Nomura Sustainability Day

Chie Toriumi
Head of Content Company and Sustainability Development
Nomura Holdings, Inc.

October 5, 2021
Our Founder’s Principles

**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”)

Securities business (our core business) / Enrich the nation (contribute to our stakeholders)
Our Founder’s Principles: Management vision for 100th anniversary

Management vision for 100th anniversary
Achieve sustainable growth by helping resolve social issues

E: Environmental issues
- CO₂/climate change (Advanced mobility/energy)
- Biodiversity
- Resources/waste (recycling economy)
- Water/food/farming

S: Social issues
- Aging population
- Diversity Human rights (forced labor)
- Healthcare
- Inequality/poverty
Our sustainability initiatives

Our Founder’s Principles

Management vision for 100th anniversary
Achieve sustainable growth by helping resolve social issues

E: Environmental issues
- CO₂/climate change (Advanced mobility/energy)
- Resources/waste (recycling economy)

S: Social issues
- Aging population
- Healthcare
- Biodiversity
- Water/food/farming
- Diversity (Human rights/forced labor)
- Inequality/poverty

For our clients
An investment banking group working for our clients

For our society
A good corporate citizen helping create a sustainable society
For our clients:

An investment banking group working for our clients
For our clients: Sustainability initiatives centered on investment

1. Supporting the sustainability efforts of issuers through funding and capital flows
   - Provide resources to resolve environmental and social issues through sustainable financing
   - Tackle environmental issues through advisory services

2. Contributing to sustainability as an institutional investor
   - Responsible investment
   - Funding to address social issues through asset management

3. Creating a better future for individuals
   - Offer ESG investment products
   - Financial inclusion for seniors
   - Financial literacy

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

 Contributing to decarbonization through sustainable financing

<table>
<thead>
<tr>
<th>Track record (FY2020/21)</th>
<th>Total funds raised as mandated lead arranger</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$80bn (¥8,480.3bn)</td>
</tr>
<tr>
<td></td>
<td>Total after dividing among mandated lead arrangers</td>
</tr>
<tr>
<td></td>
<td>$23.4bn (¥2,476.7bn)</td>
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Sustainable financing target (Five years to Mar. 2026)

<table>
<thead>
<tr>
<th>Sustainable financing target</th>
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<tbody>
<tr>
<td>$125bn</td>
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</tbody>
</table>

Drivers to achieve sustainable financing target

Supporting SDG bond issuers

- #12 in global sustainable bond league table; Top Japanese financial institution¹
- Strong third-party endorsement

Innovative financing combining equity (stock acquisition rights) and ESG

- Strong product development expertise and execution excellence

Airtech Japan

Sustainability FITs

World's first equity financing (SARs) to receive third-party validation on use and significance of funds from ESG/SDGs perspective

Financing support via Nomura Greentech

- Combined strengths deliver synergies

Infrastructure and Power Financing (IPF)

- Comprehensive solutions from sourcing to syndication
- Global risk money flows

<table>
<thead>
<tr>
<th>Infrastructure and Power Financing (IPF)</th>
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</thead>
<tbody>
<tr>
<td>Total mandates²</td>
</tr>
<tr>
<td>$8.8bn</td>
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</tbody>
</table>

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

¹ Source: IJ Global

² Source: Refinitiv

³ Source: Refinitiv
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 issuance¹

- 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

<table>
<thead>
<tr>
<th>Instrument</th>
<th>Bond</th>
<th>Equity</th>
<th>Loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>21%</td>
<td>35%</td>
<td>44%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Theme</th>
<th>Electrification &amp; renewables</th>
<th>Alternative Technologies</th>
<th>Efficiency &amp; Circularity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sector</td>
<td>Power 49%</td>
<td>Transport 34%</td>
<td>Buildings Aviation 5%</td>
</tr>
<tr>
<td>Instrument</td>
<td>Bond 21%</td>
<td>Equity 35%</td>
<td>Loan 44%</td>
</tr>
</tbody>
</table>

Forecast of investment and financing to 2050²

- 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

$122trn

¹ Source: Bloomberg, 2021 total is as of September 29.
For our clients:
Examples of our sustainable finance transactions

- 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

### Americas
- Solar
- Renewable/distributed generation
- Financing of distributed generation solar assets for Nexamp (US), a community solar developer and operator
- **340MW** across US

### EMEA
- Social bonds
- Only Japanese joint bookrunner on largest-ever social bond issued by EU as part of Support to mitigate Unemployment Risks in an Emergency (SURE)
- Issuance of **€17bn**

### Japan/Americas
- Solar
- Renewable
- Supported BlackRock (US) investment in solar assets in Japan
- To date, financed seven solar assets totaling **228MW**

### Americas/Australia
- District energy
- Efficiencies/energy saving
- Acquisition finance for QIC (Aus) and Ullico (US) acquisition of district energy platform CenTrio (US)

### Americas
- Waste to heat
- Recycled energy
- Refinancing of US power generation business by Primary Energy Recycling Corporation (US)
- Portfolio of **298MW** (Inc. recycled energy facilities)

### EMEA
- Wind
- Renewable
- Arranged letter of credit facility to support development of wind assets in Iwate Prefecture by Invenergy (US), a developer and operator of clean energy
- Includes **100MW+** project

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

- 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

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
- Industrial IOT & Software
- Agriculture & Consumer
- Power Infra/Smart Grid
- Environmental Services & Technologies
- Renewable Energy
- Energy Efficiency
- Water

Global network
Financing expertise
Competitive strength in solutions

Highly ranked in sustainable M&A league table¹

<table>
<thead>
<tr>
<th>Rank</th>
<th>Financial advisor</th>
<th>Value ($m)</th>
<th># Deals</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Goldman Sachs</td>
<td>8,111</td>
<td>9</td>
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<tr>
<td>2</td>
<td>Nomura</td>
<td>5,435</td>
<td>6</td>
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<tr>
<td>3</td>
<td>JPMorgan</td>
<td>4,385</td>
<td>5</td>
</tr>
<tr>
<td>4</td>
<td>BofA Securities</td>
<td>3,640</td>
<td>3</td>
</tr>
<tr>
<td>5</td>
<td>Morgan Stanley</td>
<td>3,326</td>
<td>6</td>
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From April 2020

Sustainability expertise and solutions
Broader client franchise
Global reach
Cross selling opportunities
Expanded product and service offering

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

For our clients:
Sustainability initiatives as institutional investor—Responsible investment

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

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

- **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

- **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: 19 times
    - Responsible Investment Advisory Council: 8 times

- **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

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1. Comprised of managers from Investment Research Department.
2. Comprised of a majority of highly independent outside directors and external experts.
Helping address social issues such as developing advanced healthcare systems through our alliance with American Century Investments now in its fifth year.

Strategic alliance:
- Nomura Holdings acquired a 41% economic interest in ACI in 2016.
- Nomura and ACI providing ESG investment opportunities with a shared social mission.

Collaborating on advanced healthcare:
- Offer Nomura clients a fund that invest in companies that develop innovative treatments and safe and effective medical services, aiming to help advance healthcare through impact investing.

Stowers Institute for Medical Research:
- Co-founded by ACI founder Jim Stowers and his wife Virginia Stowers in 1994 (Kansas City, MO).
- Medical research facilities completed and first batch of scientists join in 2000.
- Extended South Kansas City campus, enhanced support functions and increased storage facilities in 2009.
- ACI and Stowers Institute win Financial Services Cares award for their work on cancer research in 2015.

Global healthcare companies:
- Innovative treatments for cancer, etc.
- Access to healthcare products/services
- New solutions to cut medical costs
- Medical devices/services productivity

Healthcare research funding:
- Conducts research into causes, treatments, prevention and curing life-threatening diseases such as cancer, Alzheimer’s disease and diabetes.

Key milestones:
- 1994: Co-founded by ACI founder Jim Stowers and his wife Virginia Stowers in Kansas City, MO.
- 2000: Medical research facilities completed and first batch of scientists join.
- 2009: Extended South Kansas City campus, enhanced support functions and increased storage facilities.
- 2015: ACI and Stowers Institute win Financial Services Cares award for their work on cancer research.

Staff:
- 550 Staff (370 scientists)
- 150 Ongoing research projects
- 20 Independent research programs
- 12 Technology Centers

For our clients:
- Nomura ACI advanced healthcare impact investment.

For our society:
- Nomura and ACI providing ESG investment opportunities with a shared social mission.
For our clients:
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

Demand from individual investors for ESG/SDG investments

Financial inclusion for seniors

ESG investment products

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

<table>
<thead>
<tr>
<th>Environment</th>
<th>Water</th>
<th>General</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nomura Environmental Leaders Strategy Fund</td>
<td>Nomura Aqua Investment</td>
<td>Baillie Gifford Positive Change Fund</td>
</tr>
<tr>
<td>Nomura BlackRock Circular Economy Stock Fund</td>
<td>World Water Fund</td>
<td>Better World Fund</td>
</tr>
<tr>
<td>Pictet Eco Discovery Allocation Fund</td>
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</table>

Financial gerontology

- Oct 2016  Launched joint research project on financial gerontology with Keio University
- 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

ESG product lineup AuM of over Y690bn as of July 2021

Plan to increase number of JFGI qualified people from 330 to 1,200
For our clients:
Diverse advisory services to address environment and social issues

- 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

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

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.
For our clients: Solid foundation to support sustainability

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

Financial & Economic Research Center
ESG Team

Financial Engineering & Technology Research Center

Nomura Sustainability Research Center

Supporting sustainable management with quantitative solutions

Investors

Corporates

External environment

Macroeconomic market news

Share price

Credit ratings

Management strategy

Financial data

ESG data
Non-financial information

ESG rating agencies (ESG rating/score)

Supporting development of sustainable bond market by developing indices

NOMURA-BPI names

Corporate bond names

NOMURA-BPI SDGs index

Nomura-BPI SDGs index

New index development

NRI (SDG bond determination)

Sony Computer Science Laboratories (tech development)

Nomura Securities (Index development)

Nomura Securities (Index development/provision)

Announced new index for SDG bonds

Quantitative assessment of relevance to sustainability for corporate bonds not recognized as SDG bonds

Nov 2019 ~

Aug 2021 ~

Quantitative assessment of impact of ESG data on corporate value (share price/credit ratings)

Quantitative simulation of ESG strategies to raise share price/credit ratings

Explain effectiveness of ESG disclosure for constructive dialogue between corporates and investors

NOMURA

For our society

For our clients

ESG rating agencies (ESG rating/score)
For our society:

A good corporate citizen helping create a sustainable society
For our society:
Organizational approach to sustainability

- 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

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

Robust discussion at BoD meetings

Further enhanced organization at execution level

For our society: Our sustainability journey

- **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

- **Achievements/Targets**
  - **2018**
    - Introduced Nomura ESG Statement
  - **2019**
    - Set target to reduce CO₂ emissions over medium to long term
  - **2020**
    - Committed to support TCFD
    - Enhanced climate response/reporting
  - **2021**
    - Sustainable financing underwriting: $23bn (FY2020/21)
    - Set sustainable financing underwriting target: $125bn (Five year total FY2021/22 ~ FY2025/26)
    - Announced “Drive Sustainability” concept to communicate our role in ESG/SDGs
    - Set up Nomura Greentech: Enhanced sustainability-related advisory services

- **For our clients**

- **For our society**

- **For our clients**

- **For our society**
For our society: Drive Sustainability: The path to carbon neutrality

For our clients
- Risk money flows to achieve sustainable society
  - Sustainable financing target of $125bn
- 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.
For our society:
Drive Sustainability: The path to carbon neutrality

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

For our clients

For our society

Net zero greenhouse gas emissions (Scope1 and 2)

(Units: t-CO₂)

<table>
<thead>
<tr>
<th>FY2020/21 (Actual)</th>
<th>FY2022/23</th>
<th>FY2025/26</th>
<th>FY2030/31 (Target year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewable energy 25%</td>
<td>Renewable energy 50%+</td>
<td>Renewable energy 70%+</td>
<td>Net zero</td>
</tr>
<tr>
<td>40,679</td>
<td>40,679</td>
<td>40,679</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Initiatives taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewable energy (global)</td>
</tr>
<tr>
<td>FY2020/21</td>
</tr>
<tr>
<td>25%</td>
</tr>
<tr>
<td>Purchase of Green Power Certificates</td>
</tr>
<tr>
<td>FY2020/21</td>
</tr>
<tr>
<td>#1 Japan financial institution¹</td>
</tr>
</tbody>
</table>

Office energy savings
- 100% renewable energy
- Eliminate remaining emissions via carbon offsets including reforestation to absorb CO₂ and fixed amounts

Office energy savings
- 100% renewable energy

Looking ahead
- Phased introduction of renewable energy to all major offices globally
  - 70%+ renewable energy use by 2026
  - 100% renewable energy use by 2030

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 2050¹
- 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**

**Carbon neutrality in lending and investment portfolio**

- Calculate greenhouse gas emissions at borrowers and investee companies and tally by sector² (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 Agreement²
- 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

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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.
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)

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

- 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)

### Sector-specific approaches

<table>
<thead>
<tr>
<th>Transactions Nomura will not finance</th>
<th>Other transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Energy generation</strong></td>
<td></td>
</tr>
<tr>
<td>- New thermal coal power generation with technology below ultra supercritical in developed markets</td>
<td></td>
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<tr>
<td><strong>Mining</strong></td>
<td></td>
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<tr>
<td>- New thermal coal mine development in developed markets</td>
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<tr>
<td>- Mountaintop removal mining</td>
<td></td>
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<tr>
<td>- Mining activities in High Conservation Value Areas, areas located on UNESCO World Heritage Sites or Wetlands on the Ramsar list</td>
<td></td>
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<tr>
<td>- Mining projects where minerals are mined in conditions of armed conflict and human rights abuses, and which are sold or traded by armed groups</td>
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<tr>
<td><strong>Agriculture and Forestry</strong></td>
<td></td>
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<tr>
<td>- Activities undertaken on peatlands</td>
<td></td>
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<tr>
<td>- Activities that require conversion of High Conservation Value Areas, high carbon stock forests; primary tropical forests, or Ramsar wetlands</td>
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<tr>
<td>- Activities that require/assume land clearance by burning or use of uncontrolled fire</td>
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<tr>
<td>- Activities involving any illegal or destructive logging</td>
<td></td>
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<tr>
<td><strong>Weapons</strong></td>
<td></td>
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<tr>
<td>- Trade or manufacture of nuclear, chemical, biological or other weapons of mass destruction</td>
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<tr>
<td>- Trade or manufacture of landmines, cluster munitions or any equipment designed to be used as an instrument of torture</td>
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</tbody>
</table>
For our society: Initiatives for social continuity: Inclusive growth

- 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

<table>
<thead>
<tr>
<th>Year</th>
<th>Lectures for universities</th>
<th>Leaning materials for junior high schools nationwide</th>
<th>Primary school learning materials</th>
<th>New textbooks</th>
<th>Tokyo 2020 official program certification</th>
<th>Remote classes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Nikkei STOCK League</td>
<td></td>
<td>Leaning materials for junior high schools nationwide</td>
<td>On-site classes at primary schools</td>
<td>Primary school learning materials</td>
<td>Work experience Lessons for junior and senior high school students</td>
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<td>2011</td>
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</table>

**Nikkei STOCK League**

- Finance and economics study contest for students from junior high to university
- Started in 2000, now in 21st 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
Promoting gender diversity among decision makers

For our society:
Diversity and inclusion

- 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 health 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

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

Nomura Group gender ratio

<table>
<thead>
<tr>
<th>Total population</th>
<th>Directors</th>
<th>Managers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men 59%</td>
<td>Men 75%</td>
<td>Men 81%</td>
</tr>
<tr>
<td>Women 41%</td>
<td>Women 25%</td>
<td>Women 19%</td>
</tr>
</tbody>
</table>

Various types of diversity

- Create work environment to support people raising children or acting as caregivers, 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

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
For our society:
Digital transformation and healthy management

- 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

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

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)

<table>
<thead>
<tr>
<th></th>
<th>Smoking</th>
<th>Excess alcohol</th>
<th>Exercise</th>
<th>Sufficient sleep</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smoking</td>
<td>-3.7%</td>
<td></td>
<td>+4.4%</td>
<td></td>
</tr>
<tr>
<td>Excess alcohol</td>
<td></td>
<td>-6.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exercise</td>
<td>+4.4%</td>
<td></td>
<td></td>
<td>+9.8%</td>
</tr>
<tr>
<td>Sufficient sleep</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Walking</td>
<td>+4.9%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- 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
Third-party validation of sustainability efforts

**Inclusion in ESG Indices**

- Member of Dow Jones Sustainability Indices
- MSCI ESG Leaders Indexes Constituent 2021
- FTSE4Good
- FTSE Blossom Japan
- S&P/JPX Carbon Efficient Index
- Bloomberg Gender Equality Index 2021

**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 5th year of awards) Sustainable Innovation Award (in 6th year)

**ESG ratings**

<table>
<thead>
<tr>
<th>MSCI</th>
<th>ISS</th>
<th>CDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSCI ESG Ratings</td>
<td>ISS ESG Corporate Rating</td>
<td>CDP Climate Change Leadership Level A</td>
</tr>
<tr>
<td>AA</td>
<td>CC</td>
<td>A</td>
</tr>
</tbody>
</table>

(December 2020)

1. **MSCI TERMS AND CONDITIONS**
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 (UNEP FI)**

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 (PRI)**

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 (TCFD)**

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**

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
</table>
| 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

**Composition of Board of Directors as of July 2021**

- **Outside Directors**
  - Outside: 8 (67%)

- **Female directors**
  - Female: 3 (25%)

- **Non-Japanese directors**
  - Non-Japanese: 4 (33%)
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

<table>
<thead>
<tr>
<th>Name</th>
<th>New Appointment / Reappointment</th>
<th>New Position</th>
<th>Background</th>
</tr>
</thead>
<tbody>
<tr>
<td>Koji Nagai</td>
<td>Reappointment</td>
<td>Non-Executive Director</td>
<td>Chairman of the Board of Directors</td>
</tr>
<tr>
<td>Kentaro Okuda</td>
<td>Reappointment</td>
<td>Executive Officer</td>
<td>Representative Executive Officer and President, Group CEO</td>
</tr>
<tr>
<td>Tomoyuki Teraguchi</td>
<td>New Appointment</td>
<td>Executive Officer</td>
<td>Representative Executive Officer, Deputy President</td>
</tr>
<tr>
<td>Shoji Ogawa</td>
<td>New Appointment</td>
<td>Non-Executive Director</td>
<td></td>
</tr>
<tr>
<td>Kazuhiko Ishimura</td>
<td>Reappointment</td>
<td>Outside Director</td>
<td>Director of AGC Inc.</td>
</tr>
<tr>
<td>Noriaki Shimazaki</td>
<td>Reappointment</td>
<td>Outside Director</td>
<td>Advisor, IFRS Foundation Asia-Oceania Office</td>
</tr>
<tr>
<td>Takahisa Takahara</td>
<td>New Appointment</td>
<td>Outside Director</td>
<td>Representative Director, President and CEO of Unicharm Corporation</td>
</tr>
<tr>
<td>Mari Sono</td>
<td>Reappointment</td>
<td>Outside Director</td>
<td>Certified Public Accountant</td>
</tr>
<tr>
<td>Laura Simone Unger</td>
<td>Reappointment</td>
<td>Outside Director</td>
<td>Former Commissioner and Acting Chairman of SEC</td>
</tr>
<tr>
<td>Victor Chu</td>
<td>New Appointment</td>
<td>Outside Director</td>
<td>First Eastern Investment Group, Chairman and CEO</td>
</tr>
<tr>
<td>Chris Giancarlo</td>
<td>New Appointment</td>
<td>Outside Director</td>
<td>Former Chairman of the U.S. Commodity Futures Trading Commission</td>
</tr>
<tr>
<td>Patricia Mosser</td>
<td>New Appointment</td>
<td>Outside Director</td>
<td>Former Deputy Director, Office of Financial Research, U.S. Department of Treasury</td>
</tr>
</tbody>
</table>

Note: The background information includes various roles and affiliations of the board members, highlighting their diverse professional experiences and contributions to the board's diversity.
# Board of Director roles and expertise

<table>
<thead>
<tr>
<th>Name</th>
<th>Appointment year</th>
<th>Involved Committee</th>
<th>Experience</th>
<th>Digital (IT)</th>
<th>Sustainability</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Nomination</td>
<td>Compensation</td>
<td>Audit</td>
<td>Corporate management</td>
</tr>
<tr>
<td>Koji Nagai</td>
<td>Jun. 2013</td>
<td>O</td>
<td>O</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Kentaro Okuda</td>
<td>Executive Officer</td>
<td>Jun. 2020</td>
<td></td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Tomoyuki Teraguchi</td>
<td>Executive Officer</td>
<td>Jun. 2021</td>
<td></td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Shoji Ogawa</td>
<td>Non-Executive Director</td>
<td>Jun. 2021</td>
<td>O</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Kazuhiko Ishimura</td>
<td>Outside Director</td>
<td>Jun. 2018</td>
<td>◎</td>
<td>◎</td>
<td>✔</td>
</tr>
<tr>
<td>Takahisa Takahara</td>
<td>Outside Director</td>
<td>Jun. 2021</td>
<td>O</td>
<td>O</td>
<td>✔</td>
</tr>
<tr>
<td>Noriaki Shimazaki</td>
<td>Outside Director</td>
<td>Jun. 2016</td>
<td>◎</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Mari Sono</td>
<td>Outside Director</td>
<td>Jun. 2017</td>
<td>O</td>
<td></td>
<td>✔</td>
</tr>
<tr>
<td>Laura Simone Unger</td>
<td>Outside Director</td>
<td>Jun. 2018</td>
<td></td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Victor Chu</td>
<td>Outside Director</td>
<td>Jun. 2021</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>J. Christopher Giancarlo</td>
<td>Outside Director</td>
<td>Jun. 2021</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Patricia Mosser</td>
<td>Outside Director</td>
<td>Jun. 2021</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>
**Newly appointed Directors**

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

<table>
<thead>
<tr>
<th>Takahisa Takahara</th>
<th>Chris Giancarlo</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Representative Director, President and CEO of Unicharm Corporation</td>
<td>● Former Chairman of the U.S. Commodity Futures Trading Commission (CFTC)</td>
</tr>
<tr>
<td>● Chairman of the Committee on Consumer Goods and Services of Keidanren (Japan Business Federation)</td>
<td>● Currently serves as Senior Counsel for the international law firm Willkie Farr &amp; Gallagher as Independent Director and Advisor.</td>
</tr>
<tr>
<td>● Chairman of Japan Hygiene Products Industry Association</td>
<td></td>
</tr>
<tr>
<td>● Chairman of Nippon Omni-Management Association</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Victor Chu</th>
<th>Patricia Mosser</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Founder, Chairman and CEO of First Eastern Investment Group, Hong Kong based international investment firm</td>
<td>● Former Deputy Director, Office of Financial Research, U.S. Department of Treasury</td>
</tr>
<tr>
<td>● Established Victor Chu &amp; Co., a leading Hong Kong law firm</td>
<td>● Former Senior Vice President, Federal Reserve Bank of New York</td>
</tr>
<tr>
<td></td>
<td>● Currently a Director, Columbia University, School of International and Public Affairs</td>
</tr>
</tbody>
</table>
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