Nomura Sustainability Day 2022

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Nomura Holdings, Inc.

October 6, 2022
The state of sustainability
Growing interest in sustainability

- Sustainability is having a greater impact on corporate value
- Financial institutions face increasing pressure to address sustainability through financial services

### Overall sustainability
- UN PRI
- UN SDGs
- UN PRB

### Climate change
- Paris Agreement (COP21)
- TCFD recommendations
- Glasgow Climate Pact (COP26)

### Disclosure
- Partial implementation of SFDR
- Announcement of CSDR
- Announcement of CSDR
- Compulsory disclosure of climate related data by companies listed on Japan’s Prime Market
- IssB draft announcement
- US SEC climate change disclosures announcement
- Requests in Japan for human capital disclosures in annual securities reports

### Financial institution activities
- Promoting sustainable financing, including transition financing
- Financial institutes to operate in a way that is consistent with social goals
- Closer engagement with portfolio companies and stricter ESG screening for lending and investment
- Create and enhance ESG/SDG investment opportunities
- Investment activities that take into account ESG factors
Headwinds: Spike in energy prices affecting energy policy

Spike in energy prices

- Indexed (Jan 2020=100)
- Natural gas (Europe)
- Natural gas (US)
- Crude oil
- LNG (Japan)

Responses to energy crisis

**UK**
- £15bn-plus additional support package for household facing climbing living costs (May)
- Increased gas supply to EU (Jun)

**Germany**
- Took emergency measures to cap natural gas consumption and increase coal-fired power plant operations (Jun)
- Announced plans to keep nuclear power plants on standby until Apr 2023 (Sep)

**France**
- Extended existing price cap on power and gas (Sep)
- PM directed ministries and agencies to start looking into development and construction of next generation nuclear power plants (Aug)

**Japan**
- Plan to reduce dependency on Russian gas and oil. Aiming to also address climate change, including raising renewable energy usage to 45% by 2030 (May)
- Determined at Sep energy ministers’ meeting to discuss to keep power and energy prices down (Aug)

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Headwinds: Monetary tightening impact on SDG bond market

Monetary tightening has led to higher government bond yields and increased volatility in bond market

Issuance of SDG bonds has slowed globally


But…growing focus on threat of global warming

- Number of countries and regions declaring to go carbon neutral is increasing each year
- 137 countries/regions have declared carbon neutrality by a target date, equivalent to 83% of the world’s CO₂ emissions

- Countries/regions declared carbon neutrality: 124 → 137
- Percentage of global CO₂ emissions: 61% → 83%

Source: Net Zero Tracker. Energy and Climate Intelligence Unit, Data-Driven EnviroLab, NewClimate Institute, Oxford Net Zero. 2022 (as of Sep 2022)
Nomura Group’s sustainability initiatives
In line with our Founder’s Principles, our Management Vision for 2025 is to achieve sustainable growth by helping resolve social issues.

Raising our corporate value and ensuring sustainable growth for society as a whole are closely linked.

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.

Achieve sustainable growth by helping resolve social issues.

For Our Clients
- Support our clients and stakeholders’ sustainability efforts through our business operations
  - Create sustainable flow of funds
  - Business succession and regional development
  - Promote innovation, etc. in agriculture and healthcare

For Our Society
- Promote activities to ensure we remain sustainable
  - Reduce our environmental footprint (committed to net zero)
  - Proper disclosure, etc.

Underpinnings of our sustainability
- Decision making by senior management
- Extensive discussions including at BoD
- Enhance human capital, promote DEI
Nomura Group has set out priority areas for senior management to focus on (materiality) centered on social and environmental issues.

### Social and environmental priorities

- **A**: Sound development of capital markets
- **B**: Prevent climate change, respond to natural disasters
- **C**: Pandemic response
- **D**: Address low birthrate and aging society
- **E**: Correct disparities between regions and individuals
- **F**: Combat cyber attacks, money laundering and other financial crimes
- **G**: Prevent corporate bad behavior
- **H**: Promote diversity in talent

### Nomura Group focus areas (materiality)

- Provide financial services appropriate for each client, diversify access to financial services
- Provide financial services that support the realization of a sustainable society
- Develop and deliver services that respond to declining birthrate and aging society
- Create opportunities to further understanding of finance, economics, and asset building
- Reduce our own environmental footprint
- Enhance governance, including strengthening risk management
- Promote proper conduct and compliance
- Enhance human capital, implement DEI policies
- Conduct CSR globally

### Related social and environmental issues

- Resolving social issues through business operations
- Initiatives to strengthen management

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Today’s topics

- P11-17, P22
- P19
- P20-21
- P10
- P24-26
Addressing environmental issues
For Our Society: Achieving net zero

We joined the Net Zero Banking Alliance\(^1\) in September 2021 and from this autumn we plan to set 2030 medium-term targets for high impact sectors.

Our commitment

<table>
<thead>
<tr>
<th>Year</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2030</th>
<th>2050</th>
</tr>
</thead>
</table>
| Scope 1, 2  
Our own operations | Usage of renewable energy at main global offices | Over 50% | Over 70% | 100% |
| Scope 3  
Emissions related to lending and investment | | | | | Achieve net zero by 2030 |
| Scope 3  
Emissions related to capital markets transactions (underwriting)\(^4\) | | | | | | Achieve net zero from lending and investment portfolios by 2050 |

GHG emissions from lending and investment portfolios: Relative comparison (illustrative)

- GHG emissions from Nomura Group’s lending and investment portfolios are relatively small
  - Scope: Lending and investment on balance sheet includes shares held by Nomura Holdings and lending and securities held by international Wholesale and Nomura Trust and Banking
  - High impact sectors: Electric power, cars, others

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1. One of the seven initiatives under the Glasgow Financial Alliance for Net Zero where banks commit to carbon neutrality in the lending and investment portfolios by 2050.
2. FY2021/22 actual.
3. Partnership for Carbon Accounting Financials works globally to implement a harmonized approach to assess and disclose the GHG emissions associated with financial institutions’ loans and investments.
4. Currently not included in calculations or targets in line with NZBA guidelines.
For Our Clients: Deliver sustainability solutions to meet our clients’ changing needs

- For Nomura Group, decarbonization is not just about addressing a risk, it also offers business opportunities as we support our clients to execute their strategies, raise funds and make investments.

Promote sustainable flow of funds through the capital markets and help resolve social and environmental issues.

Drive profitability and address social issues by providing public and private products and combining multiple services to meet the needs of issuers and investors, while also responding to demand from investors to capture ESG investment returns.

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<thead>
<tr>
<th>Public</th>
<th>Private</th>
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<tr>
<td>Corporate finance (debt, debt capital, capital)</td>
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<td>SDG bonds and other sustainable financing</td>
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<tr>
<td>Sustainability loans</td>
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<tr>
<td>Project and asset finance</td>
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<tr>
<td>Infrastructure finance</td>
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<td>Acquisition finance</td>
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<td>Forest resources</td>
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<td>Securitization</td>
<td></td>
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<td>Interest rate, FX hedging</td>
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<tr>
<td>Alliance, M&amp;A</td>
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<tr>
<td>Sustainability related M&amp;A</td>
<td></td>
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<tr>
<td>Others</td>
<td></td>
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<tr>
<td>ESG stocks</td>
<td></td>
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<tr>
<td>Carbon credit</td>
<td></td>
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</tbody>
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Global network
Customized solutions
Expertise in sustainability
For Our Clients: Solid track record in sustainable financing and advisory

- Leverage our strong franchise to support our clients’ global sustainability efforts
- Advantage in terms of global reach compared to other Japanese financial institutions

Sustainable finance

- **Sustainable financing target**
  - $125bn
  - Five years to Mar. 2026

- #14 on global sustainable bond league table, #1 Japanese financial institution¹

- Awarded Investment Bank of the Year by The Banker for three straight years

2020
- Sustainable Corporate Finance

2021
- Sustainable FIG Financing

2022
- Sustainable SSA Financing

<table>
<thead>
<tr>
<th>Sustainable financing track record</th>
<th>Over $21.4bn</th>
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<tr>
<td>FY2021/22</td>
<td></td>
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<table>
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<tr>
<th>#1 in sustainable financing underwriting for Japanese issuers²</th>
</tr>
</thead>
<tbody>
<tr>
<td>(billions of yen)</td>
</tr>
<tr>
<td>Nomura 635</td>
</tr>
<tr>
<td>Co. A 589</td>
</tr>
<tr>
<td>Co. B 569</td>
</tr>
</tbody>
</table>

- **Sustainable financing target**
  - $125bn
  - Five years to Mar. 2026

- **Involvement in sustainability related M&A transactions**
  - Over $11.8bn
  - CY2021

- Acquired Greentech Capital in April 2020
- Operating globally as Nomura Greentech leveraging expertise in sustainable technology and infrastructure sectors

Nomura Greentech accounts for increasing percentage of Advisory revenues

Sustainability related advisory

- Supported EU’s largest fundraising two consecutive years
  - European Union Social bond €17bn
    - Issued as part of SURE in Oct 2020
    - Joint Lead Manager
  - European Union Green bond €12bn
    - Issued in Oct 2021 as part of Next Generation EU program to recover from Covid

1. Source: Refinitiv, Jan – Dec 2021
2. Total of green bonds, social bonds, sustainability bonds, sustainability-linked bonds, sustainability-linked green bonds, transition bonds, and transition-linked bonds. Apr 1, 2022 – Sep 28, 2022, based on day of pricing; Source: Nomura, based on disclosure materials and Capital EYE.
For Our Clients: Solutions tailored to client needs (1)

- Sustainability-linked bonds are a new type of financing that don’t limit the use of funds and can be offered to a wide range of clients
- Global issuance was over $100bn in 2021 and is expected to remain roughly the same in 2022

Key points of sustainability-linked bonds

- No specified use of funds
- Specific numerical targets set (KPI/sustainability performance target (SPTs))
- Financial conditions and structure change according to level of targets achieved

Issuance of sustainability-linked bonds

<table>
<thead>
<tr>
<th>Year</th>
<th>Estimated annual issuance (billions of dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>0</td>
</tr>
<tr>
<td>2020</td>
<td>10</td>
</tr>
<tr>
<td>2021</td>
<td>60</td>
</tr>
<tr>
<td>2022 Jan-Jul</td>
<td>120</td>
</tr>
</tbody>
</table>

Supported several sustainability-linked bond transactions in Japan

**Obayashi Corporation**
- Y30bn (5-Yr Y20bn; 7-Yr Y10bn)
- Structuring Agent
- KPI: CO₂ reduction in Group’s scope
- SPTs: CO₂ reduction vs. FY2019
- Features: If targets not reached, a donation equivalent to a predetermined percentage of the bond issuance value to be donated to an organization set up for the purpose of environmental conservation

April 2022

**Nagase & Co.**
- Y10bn (10-Yr)
- Structuring Agent
- KPI: GHG emissions in Group’s scope
- SPTs: Reduction of Group’s GHG emissions
- Features: If targets not reached, until redemption the company will purchase emissions rights with a value according to progress in reaching SPTs

June 2022

**Shiga Prefecture**
- Y5bn (10-Yr)
- KPI: GHG emissions in Group’s scope
- SPTs: Reduce GHG emissions by 50% compared to FY2014
- Features: If targets not reached, make additional commitment equivalent to 0.1% of value of bond issuance as funds for projects set up by Shiga Prefecture to reduce GHGs

April 2022
**For Our Clients: Solutions tailored to client needs (2)**

- **Transition finance is critical to achieving decarbonization**
- **Bond issuance rose sharply in Japan after transition technology roadmap by sector announced**

By region Asia and by sector electric power account for half of funds required for decarbonization

### Estimated loans and investment required by 2050¹

<table>
<thead>
<tr>
<th>Region</th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td>54%</td>
</tr>
<tr>
<td>North America</td>
<td>17%</td>
</tr>
<tr>
<td>Europe</td>
<td>17%</td>
</tr>
<tr>
<td>Others</td>
<td>12%</td>
</tr>
</tbody>
</table>

By sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric power</td>
<td>49%</td>
</tr>
<tr>
<td>Land transport</td>
<td>34%</td>
</tr>
<tr>
<td>Real estate</td>
<td>5%</td>
</tr>
<tr>
<td>Aviation</td>
<td>4%</td>
</tr>
</tbody>
</table>

**Not all industries can make leap to decarbonization in one go**

**Illustration of transition to decarbonized society²**

- **Brown economy**
  - Fuel conversion, energy efficient technologies
  - High efficiency power generation, etc.

- **Decarbonized society**
  - EVs
  - Renewable energy, etc.

**Sharp rise in transition finance in Japan**

- **Transition bonds**
- **Transition-linked bonds**
- **# of transactions (rhs)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Transition bonds</th>
<th>Transition-linked bonds</th>
<th># of transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2021</td>
<td>100</td>
<td>200</td>
<td>10</td>
</tr>
<tr>
<td>2022</td>
<td>300</td>
<td>400</td>
<td>20</td>
</tr>
<tr>
<td>2022 (-9/9)</td>
<td>100</td>
<td>200</td>
<td></td>
</tr>
</tbody>
</table>

**Supported multiple transition finance transactions**

**JFE Holdings**
- **Y30bn**
- Structuring agent, lead manager
- Use of funds
  - Energy efficiency initiatives
  - Manufacture of eco products
  - Development of ultra-innovative steel making process
  - Renewable energy initiatives

**Osaka Gas**
- **Y27bn**
- Lead manager
- Use of funds
  - Solar power business invested in by Daigas Group
  - Himeji natural gas electric power plant currently under construction

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2. Source: Ministry of Economy, Trade and Industry
For Our Clients: Infrastructure financing

- Global theme is to quickly provide fundraising opportunities to ensure energy sustainability
- We are leveraging our global network to support various financing transactions

Our strengths

- Full service
  From underwriting to sales, we provide global services to meet client needs

- Expertise and detailed project management
  Teams with high expertise and unique insights conduct detailed market and risk/return analyses and monitoring

- Relationships with clients globally
  Build close relations globally and provide ongoing client support

- Collaboration with partners
  Leverage Nomura Group network to execute financing and sell products in collaboration with major institutions in all regions

Selected transactions

- **Americas/Global**
  - **CanadianSolar**
    Manufactures solar power modules and carries out solar power projects globally
    Supported multiple deals of financing since 2019
  - **amp**
    Construction of stand-alone battery storage and green hydrogen developments globally
    Supported solar power projects ($350m)

- **Europe**
  Supporting decarbonization efforts in European countries facing energy problems through solar power business and battery storage businesses

- **Japan and Japan/Americas**
  Supported investment by Japanese investors into North American and Japan ESG assets (total of ¥170bn\(^1\)) using infrastructure finance to bridge ESG and finance

Transactions involving infrastructure financing accumulated amount 30GW\(^2\)

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1. Accumulated total from 2020 to Sep 2022
2. Accumulated total from 2017 to Sep 2022; Amount of electric power introduced does not take into account underwriting share.
For Our Clients: Tapping into new business opportunities

- Strengthen our organization to deliver services for strategic advice on sustainability and to meet demand for fundraising and fund management across debt and equity securities.

M&A Advisory (incl. sustainability related coverage)

- Energy
- Infrastructure
- Industrials

Financing

- DCM Department Sustainable Finance Section
- ESG related advice and consulting

Greentech Industrials & Infrastructure (GII)
Global approach to M&A Advisory services including supporting decarbonization as clients realign their business portfolios

- Advanced Materials and Chemicals
- Advanced Transportation
- AgTech and Sustainable Food
- Building and Sustainable Product
- Digital Infrastructure

- Low Carbon Infrastructure
- NextGen Ocean & Air Transportation
- Renewable Energy Value Chain
- Water Infra / Environmental Services & Technologies
- Water Technology and Equipment

From April 2022

International DCM and Infrastructure Financing

Sustainable Finance Department
Consolidate sustainability themed financing, advisory, consulting, etc.

- Sustainable financing expertise (Research, underwriting)
- Expertise on non-financial disclosure
- Emissions trading
- Other ESG related consulting

From October 2022

Closer collaboration
Chairing GX Business Working Group, finding climate change opportunities

- We are chairing the GX Business Working Group (79 member companies), one of the initiatives under the GX League (Green Transformation League) led by METI
- GX League was set up in February this year and its 500 endorsing companies focus on three areas: discuss how society looks in the future, develop market rules, voluntary emissions trading
- As part of developing market rules, the aim is to create a mechanism to properly evaluate climate change opportunities for companies

Evaluation of climate change

<table>
<thead>
<tr>
<th>Current</th>
<th>Future</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Focus only on risks</strong></td>
<td><strong>Risks and opportunities</strong></td>
</tr>
<tr>
<td>✓ Focus only on risks such as disclosure of CO₂ emissions when evaluating companies on climate change</td>
<td>✓ Proper evaluation of not just risks but also opportunities such as companies that have products and services that contribute to reducing emissions or companies that invest in developing innovative technologies</td>
</tr>
</tbody>
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Nomura’s aim in Working Group

- ✓ As a financial institution, support corporates to see climate change opportunities as the world moves towards carbon neutral
- ✓ With a view to future rule making in public and private sectors, communicate concepts, disclosure and evaluation items, and evaluation guidelines on climate change opportunities for corporates
- ✓ As Chair, actively communicate guidelines to international community with aim of promoting to not just Japanese but also international institutional investors
Addressing social issues
For Our Clients: Solutions for an aging society

- Enhancing our solutions for SMEs given aging management and lack of successors
- Inheritance consulting to support smooth handover of assets to next generation is on the rise

### Solutions for managers and owners

**Trynibus: Platform to support SMEs**

- Use professionals to fill gaps
- Find business hints
- Visualize financials to find solutions
- Find new business partners

**Trynibus**

- Fully-launched online service Trynibus in July 2022 to create virtuous cycle for SMEs

- Registered companies: 724
- Business matching: 284
- Original content: 130

**Platform to bring together manager candidates and SMEs with succession issues**

- Completed second closing in Aug 2022; Over Y5.8bn in investment commitments from LP investors making it Japan’s largest search fund

<table>
<thead>
<tr>
<th>Japan Search Fund Platform</th>
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<tbody>
<tr>
<td><strong>Management candidate searchers</strong></td>
</tr>
<tr>
<td><strong>Search fee</strong></td>
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<tr>
<td><strong>Acquisition funds</strong></td>
</tr>
<tr>
<td><strong>Searcher takes over</strong></td>
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<tr>
<td><strong>Raise value</strong></td>
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<tr>
<td><strong>Company transfer</strong></td>
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<tr>
<td><strong>Capital gain</strong></td>
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<tr>
<td><strong>GP investor/fund management</strong></td>
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<td><strong>LP investors</strong></td>
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<td><strong>Investors</strong></td>
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</tbody>
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**Increase in M&A transactions for SMEs and healthcare companies due to growing demand for business succession**

![Graph showing increase in M&A transactions from FY2016/17 to FY2021/22](chart)

- Testamentary trusts
- Estate settlements

<table>
<thead>
<tr>
<th>Testamentary trusts</th>
<th>Estate settlements</th>
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<tbody>
<tr>
<td>175</td>
<td>261</td>
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**Referrals to Nomura Trust and Banking on the rise**

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<td>66</td>
<td>111</td>
<td>116</td>
<td>129</td>
<td>111</td>
<td>94</td>
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**Covid**

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<td>111</td>
<td>116</td>
<td>129</td>
<td>111</td>
<td>94</td>
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19
For Our Clients: Financial wellbeing

- We have been a leader in providing financial education since the 1990s, supporting everyone from school students to company employees.
- To further drive these efforts, in April 2022 we set up the Financial Well-being Dept. and branch office Promotion Teams.

**Vision**
Create a well-being society with mental and economic wealth where all people can envision the future and have the freedom to choose their path.

**New financial well-being activities**

1. **Organization**
   - Appointed SMD in charge of financial education, established Financial Well-being Dept.
   - Nomura Securities branch offices: Set up Financial Well-being Promotion Teams (led by branch head).

2. **Content creation**
   - Develop shared content 365 pieces (as of Sep 2022)

3. **Enhanced delivery**
   - Pamphlets
   - Online
   - Content platform

4. **Further expansion of financial education**
   - Sessions for school teachers
     - Held in Aug 2022
     - Training for Tokyo teachers

**Building on our past success in delivering financial well-being activities**

<table>
<thead>
<tr>
<th>Financial education across generations</th>
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<tr>
<td><strong>Elementary, junior high, and high schools</strong></td>
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<tr>
<td>Support financial education at schools</td>
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</tbody>
</table>

**Financial education recipients**
- 948,000

**Financial education classes**
- 13,000

**Nikkei STOCK League participants**
- 138,000

**Original teaching materials**
- 1,075,000

**In-house training support**
- 5,000 times

**Consulting**
- 800 companies

**Life planning seminars**
- 9,000 times

As of Sep 2022
For Our Clients: Approaches to working age generations to expand investor population

- Increasing contact points with working age generations and supporting improved financial literacy and asset building over the medium to long term
- Contributing to shift in Japan from savings to asset building via investment and also to human capital management at corporates

**Strengths**

- **High market share**
  - Leading share in ESOP market of 40%
- **High-quality services**
  - #1 pension information satisfaction ranking (13-yr av. since 2009 of 7 leading managers)
  - HDI-Japan 5 star for eighth straight year
- **Extensive knowledge**
- **Strong relations** with client companies
- **Brand and overall capabilities**
- **Cross-divisional connectivity** (IB, IM)
- **Cost competitiveness**

**Services for salaried employees**

- ESOP
- DC
- Workplace NISA/iDeCo
- Stock compensation plans

**Strengthening business for salaried employees**

- Seamless support from working age to retirement
- Improved convenience via digital services and apps
- Provide financial education as required (financial wellness program)
- Enhanced contact center function to put in place organization for consulting

**Clients**

- **Listed companies, public sector, unlisted companies**
  - Enhance employee fringe benefits
  - Create asset management opportunities
  - Promote human capital management

- **Employees, executives, civil servants**
  - Improve financial literacy
  - Asset building over medium to long term
  - Prepare for the future

**Contribute to human capital management**

**Improve financial literacy of working age and build assets over long term**
For Our Clients: Food and agriculture solutions

Supported Japan’s largest food and agritech fundraising (Y4bn)*

Artificial light plant factory with world-leading technology and sales track record

Invest (Y4bn)

Operating companies
Angel investor

Approach

Spread Co., Ltd.
(Plant factory start up)

Nomura Group business departments

RM

Kyoto branch

Japan branches

Wealth Management Group

Investment Banking

*Support formulation of business and financial strategy (medium-term plan, equity story, capital policy, etc.)

Collaborate

Nomura Agri Planning and Advisory

- Research-based practical consulting
- People with deep experience in agriculture

Approach

- Research-based practical consulting
- People with deep experience in agriculture

Expanding distribution of sustainable vegetables (Vegetus)

Water saving, recycling water resources

Minimize power usage

Chemical free

Reduce food loss, mileage

Use IoT/AI

Automation

R&D on strawberries and other new products

Using artificial light plant factories with world-leading technology and sales track record, spread co., ltd. is a plant factory startup. investor nomura group business departments, including ryukyu branch, japan branches, wealth management group, and investment banking, are collaborating with nomura agri planning and advisory, which offers research-based practical consulting and people with deep experience in agriculture. this support is aimed at formulating business and financial strategies, including medium-term plans, equity stories, and capital policies. the project involves expanding the distribution of sustainable vegetables vegetus, reducing food loss and mileage, using iot and ai, automating processes, saving water, recycling resources, minimizing power usage, and using chemical-free methods to reduce food loss. the project also includes research and development on strawberries and other new products.
Underpinnings of our sustainability
Enhancing our people for sustainable growth

- Hiring and training based on required expertise and skill set for each business to execute its strategy
- Focus on providing future leaders and young people with opportunities

### Qualifications for broader asset management business
- Retail: Portfolio consultant (2,346), Real estate transaction specialist (864), etc.
- Investment Management: CMA holders (465 or 45% of Nomura Asset Management employees)

### Special skills for advisory business
- Wholesale: M&A University invites internal and external experts to train juniors in M&A and provides tools (Curriculum consisted of 11 themes in 2022)

### Digital IQ
- E-learning program to improve digital knowledge and skills of all employees globally and help them develop expertise

### Nomura Passport¹
- Hire people with high expertise in AI development, data science, digitalization, etc.

### Digital talent grew to 100 people in three years
- Employees with deep knowledge of Nomura’s business and mid-career hires working together to promote digital transformation

### Internships
- Held across regions in order to hire deserving university students
- EMEA: Internship program held through SEO² Program for SEO university students (40 people on internship program. Including other programs, support about an average of 5,000 15 – 24 year olds annually)

### Nomura Business Academy
- Support skill development of Japan-based employees (Total of nearly 14,000 participants in FY2021/22

### Training for area-specific employees by head office departments
- Retail: Use knowledge and skills learnt in current job (started in 2021, 37 participants)

### Wholesale analyst training
- To train people who can operate globally, graduates come together in New York after training in each region for a practical training program and to build internal network (In 2022, 230 participants took part over six weeks)

### Nomura Management School
- Program held for nine months to increase base and train next generation of leaders

### Next generation training program
- Sustainability and digital courses for younger employees (up to 50 people per course)

### Mentoring
- Held to motivate young people and improve managers’ leadership skills (421 pairs participated in 2021)

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1. Hiring of late stage PhD candidates for mathematical and statistical professional positions and IT engineering positions. Students with Nomura Passport can extend their entry into Nomura until the year they are due to receive their PhD.
2. Established in the UK in 2000, SEO’s mission is to support talented students from underrepresented and underserved backgrounds to prepare them to succeed in their career.
Diversity in management

- Diversity and inclusion is one of our highest priorities
- Added Equity to our Diversity & Inclusion Policy in 2022

**Women in decision making positions**

- More gender diversity in decision making positions
- Five women SMDs at Nomura Securities in 2021 increased to six in 2022

<table>
<thead>
<tr>
<th>Position</th>
<th>2016</th>
<th>2022</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>NHI Directors</td>
<td>9%</td>
<td>25%</td>
<td>—</td>
</tr>
<tr>
<td>NHI SMDs</td>
<td>1</td>
<td>5</td>
<td>—</td>
</tr>
<tr>
<td>Nomura Securities Dept. Head</td>
<td>—</td>
<td>5.9%</td>
<td>10% (by 2025)</td>
</tr>
<tr>
<td>Nomura Securities management positions</td>
<td>8%</td>
<td>13.9%</td>
<td>20% (by 2025)</td>
</tr>
</tbody>
</table>

**Inclusion**

- Held DEI Month in Nov 2021 for intensive promotion of DEI
- Video messages from DEI Working Group SMDs including Okuda Group CEO on what inclusion means to them to communicate importance of inclusion from the top
- Event participants and video viewing of about 20,000

**Nomura Securities DEI training**

- DEI training including on unconscious bias as part of sustainability training for all 16,000 employees
- Diversity management training for approx. 4,000 managers
- Leadership program for senior women managers (total 60 participants* since 2010)
- Participation in external leadership programs for women increased threefold compared to 2019

**DEI and addressing social issues**

- Started collaborative program combining financial literacy and empowerment of women athletes. Hold financial literacy lectures for athletes with money worries and provide career support.

- Won Rainbow award which recognizes companies working with collective impact to resolve LGBTQ+ social issues. Held online financial literacy session for LGBTQ+ youth so they can live as themselves

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*Includes sponsorship program for senior women managers held from 2010 to 2017.
Understanding engagement through employee surveys

- Conduct all-employee survey each year to gain comprehensive view of employee engagement

Overview of 2022 Nomura Group employee survey

- **Period:** July 2022
- **Universe:** All Group employees (approx. 27,000)
- **Response rate:** 88%

Five areas improved vs. last year

<table>
<thead>
<tr>
<th>Area</th>
<th>Improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client centricity</td>
<td>Putting clients at the heart of everything we do is not just a slogan but shows up in our actions</td>
</tr>
<tr>
<td>Code of Conduct</td>
<td>I refer to the Nomura 5 YES in the Nomura Group Code of Conduct and have discussed them</td>
</tr>
<tr>
<td>Digitalization</td>
<td>I use digital (actively use data analysis, new systems and tools) to deliver results</td>
</tr>
<tr>
<td>D&amp;I</td>
<td>I understand the meaning and issues of D&amp;I and can explain to others</td>
</tr>
<tr>
<td>Productivity</td>
<td>Decision making for day-to-day operations requires many approvals and takes time ('Disagree' counted as positive response)</td>
</tr>
</tbody>
</table>

Our strengths as seen from score analysis

Results of analysis by research company on absolute scores for each question and peer comparison show the following five areas as our strengths globally

1. Firm has **clear long-term targets and strategic direction, high understanding of KPIs and action we need to take** to reach goals
2. People are **encouraged to take on challenges** to try new and better ways of doing things, **collaborative culture** to provide better services to clients
3. Emphasis placed on **managing sensitive information, abiding by Code of Conduct** and managing business **risks and issues**
4. A workplace where **Diversity** is accepted and there is no place for harassment
5. As a result, **strong sense of ownership** for individual results and strong **desire to contribute**
Sustainability organization

- Sustainability decision making at senior management level allows for agile response to ensure sustainable growth for the entire Group and to help resolve social issues.

Sustainability organizational structure

- Established Steering Committee to discuss the path to reaching net zero target.

Discussion on management oversight side:
- Themes discussed by BoD:
  - Reducing our environmental footprint, setting net zero target
  - Joining NZBA
  - Revise Sustainability Statement
  - Enhance non-financial disclosures
  - Sustainability risks (Risk Committee)

Discussion on execution side:
- Main discussion points at Sustainability Committee and Sustainability Council:
  - TCFD response, disclosure
  - Materiality
  - Setting net zero target
  - Joining NZBA
  - Revising Sustainability Statement, ESG Sector Appetite Statement
Further promoting sustainability

**Strengthen Wholesale ESG screening**

- Expand details of screening in sectors subject to screening (mining, energy)
- Increases sectors with limits on financing
- Clarify screening conditions for oil and gas, large-scale hydropower generation and nuclear power generation

Nomura Group Sustainability Statement rules
Wholesale: ESG Sector Appetite Statement

**Participate in rule making**

- Make proposals as member of government/business groups
  - JFSA Expert Panel on Sustainable Finance
  - JSDA Sustainability Standards Working Group
  - ICMA Climate Transition Finance Working Group, Social Bonds and Sustainability-Linked Bonds Working Groups
- Submit opinion on SEC climate change related regulations, ISSB disclosure standards public draft

**Enhance disclosure**

- Issued first Principles for Responsible Banking Report (PRB Report) in November 2021
- Set impact areas from business activities as climate and inclusive and sound economy (sound capital markets)

**Others**

- Sustainability training for all employees and SMDs
- SMD training on sustainability management
  - 12 videos
  - Case study workshops

**TCFD Report**

- Outline that addressing climate change is our social mission as a financial services firm and a business opportunity, increase details on expected risks and opportunities
- Disclose climate change exposure and breakdown of carbon-related assets

**PRB Report**

- Social Contribution Activity Policy
  - Three key areas
    - Society:
      - Education/research, natural disaster support, healthcare/welfare
    - Environment:
      - Address climate change, environmental conservation
    - Culture:
      - Support culture/arts, sport
  - Enhance governance by establishing reporting structure for social contribution activities

Social Contribution Activity Policy

**Internal training**

- Sustainability training for all employees and SMDs
- SMD training on sustainability management
  - 12 videos
  - Case study workshops
Drive Sustainability.

Even the things we cannot do alone can be achieved when we work together towards a common goal.

By combining our expertise and that of our partners, we aim to accelerate the drive towards a sustainable world and help create an affluent society for all.
(Reference)
Third-party validation of sustainability efforts

Inclusion in ESG Indices

<table>
<thead>
<tr>
<th>Member of Dow Jones Sustainability Indices</th>
<th>2022 MSCI ESG Leaders Indexes Constituent</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTSE4Good</td>
<td>2022 CONSTITUENT MSCIジャパン ESGセレクト・リーダーズ指数</td>
</tr>
<tr>
<td>FTSE Blossom Japan</td>
<td>2022 CONSTITUENT MSCI日本株女性活躍指数 (WIN)</td>
</tr>
<tr>
<td>FTSE Blossom Japan Sector Relative Index</td>
<td></td>
</tr>
</tbody>
</table>

Awards/Recognition

- **Won award in The Banker’s Investment Banking Awards for three years in a row**
  - 2020: Investment Bank of the Year for Sustainable Corporate Finance
  - 2021: Investment Bank of the Year for Sustainable FIG Finance
  - 2022: Investment Bank of the Year for Sustainable SSA (Sovereign, Supranational and Agency) Financing

- **Nomura Securities and Nomura Asset Management won silver at ESG Finance Awards Japan (2021) 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 A List 2021</td>
</tr>
<tr>
<td>MSCI ESG RATINGS AA</td>
<td>C-</td>
<td>CLIMATE Leadership Level A</td>
</tr>
</tbody>
</table>

(December 2021)
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 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

**Principles for Responsible Investment**

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

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


**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

**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

**Net-Zero Banking Alliance**


**Net Zero Asset Managers Initiative**

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