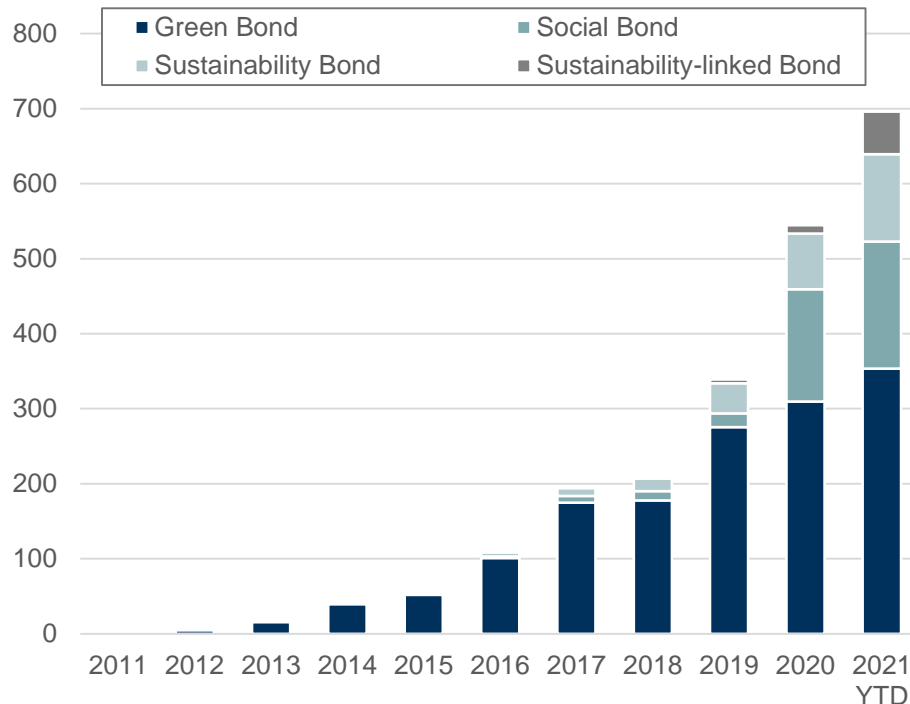
## For our clients: Huge growth potential for sustainable financing

- Rapid growth of SDG bond market (green bonds, social bonds, sustainability bonds)
- Decarbonization of all of society will require \$122 trillion in investment and financing over the 30 years to 2050

### Global SDG bond issuance<sup>1</sup>

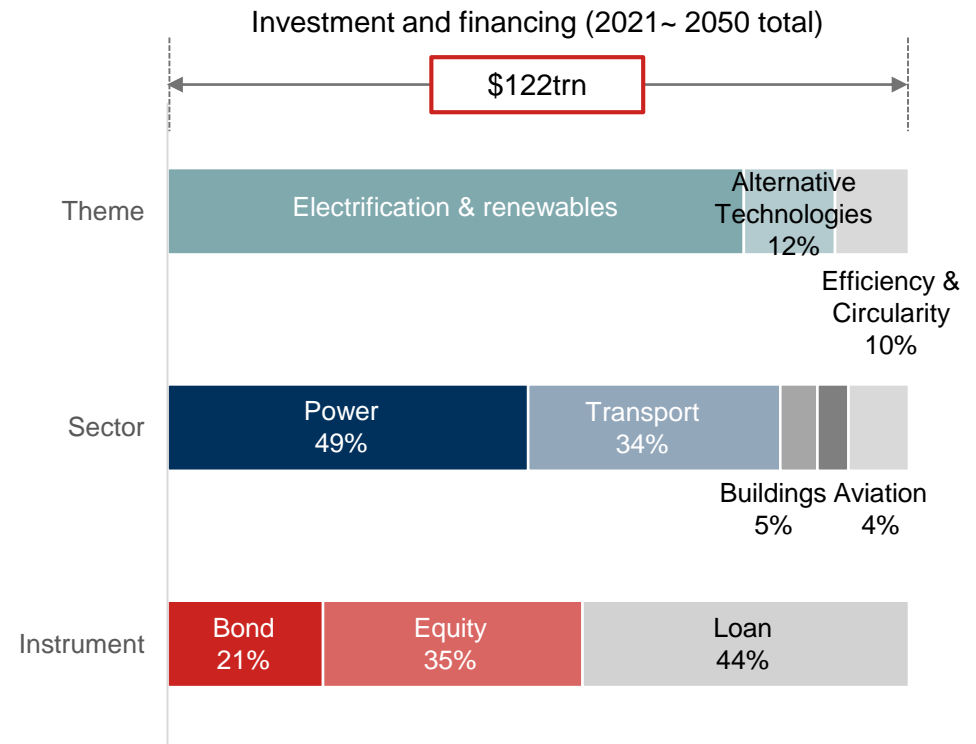
- In addition to green bonds, recently we have seen an increase in issuance of social bonds and sustainability bonds
- As of end of September, issuance for 2021 already exceeds 2020 total

(billions of USD)



### Forecast of investment and financing to 2050<sup>2</sup>

- Expect to see demand for electrification, renewable and alternative energy mainly from power and transport sectors
- Support shift to decarbonization through equity, mezzanine and project finance as well as SDG bond underwriting and loan origination

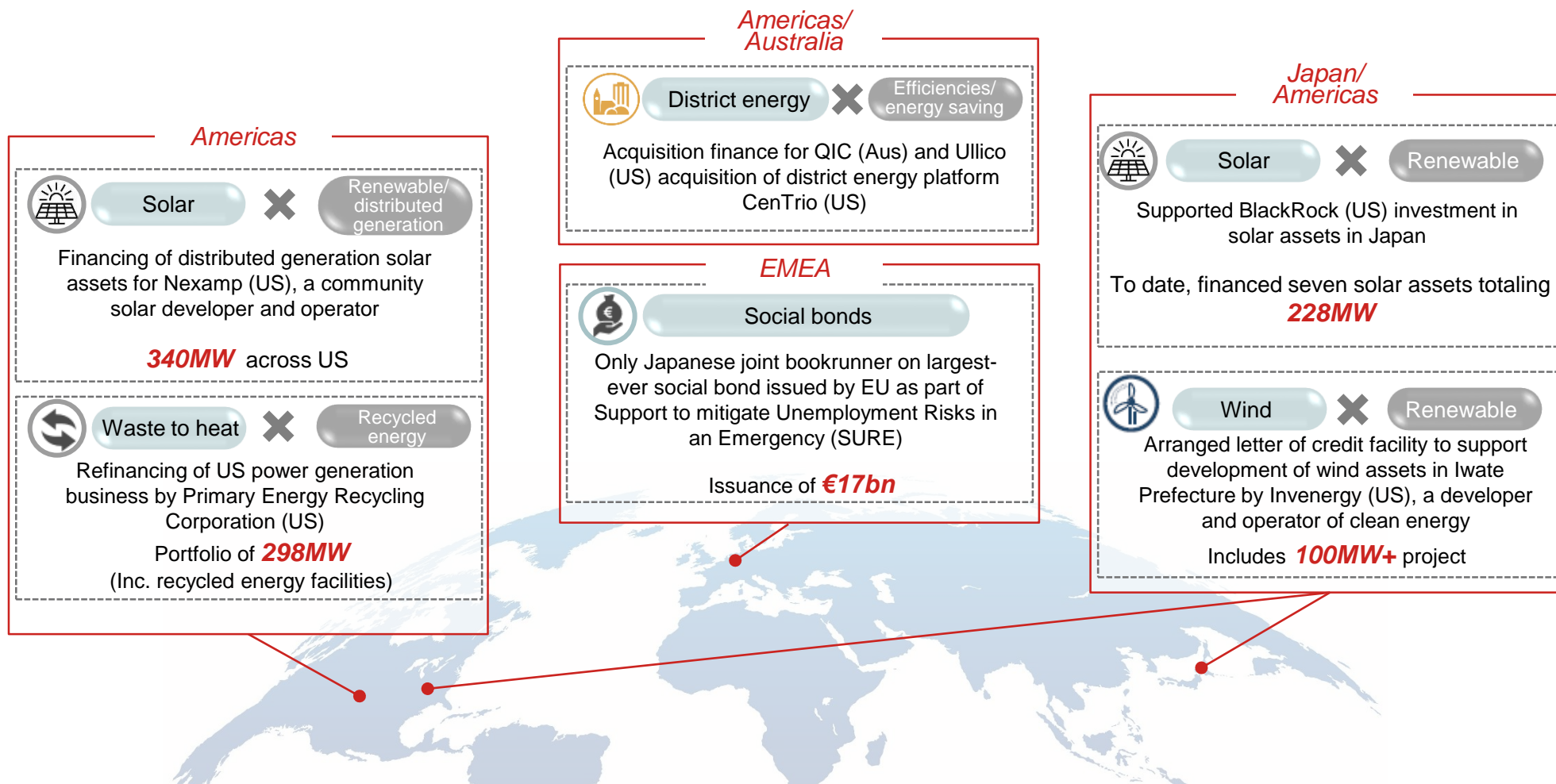


1. Source: Bloomberg, 2021 total is as of September 29.

2. Source: "Climate Finance Markets and Real Economy" Dec 2020.

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- Leveraged our global network to lead various projects in areas such as renewable energy and district energy systems
- Only Japanese financial institution to support issuance of EU's largest social bond



1

## For our clients: Advisory services to address environmental issues

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- Enhanced our environment-related M&A, divestiture and funding services with acquisition of Greentech Capital
- Appointed Greentech Capital founder Jeff McDermott as Global Co-Head of Investment Banking in October 2021 with the aim further expanding our US and advisory businesses

**greentech**

Leading M&A advisory boutique in sustainable technology and infrastructure

Track record since 2009      Complete deals **170+**      M&A value **\$55bn**      Fundraising **\$9bn**



Advanced transportation



Agriculture & Consumer



Environmental Services & Technologies



Energy Efficiency



Industrial IOT & Software



Power Infra/Smart Grid



Renewable Energy



Water

**NOMURA**

From **NOMURA**  
April 2020 **greentech**

Global network

Financing expertise

Competitive strength in solutions

Sustainability expertise and solutions

Broader client franchise

Global reach

Cross selling opportunities

Expanded product and service offering

### Highly ranked in sustainable M&A league table<sup>1</sup>

Rank	Financial advisor	Value (\$m)	# Deals
1	Goldman Sachs	8,111	9
2	Nomura	5,435	6
3	JPMorgan	4,385	5
4	BofA Securities	3,640	3
5	Morgan Stanley	3,326	6

Won first Japan mandate leveraging client franchise and expertise of both firms

**NOMURA**

(Japan RM and M&A banker)



**NOMURA**  
**greentech**  
(US team)

NEC

LG Energy Solution, Ltd

100%

(US) NEC Energy Solutions, Inc.

(Provides energy storage systems for power companies and corporates)

Transfer subsidiary shares in Dec 2021

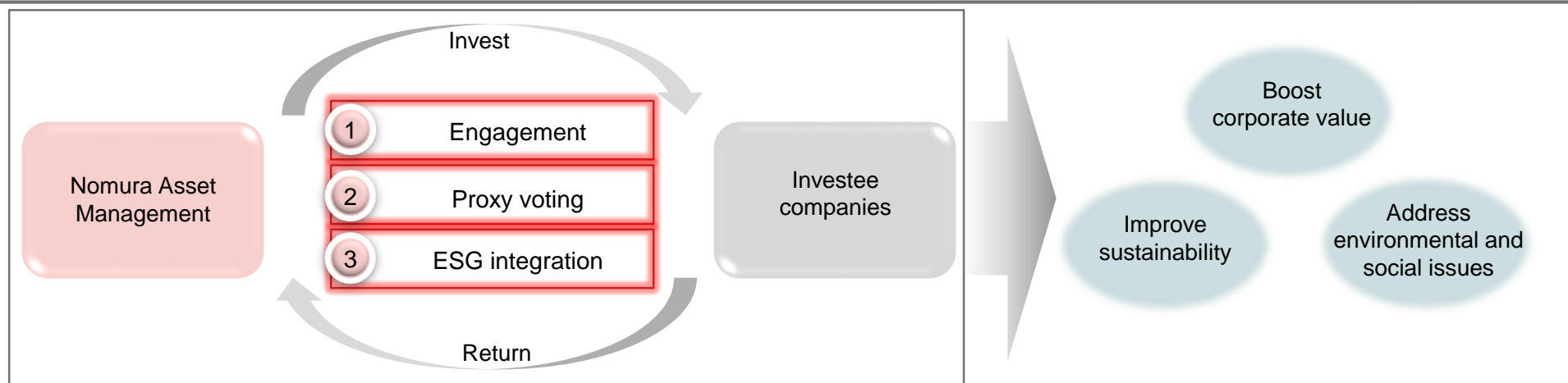
100%

1. Source: Refinitiv, Jan - Dec 2020.

# For our clients: Sustainability initiatives as institutional investor– Responsible investment

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Act as responsible investor with view to medium to long term sustainability including engagement, proxy voting and ESG for investee companies



1

## Engagement

- Engagement covers about 2,400 Japanese companies that Nomura Asset Management holds shares in (Dec 2020)

# of contacts  
(Jan – Dec 2020)

Approx.  
5,600

- For foreign stocks, we are leveraging expertise of our international investment teams and external resources

2

## Proxy voting

- Determine voting for all investee companies
- Established Responsible Investment Advisory Council in 2016 to oversee, verify and advise the Responsible Investment Committee

Number of meetings (2020)

Responsible Investment Committee<sup>1</sup> Responsible Investment Advisory Council<sup>2</sup>

19 times

8 times

3

## ESG integration

- Incorporate ESG factors into investment process to make investment decisions
- ESG evaluation applicable to companies in Western countries as well as Asia and emerging markets

Sample of ESG factors

Climate change

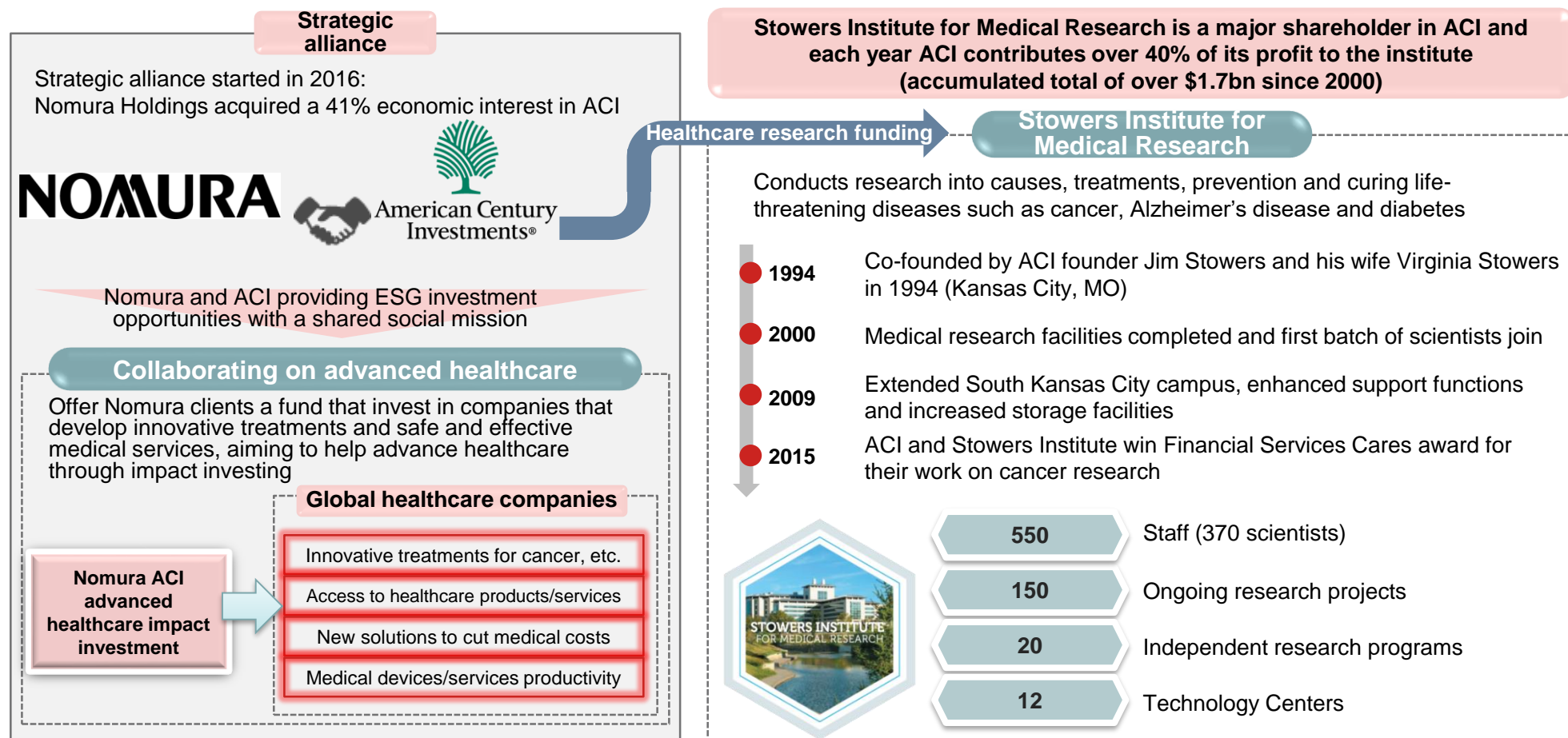
Human rights

Corporate wrongdoing

1. Comprised of managers from Investment Research Department.  
2. Comprised of a majority of highly independent outside directors and external experts.

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- Helping address social issues such as developing advanced healthcare systems through our alliance with American Century Investments now in its fifth year



## Addressing environmental and social issues through asset management for individual investors

- Providing ESG investment products to create a sustainable world and contribute to medium to long-term asset formation for our clients
- Offering appropriate financial services for seniors based on financial gerontology

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### Demand from individual investors for ESG/SDG investments

#### ESG investment products



- Grouped funds into ESG themes and launched ESG product lineup in July 2020

Environment	Nomura Environmental Leaders Strategy Fund
	Nomura BlackRock Circular Economy Stock Fund
	Pictet Eco Discovery Allocation Fund
Healthcare	Nomura ACI Advanced Medical Impact Investment
Water	Nomura Aqua Investment
	World Water Fund
General	Baillie Gifford Positive Change Fund
	Better World Fund

ESG product lineup AuM of over Y690bn  
as of July 2021

### Financial inclusion for seniors

#### Financial gerontology

- Oct 2016** Launched joint research project on financial gerontology with Keio University  
 Keio University **NOMURA**
- April 2017** Appointed **Heartful Partners** to provide appropriate services to seniors and enhance client satisfaction
- April 2019** Established Japan Financial Gerontology Institute together with Keio University and Mitsubishi UFJ Trust and Banking  

- April 2021** Launched qualification program to develop insights required to provide advice from the viewpoint of seniors

Plan to increase number of JFGI qualified people from 330 to 1,200

- Collaborate across diverse areas of expertise to deliver the full capabilities of the Group and provide the best solutions for our stakeholders

## Advisory services for social and environmental issues

### Consulting and advisory services focused on food and agriculture

- Research and consulting for public sector/local governments and private entities/corporates
- Provide information and advice to companies looking to invest or collaborate with agricultural companies
- Operate own farm to gain insights and expertise and test businesses

**NAPA**  
NOMURA Agri Planning & Advisory

### Consulting and support for asset and business succession

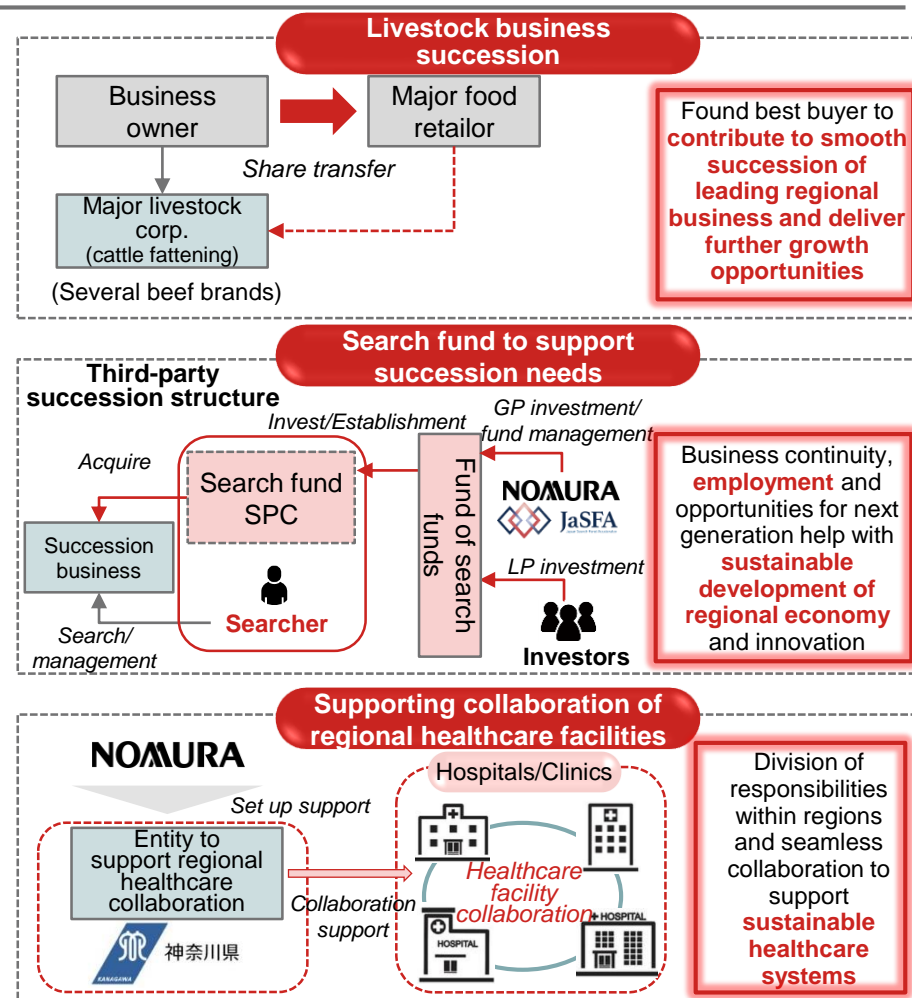
- Provide insights by bringing together advanced expertise in management, tax, regulations, and management of financial assets and real estate
- Support of Sta★At Pitch Japan and establishment of search fund to support and develop future talent

**NIEP**  
NOMURA INSTITUTE OF ESTATE PLANNING

### Consulting for healthcare and nursing care operators and local governments

- One stop advice for medical facilities on fundraising, management, finance, real estate, etc.
- Discover start ups that offer new services with innovative technologies related to artificial intelligence, internet of things, robotics, biodiversity genomics, etc.

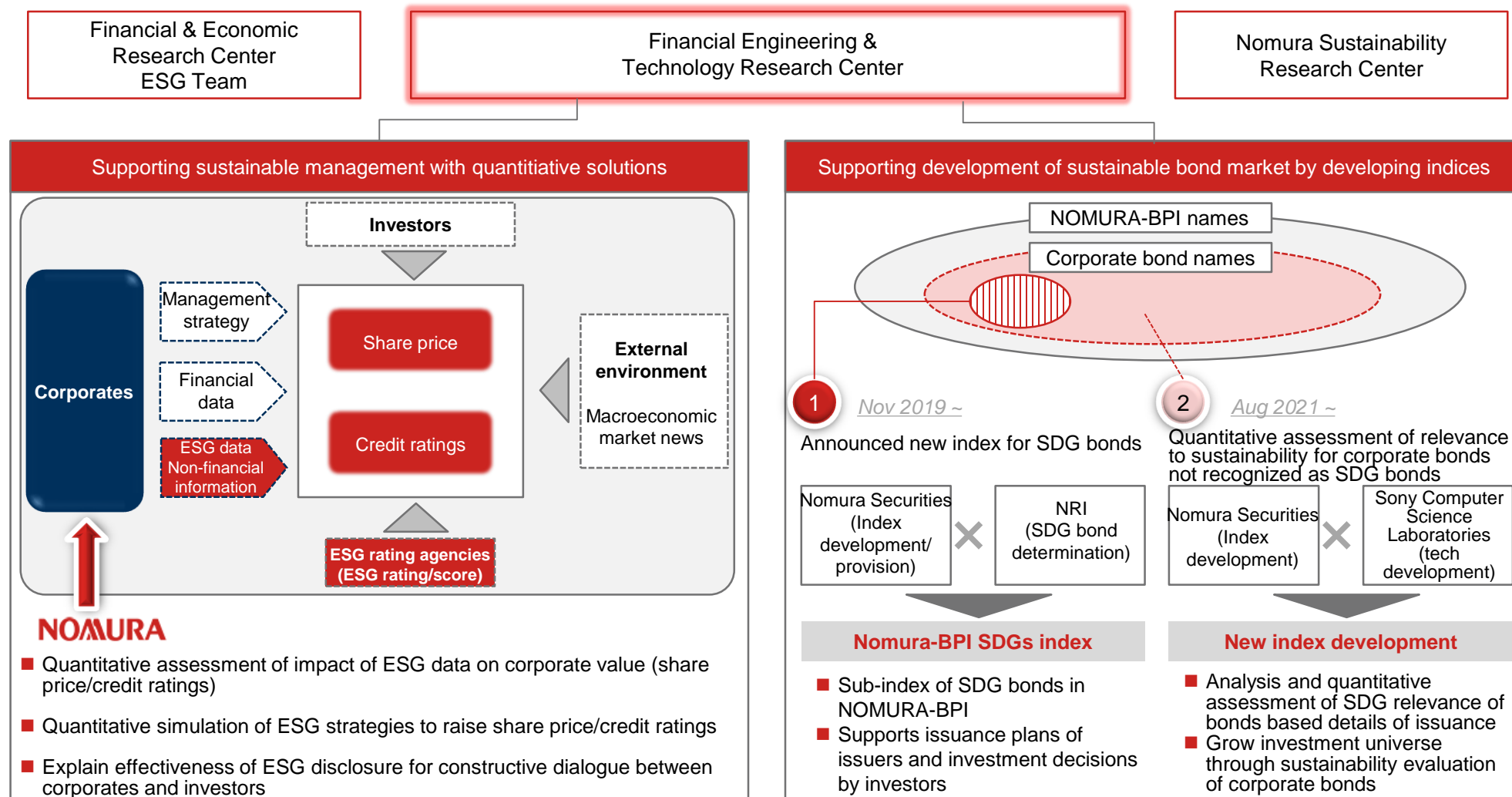
**NHS&A**  
Nomura Healthcare Co. Ltd.



## For our clients: Solid foundation to support sustainability

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- We leverage the broad insights of our Content Company to promote sustainable management at corporates and ESG investing by investors



***For our society:***

**A good corporate citizen helping create a sustainable society**

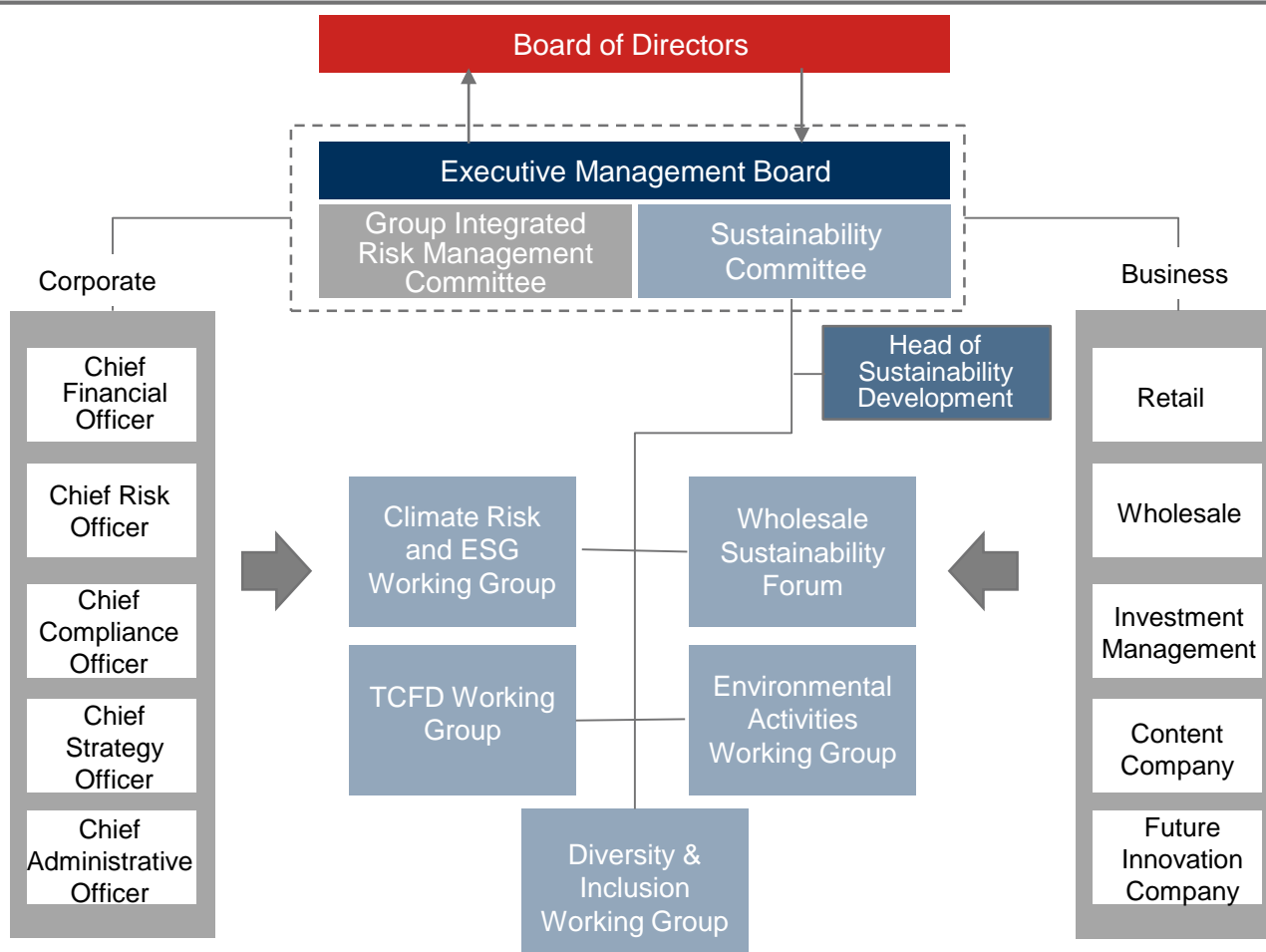
# For our society: Organizational approach to sustainability

**NOMURA**

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- Senior management makes decisions related to sustainability to ensure sustainable growth for the Group and to take flexible approach to helping resolve social issues

## Sustainably organization



POINT

Robust discussion at BoD meetings

- Path to carbon neutral (joined NZBA)<sup>1</sup>
- Nomura Group sustainability initiatives (For our clients, For our society)
- Business activities



POINT

Further enhanced organization at execution level

- In June 2020 aligned members of sustainability Committee to members of Executive Management Board, the firm's highest executive decision making body
- Appointed Head of Sustainability Development in April 2021
- Established Sustainability Council in August 2021 to advise the Sustainability Committee

1. Net-Zero Banking Alliance.

# For our society: Our sustainability journey

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## Initiatives joined/actions taken

**2015**

Joined UN Global Compact

**2014**

Response to Japan Stewardship Code  
(Nomura Asset Management)

**2011**

Signed Principles for Responsible Investing  
(Nomura Asset Management)

**1990s**

Started financial education programs; Total of 910,000 participants to date

Signed United Nations Environment Programme Finance Initiative

Signed Investor Agenda  
(Nomura Asset Management)

Committed to support TCFD  
Enhanced climate response/ reporting

Signed Principles for Responsible Banking

**Joined Net-Zero Banking Alliance**

Joined PCAF  
(Nomura Asset Management)

2018

2019

2020

2021

## Achievements/Targets

Set target to reduce CO<sub>2</sub> emissions over medium to long term

Introduced Nomura ESG Statement

Set up Nomura Greentech: Enhanced sustainability-related advisory services

Announced "Drive Sustainability" concept to communicate our role in ESG/SDGs

Sustainable financing underwriting: \$23bn (FY2020/21)

Set sustainable financing underwriting target: \$125bn (Five year total FY2021/22 ~ FY2025/26)

# For our society: Drive Sustainability: The path to carbon neutrality

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## Drive Sustainability

### The path to carbon neutrality

Joined the Net-Zero Banking Alliance<sup>1</sup>, which aligns to the Paris Agreement objectives (2°C target), to realize a sustainable global environment

- Net zero greenhouse gas emissions from lending and investment portfolio<sup>2</sup> by 2050
- Net greenhouse gas emissions for own<sup>3</sup> operations by 2030

#### For our clients

- Risk money flows to achieve sustainable society
  - Sustainable financing target of \$125bn<sup>4</sup>
- Help resolve environmental issues through advisory services
- Demonstrate strengths as responsible investor
- Offer broad green investment product lineup to clients

#### Decarbonization of lending and investment portfolio

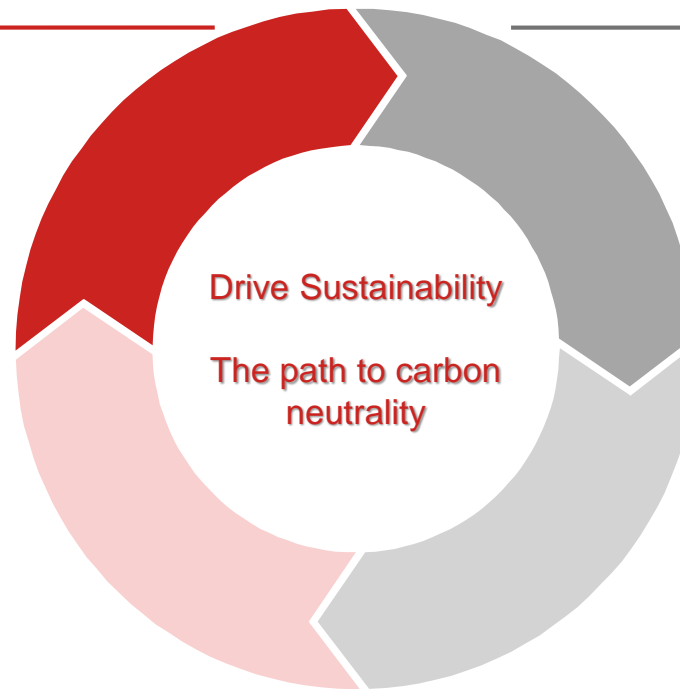
- Reductions in lending and investment portfolio
  - Clarify reduction target for high impact sectors by March 2023
  - Clarify reduction target for main sectors with large carbon emissions by September 2024
- Continuous revision of funding and policies taking sector-specific approach

#### Decarbonizing our own operations

- Use of renewable energy at global offices
  - Over 50% renewable energy use by FY2022/23
  - Over 70% renewable energy use by FY2025/26
- Promoting energy and resource saving
- Using carbon offsets

#### Driving carbon neutrality

- Sustainability Committee, which is made up of members of Executive Management Committee, has committed to carbon neutrality
  - Led by Head of Sustainability Development
- Directors with knowledge of sustainability



1. An initiative where banks commit to carbon neutrality in lending and investment portfolios by 2050 and one of the four initiatives for climate change and net zero greenhouse gases under the Glasgow Financial Alliance for Net Zero.  
 2. Scope 3 of The Greenhouse Gas Protocol.  
 3. Scope 1 and 2 of The Greenhouse Gas Protocol.  
 4. Five year total for FY2021/22 ~ FY2025/26.

# For our society: Drive Sustainability: The path to carbon neutrality

**NOMURA**

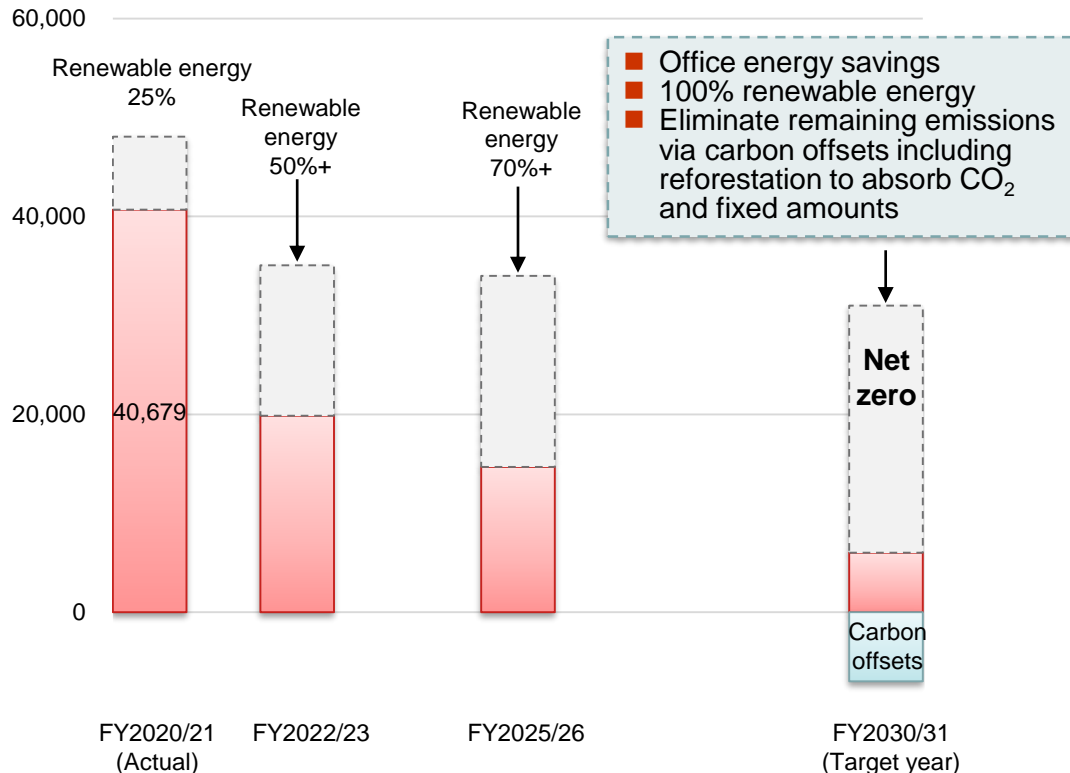
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- Further promote energy saving and accelerate uptake of renewable energy
- Net zero greenhouse gas emissions from own operations by 2030

## Net zero greenhouse gas emissions (Scope1 and 2)

(Unit: t-CO<sub>2</sub>)

■ Greenhouse gas emissions ■ Reduction by renewable energy ■ Carbon offsets



## Further uptake of renewable energy

Initiatives taken	FY2020/21	
	Renewable energy (global) <b>25%</b>	Purchase of Green Power Certificates <b>#1</b>
		Japan financial institution <sup>1</sup>
	<ul style="list-style-type: none"><li>Started using renewable energy in Japan in 2006 with Green Power Certificates. Purchased a total of 95.76m kWh as of March 2021</li><li>Used Green Power Certificates in FY2020/21 to turn Nihonbashi, Toyosu, Nagoya offices and Osaka head office into renewable energy users</li><li>Major offices in EMEA switched to renewable energy since FY2014/15</li></ul>	

Looking ahead	<ul style="list-style-type: none"> <li>Phased introduction of renewable energy to all major offices globally <ul style="list-style-type: none"> <li>70%+ renewable energy use by 2026</li> <li>100% renewable energy use by 2030</li> </ul> </li> </ul>
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1. Holders of Green Power Certificates issued by Japan Quality Assurance Organization. [https://www.jqa.jp/service\\_list/environment/service/greenenergy/list\\_ops.html](https://www.jqa.jp/service_list/environment/service/greenenergy/list_ops.html)

# For our society: Drive Sustainability: The path to carbon neutrality

- Joined Net-Zero Banking Alliance with aim of achieving net zero greenhouse gas emissions in lending and investment portfolio by 2050<sup>1</sup>
- Support decarbonization for clients by own lending and investment as well as promoting flow of funds and capital by providing financial products and underwriting

## Net-Zero Banking Alliance

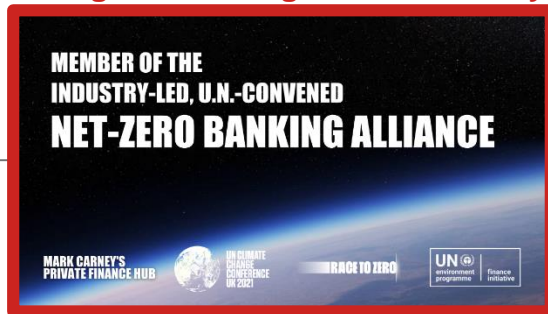


**GLASGOW FINANCIAL  
ALLIANCE FOR NET ZERO**

Banks  
**50+**

Lending and investment portfolio

**Net zero greenhouse gas emissions by 2050<sup>1</sup>**



(For banks)

**Net Zero Asset Managers Initiative**  
(For asset managers)

**Net Zero Asset Owner Alliance**  
(For investors)

**Net Zero Insurance Alliance**  
(For insurers)

## Carbon neutrality in lending and investment portfolio

Calculate greenhouse gas emissions at borrowers and investee companies and tally by sector<sup>2</sup>  
(emissions attributable to Nomura based on lending/investment ratio)

Set target to achieve net zero greenhouse gas emissions by 2050 to limit global warming based on Paris Agreement<sup>2</sup>

Disclose 2030 medium term target and 2050 final target  
(Most important sectors with 18 months of joining and important sectors within 36 months)

Deliver financial products and services to help clients shift to decarbonized society

Support decarbonization of corporates, industry, governments with scientific methods and taking into account social impact (research, proposals, etc.)

Support innovation, technological development, climate change solutions

1. Net zero is achieved when greenhouse gas emissions minus absorption from reforestation, etc. equals zero (Ministry of the Environment, Japan). The long-term aim is to achieve net zero greenhouse gas emissions by 2050, not to make outstanding lending and investments zero.  
2. Scope 3 of Greenhouse Gas Protocol. Currently excludes client transactions and assets held for sales purposes from balance sheet lending and investments, and is defined by asset class.

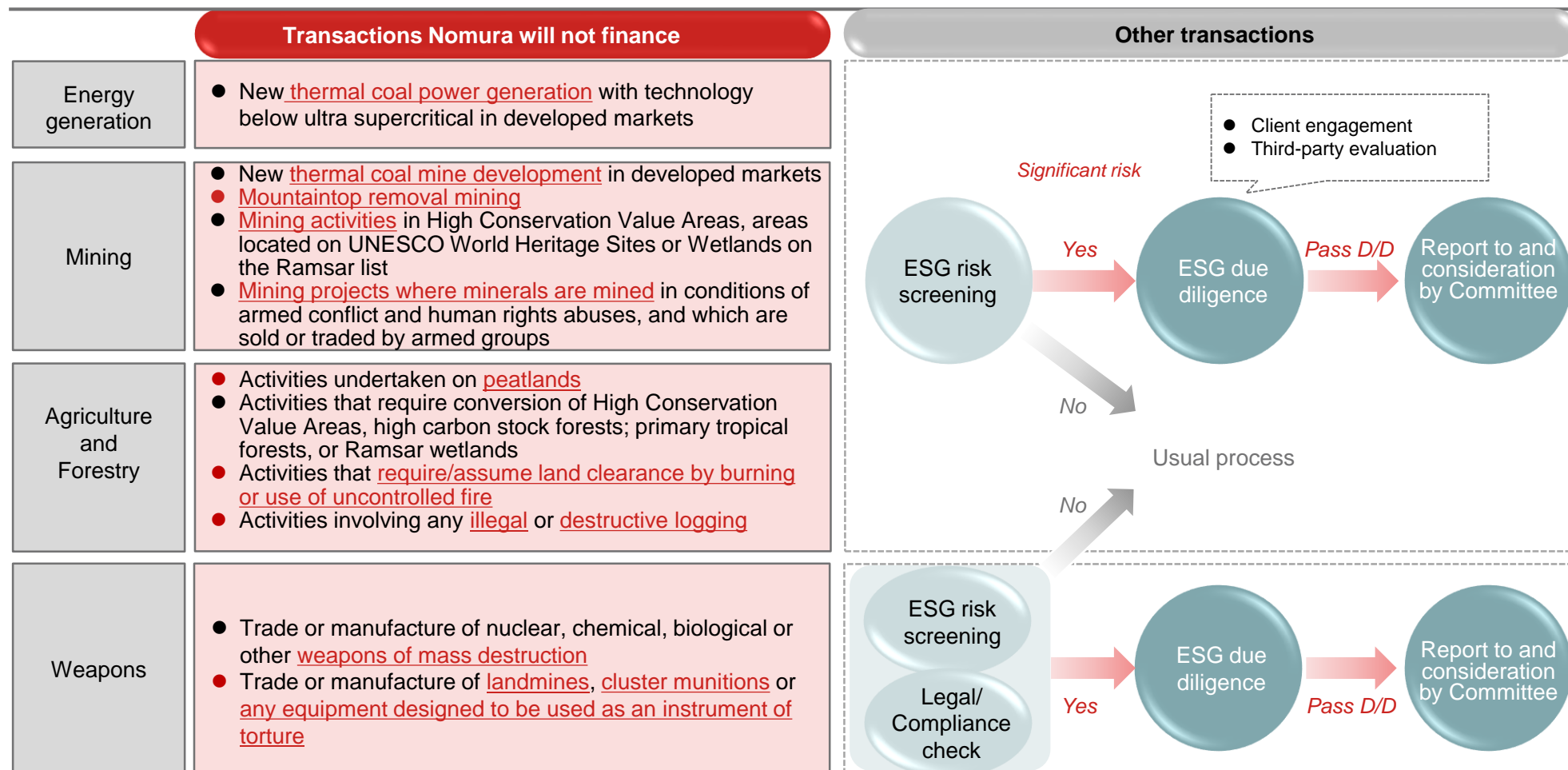
# For our society: Sector approach for environmental and social risk management

**NOMURA**

- Established Wholesale ESG Sectoral Appetite Statement in September 2020, clarifying approach for specific sectors that can adversely impact the environment or society (energy generation, mining, agriculture and forestry, weapons)

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## Sector-specific approaches



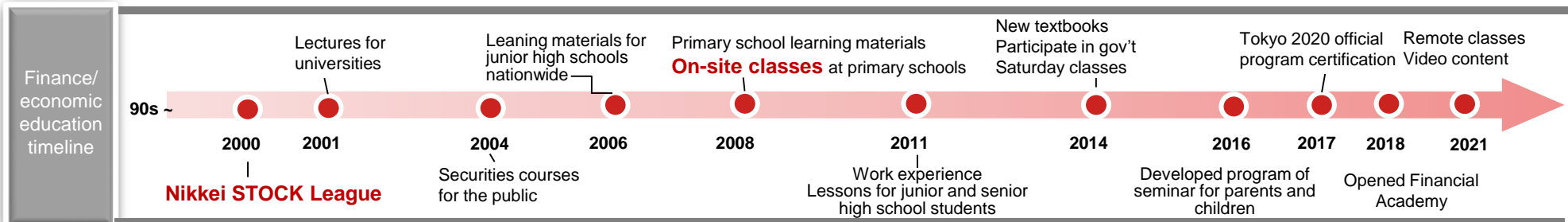
# For our society: Initiatives for social continuity: Inclusive growth

**NOMURA**

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- Promoting financial literacy helps people build assets and improve living standards, creates sound capital markets and appropriate flow of funds in the economy, which is why we were the first among our peers to focus on financial and economic education since the 1990s

- ✓ Twenty years ago offered Japan's first sponsored lectures which have now been attended by **270,000 students** at **2,100 universities**
- ✓ Total of **910,000 people** have attended our financial and economic lectures
- ✓ Creating opportunities for many people to easily learn finance and economics by providing learning materials and information online



## Nikkei STOCK League

中・高・大学生のための金融・経済学習コンテスト  
**日経 STOCKリーグ**  
株式投資を通じて社会をまなぼう!



第21回(開校50周年)東京大学

- Finance and economics study contest for students from junior high to university
- Started in 2000, now in 21<sup>st</sup> year
- About 6,000 students each year, total of 130,000 have participated

## Developed and deliver program in line with new guidelines for high school courses



- Developed finance and economics program in line with new guidelines for high school courses due to be introduced from April 2022
- Offer free of charge complete package including slides, teacher notes, work sheets, glossary, etc.
- Approx. 70 schools have already applied

# For our society: Diversity and inclusion

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- With 42% of our people working outside Japan and a population of around 90 nationalities, diversity and inclusion is one of our most important initiatives. We have D&I teams in each region that work in line with regional requirements
- Our diverse pool of talent is our greatest asset; Our approach is underpinned by the belief that if we respect the values of people from various backgrounds and work together we can provide higher value-added services to meet the needs of our clients

## Promoting gender diversity among decision makers

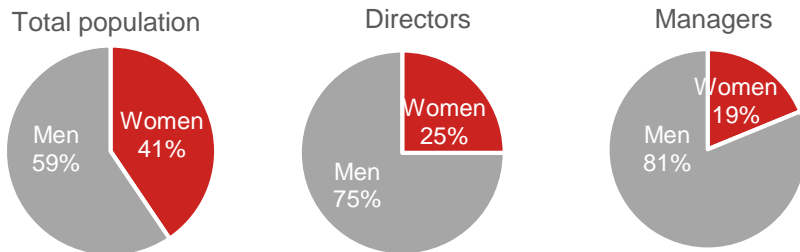
We joined 30% Club Japan as we agree that a healthy gender balance in decision making bodies enhances corporate governance, promotes sustainable growth, improves international competitiveness, and helps create a sustainable society in Japan



### Steps towards gender equality

Region	Key initiatives
Japan	Main four Group companies creating environment for woman to play active roles, setting out Action Plan for the Promotion of Women's Participation and Advancement and defining numerical targets
EMEA	Women in Finance Charter: Set targets for total percentage of women employees and for women MDs/EDs
Americas	Conduct inclusive leadership training for all employees
AEJ	Launched GM mentoring program with 87% of women in GM AEJ participating as mentor or mentee
Powai	Started women's mentoring program for career development

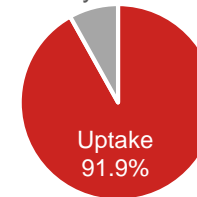
### ■ Nomura Group gender ratio



### Various types of diversity

- Create work environment to support people raising children or acting as care givers, help them strike a balance between work and care duties, provide information
- Encourage men to take parental leave
- Actively increase the number of LGBT allies
- Support people with disabilities so they can work and receive treatment

Uptake of parental leave by men<sup>1</sup>



Women returning to work after parental leave



### Support for employee-led networks

- Hold events to discuss issues such as women's career and work/life management, understanding of multiculturalism, disabilities and LGBT, etc.
- Internal and external networking opportunities



1. Nomura Securities.

## For our society: Digital transformation and healthy management

**NOMURA**

- Introduced WellGo, a health management digital transformation cloud service, to understand and predict employee health from various angles
- Leverage knowledge gained in-house to expand to external users
- Used by 1,313 companies; Total number of users is 490,000, of which 430,000 are not from Nomura Securities' health insurance association<sup>1</sup>

### WellGo health management digital management cloud service

- Secure management of health check results and work management data held by health insurance associations
- Connects to personal wearable devices to record and store data
- Understand and predict employee health using AI analysis
- App includes:
  - ✓ Visualization of health check results, work timesheets, sleep patterns, diet, step recording and ranking
  - ✓ Stress checks and health consultations via smartphone or PC
  - ✓ Social media function for events to compete on steps and daily quizzes helps with health promotion and regular activity
- Incentive schemes where points are earned for healthy activities



Reduce presenteeism and absenteeism, enhance engagement levels

WellGo

First in-house venture established in January 2019 after winning Nomura Holdings and Nomura Research institute business contest; Provides cloud service to support healthy management using digital data

<https://wellgo.jp/lp/>

### Improve employee health habits

Before/after comparison of doctor consultations  
(change from 2017 to 2020)

Smoking	-3.7%	Excess alcohol	-6.2%
Exercise	+4.4%	Sufficient sleep	+9.8%
Walking	+4.9%		

### Contributing to society

- ✓ WellGo points can be used for donations
- ✓ Over 1,500 people made donations for Covid relief, over 1,300 people donated to Children's' Cafeteria under theme of next generation

### Reduces workloads

- ✓ Significantly reduces back office workload for HR, health officers
- ✓ Make time for staff to do their main job of helping employees with their health and provide right advice at the right time



1. As of September 2021. Total number of users from companies directly contracted to WellGo and companies that provide service via contract with other vendors.

## **Appendix**

# (Reference) Third-party validation of sustainability efforts

## Inclusion in ESG Indices<sup>1</sup>

Member of  
**Dow Jones Sustainability Indices**

Powered by the S&P Global CSA



2021 CONSTITUENT MSCI JAPAN  
ESG SELECT LEADERS INDEX

2021 CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)



## ESG ratings

MSCI	ISS	CDP
<b>MSCI ESG Ratings<sup>1</sup></b> 	<b>ISS ESG Corporate Rating</b> <b>C-</b>	
		<b>Leadership Level A</b>

(December 2020)

## Awards/Recognition



Awarded Investment Bank of the Year for Sustainable Corporate Finance (2020) by The Banker, a financial magazine published by the Financial Times, for executing key transactions in clean energy



Nomura Securities and Nomura Asset Management won silver at ESG Finance Awards Japan (2020) awarded by Ministry of the Environment to investors and financial institutions that made an outstanding impact on the environment and society



Won Sustainable Finance award two years in a row awarded by Research institute for Environmental Finance to financial institutions for contributions to environmental finance and sustainability in Japan

Award for Excellence (in 5<sup>th</sup> year of awards)  
Sustainable Innovation Award (in 6<sup>th</sup> year)

1. MSCI [TERMS AND CONDITIONS](#)

## (Reference) Main initiatives we participate in

### ■ Participate and support various initiatives to further promote the realization of a sustainable environment and society

#### UN Global Compact



Joined UN Global Compact in 2015 and support principles on human rights, labor, environment and preventing corruption

#### United Nations Environment Programme Finance Initiative



In 2019, signed UNEP FI, a partnership between UNEP and financial institutions; Signed Principles for Responsible Banking in May 2020; Joint Net-Zero Banking Alliance in September 2021

#### Principles for Responsible Investment

Signatory of:



Nomura Asset Management signed in March 2011; Aimed at incorporating ESG into investment analysis and decision making process

#### Task Force on Climate-Related Financial Disclosures



Private sector led taskforce set up by Financial Stability Board to make corporates disclose more climate change data; Showed support in 2018 and published Nomura Group TCFD Report from 2020

#### CDP



International project where global investors ask corporates to disclose climate change strategies and greenhouse gas emissions; Started providing data to CDP in 2003; Announced support for project in 2015

#### Partnership for Carbon Accounting Financials (PCAF)



In August 2021, Nomura Asset Management joined this international partnership to develop methods to calculate and disclose greenhouse gas emissions in lending and investment portfolios

# Initiatives to enhance governance

## ■ Introduced new governance system aligned to current global business following June 2021 shareholders' meeting

### History of enhancing governance system

#### 2001

- Shifted to holding company structure and listed on NYSE
- Established Advisory Board where outside experts regularly discuss group management

#### 2003

- Adopted Company with Committees, etc. structure
- (now known as a Company with Three Board Committees)

#### 2010

- Two Outside Directors (one female) joined from overseas and Board of Director comprised of a majority of Outside Directors

#### 2015

- Established "Outside Directors Meetings" to discuss matters related to business and corporate governance regularly

#### 2019

- All three committees (Nomination, Audit, Compensation) have Outside Director as Chairman

### New governance system

- Explored how to further enhance governance in line with global operating environment on back of increasing in international business proportion in business portfolio
- Researched and validated best approach for Board of Directors for a global financial company, and to further enhance governance conducted search and selected Director nominees with the required background needed for management oversight

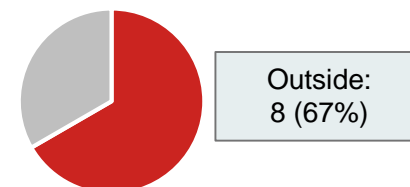


#### 4 new Outside Director

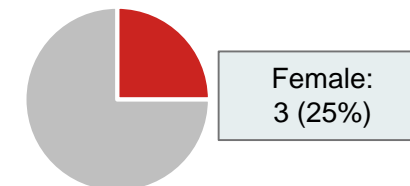
- ✓ 2 Outside Directors with deep knowledge of US financial industry, macro economics and regulatory environment
- ✓ 1 Outside Director from Asia with expertise in UK and Hong Kong legal systems
- ✓ 1 Japanese corporate executive with experience in running global businesses and sustainability

### Composition of Board of Directors as of July 2021

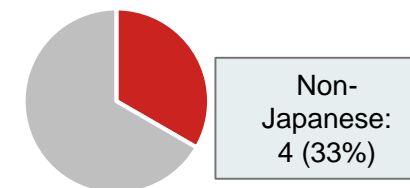
#### Outside Directors



#### Female directors



#### Non-Japanese directors



# Board of Directors (Shareholders' meeting June 2021)

- Of 12 Directors, 10 are non-executive
- Diverse Board of Directors with eight Outside Directors, four non-Japanese Directors, three women Directors

Name	New Appointment / Reappointment		
Koji Nagai	Reappointment	Non-Executive Director	Chairman of the Board of Directors
Kentaro Okuda	Reappointment	Executive Officer	Representative Executive Officer and President, Group CEO
Tomoyuki Teraguchi	New Appointment	Executive Officer	Representative Executive Officer, Deputy President
Shoji Ogawa	New Appointment	Non-Executive Director	
Kazuhiko Ishimura	Reappointment	Outside Director	Director of AGC Inc. President of the National Institute of Advanced Industrial Science and Technology
Noriaki Shimazaki	Reappointment	Outside Director	Advisor, IFRS Foundation Asia-Oceania Office Former Executive Vice President, Sumitomo Corporation
Takahisa Takahara	New Appointment	Outside Director	Representative Director, President and CEO of Unicharm Corporation
Mari Sono	Reappointment	Outside Director	Certified Public Accountant Former members of the Securities and Exchange Surveillance Commission
Laura Simone Unger	Reappointment	Outside Director	Former Commissioner and Acting Chairman of SEC
Victor Chu	New Appointment	Outside Director	First Eastern Investment Group, Chairman and CEO
Chris Giancarlo	New Appointment	Outside Director	Former Chairman of the U.S. Commodity Futures Trading Commission Willkie Farr & Gallagher, Senior Counsel
Patricia Mosser	New Appointment	Outside Director	Former Deputy Director, Office of Financial Research, U.S. Department of Treasury Former Senior Vice President, Federal Reserve Bank of New York Director, Columbia University, School of International and Public Affairs

# Board of Director roles and expertise

Name		Appointment year	Involved Committee			Experience							
			Nomination	Compensation	Audit	Corporate management	International business	Financial industry	Accounting /Financial	Legal	Internal control (including risk management)	Digital (IT)	Sustainability
Koji Nagai	Non-Executive Director (Chairman of the Board of Directors)	Jun. 2013	○	○		✓	✓	✓					✓
Kentaro Okuda	Executive Officer	Jun. 2020				✓	✓	✓					✓
Tomoyuki Teraguchi	Executive Officer	Jun. 2021				✓	✓	✓		✓	✓		
Shoji Ogawa	Non-Executive Director	Jun. 2021			○		✓	✓			✓		
Kazuhiko Ishimura	Outside Director	Jun. 2018	◎	◎		✓	✓						✓
Takahisa Takahara	Outside Director	Jun. 2021	○	○		✓	✓						✓
Noriaki Shimazaki	Outside Director	Jun. 2016			◎	✓	✓		✓		✓		✓
Mari Sono	Outside Director	Jun. 2017			○				✓	✓	✓		
Laura Simone Unger	Outside Director	Jun. 2018					✓	✓		✓	✓		
Victor Chu	Outside Director	Jun. 2021				✓	✓	✓		✓	✓		✓
J.Christopher Giancarlo	Outside Director	Jun. 2021					✓	✓		✓	✓	✓	
Patricia Mosser	Outside Director	Jun. 2021					✓	✓		✓			

## Newly appointed Directors

- **Four Outside Directors newly appointed at shareholders' meeting in June 2021 included one woman and three from outside Japan**

### Takahisa Takahara

- Representative Director, President and CEO of Unicharm Corporation
- Chairman of the Committee on Consumer Goods and Services of Keidanren (Japan Business Federation)
- Chairman of Japan Hygiene Products Industry Association
- Chairman of Nippon Omni-Management Association

### Chris Giancarlo

- Former Chairman of the U.S. Commodity Futures Trading Commission (CFTC)
- Currently serves as Senior Counsel for the international law firm Willkie Farr & Gallagher as Independent Director and Advisor.

### Victor Chu

- Founder, Chairman and CEO of First Eastern Investment Group, Hong Kong based international investment firm
- Established Victor Chu & Co., a leading Hong Kong law firm

### Patricia Mosser

- Former Deputy Director, Office of Financial Research, U.S. Department of Treasury
- Former Senior Vice President, Federal Reserve Bank of New York
- Currently a Director, Columbia University, School of International and Public Affairs

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