



Nomura Sustainability Day 2022

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Nomura Holdings, Inc.

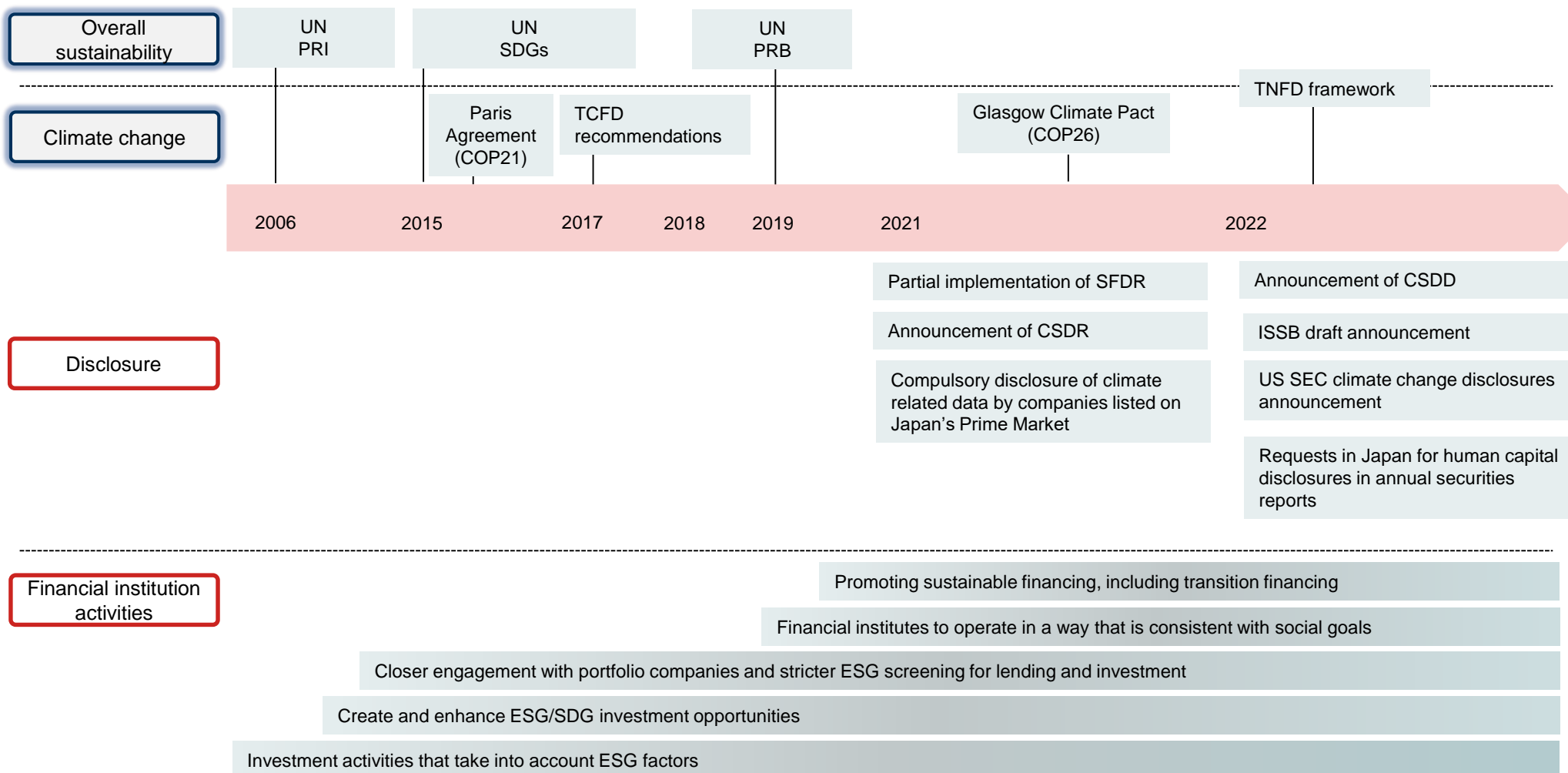


October 6, 2022

The state of sustainability

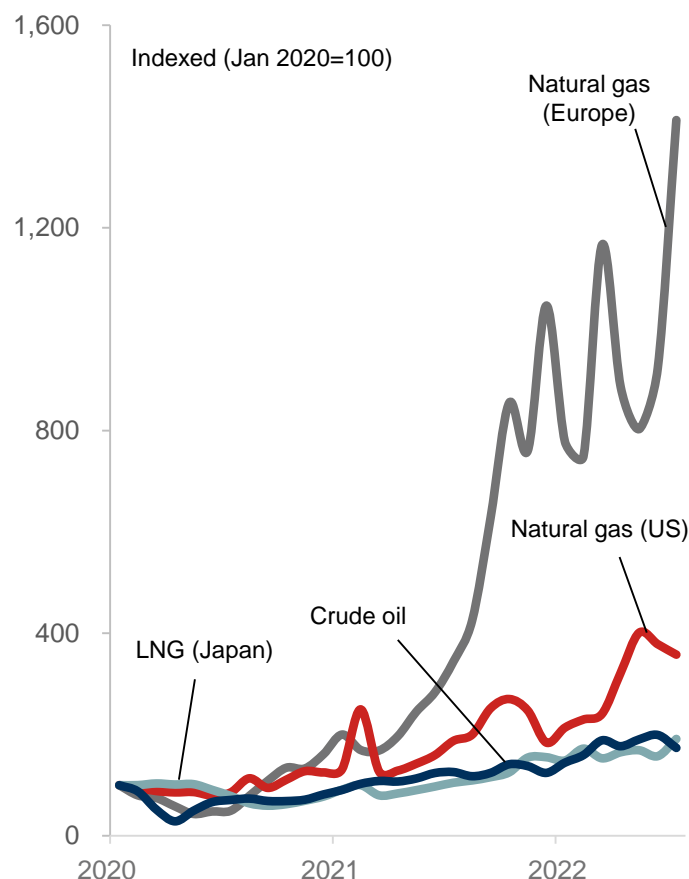
Growing interest in sustainability

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



Headwinds: Spike in energy prices affecting energy policy

Spike in energy prices¹



Responses to energy crisis

UK

- £15bn-plus additional support package for household facing climbing living costs (May)

Norway

- 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)

Japan

- PM directed ministries and agencies to start looking into development and construction of next generation nuclear power plants (Aug)

Europe (EC)

- 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)

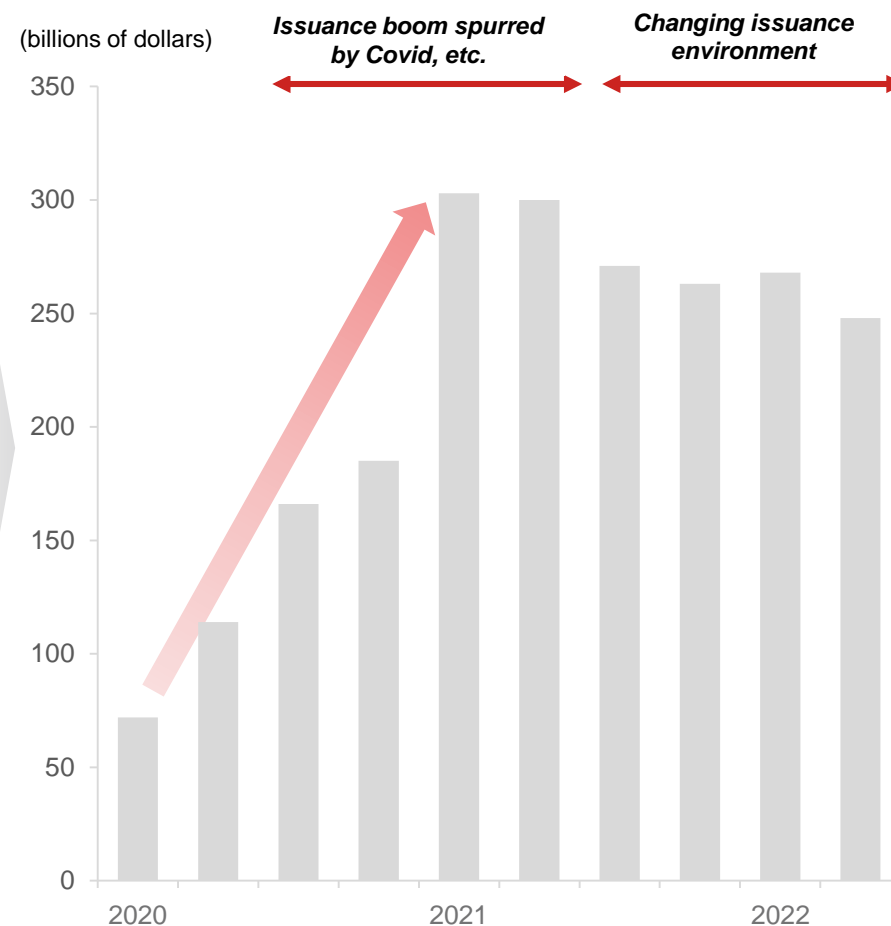
1. Source: World Bank (monthly).

Headwinds: Monetary tightening impact on SDG bond market

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



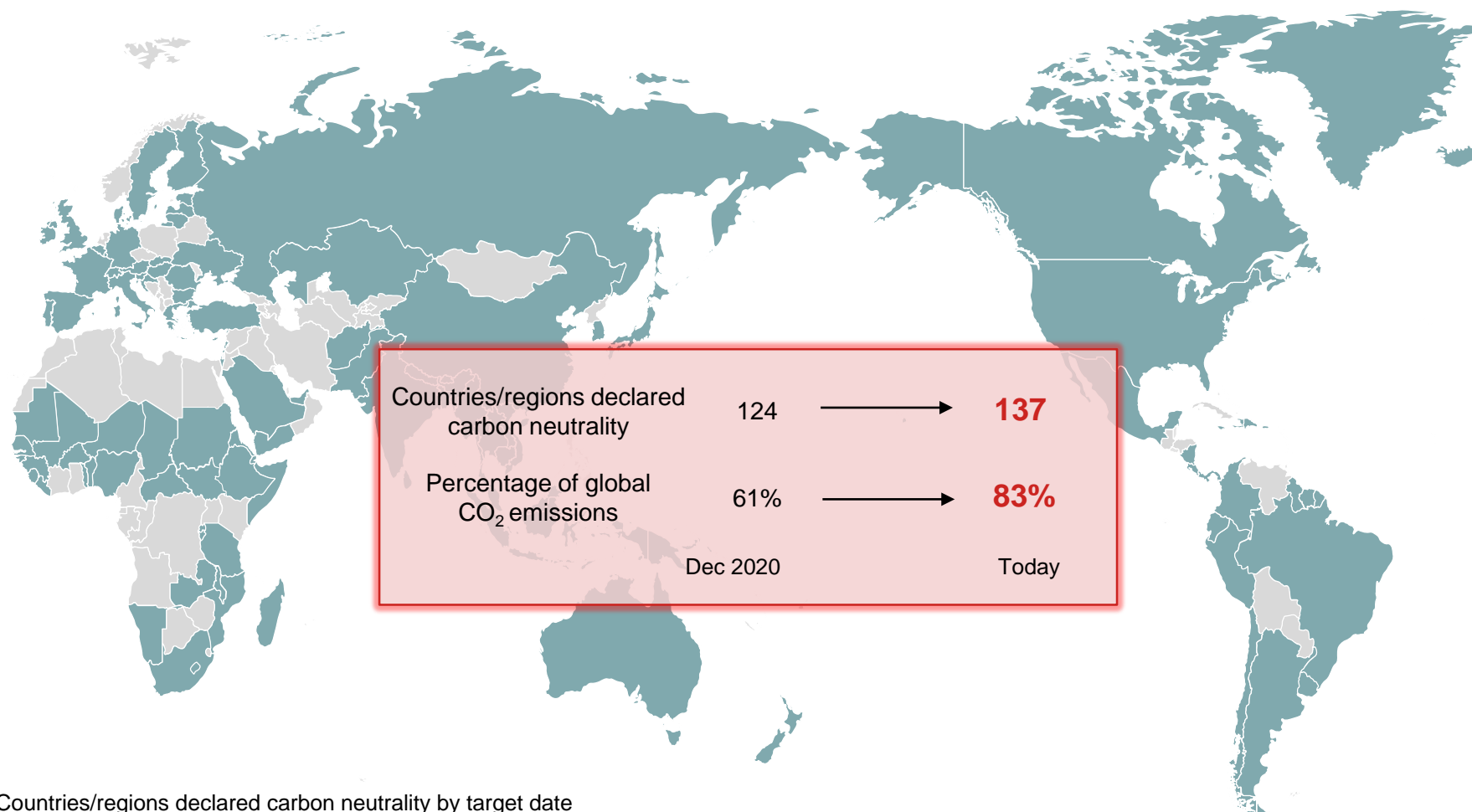
Issuance of SDG bonds has slowed globally¹



1. Source: Bloomberg New Energy Finance (as of Jun 30, 2022).

But...growing focus on threat of global warming

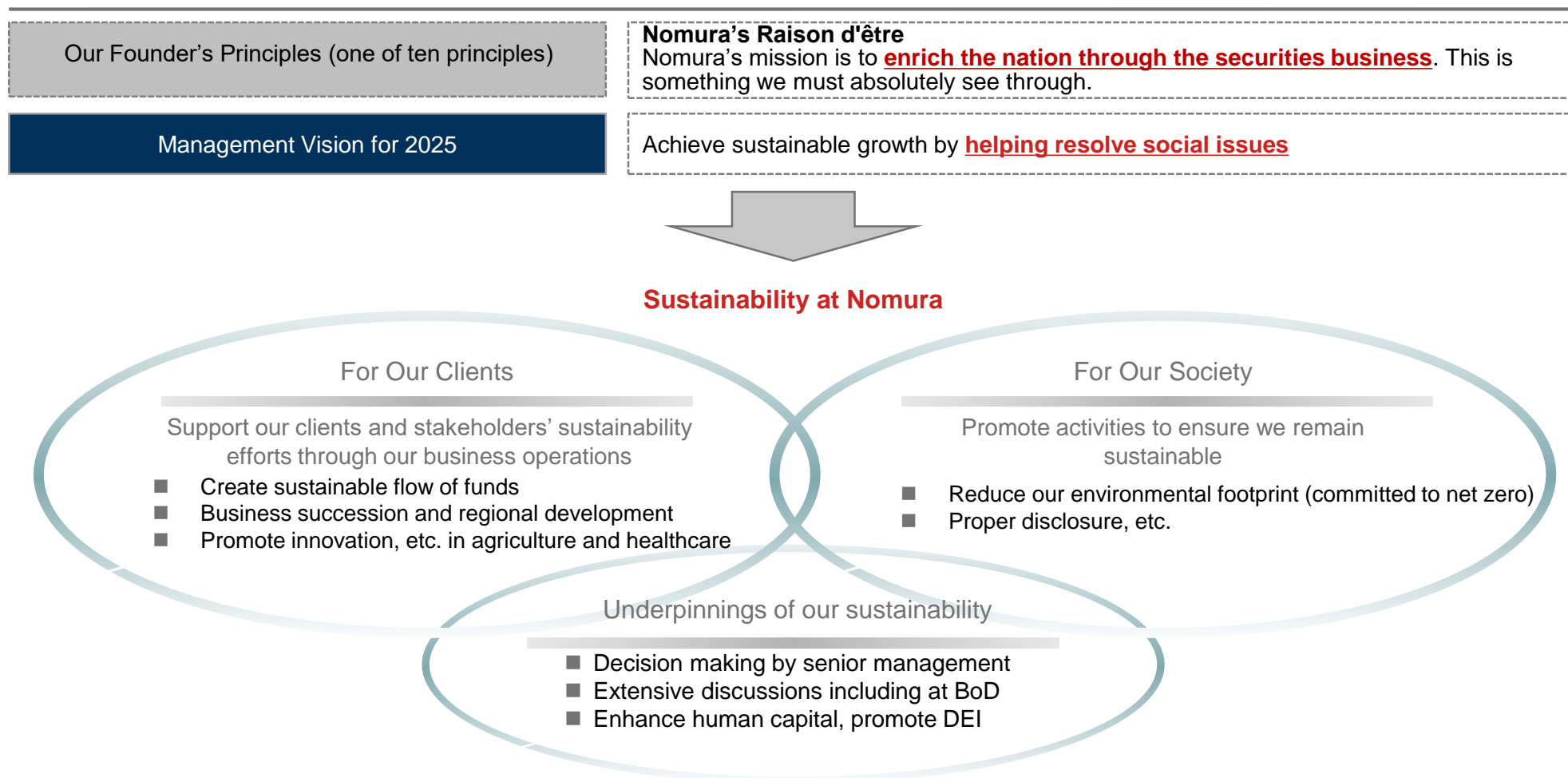
- Number of countries and regions declaring to go carbon neutral is increasing each year
- 137 countries/regions have declared carbon neutrality by a target date, equivalent to 83% of the world's CO₂ emissions



Nomura Group's sustainability initiatives

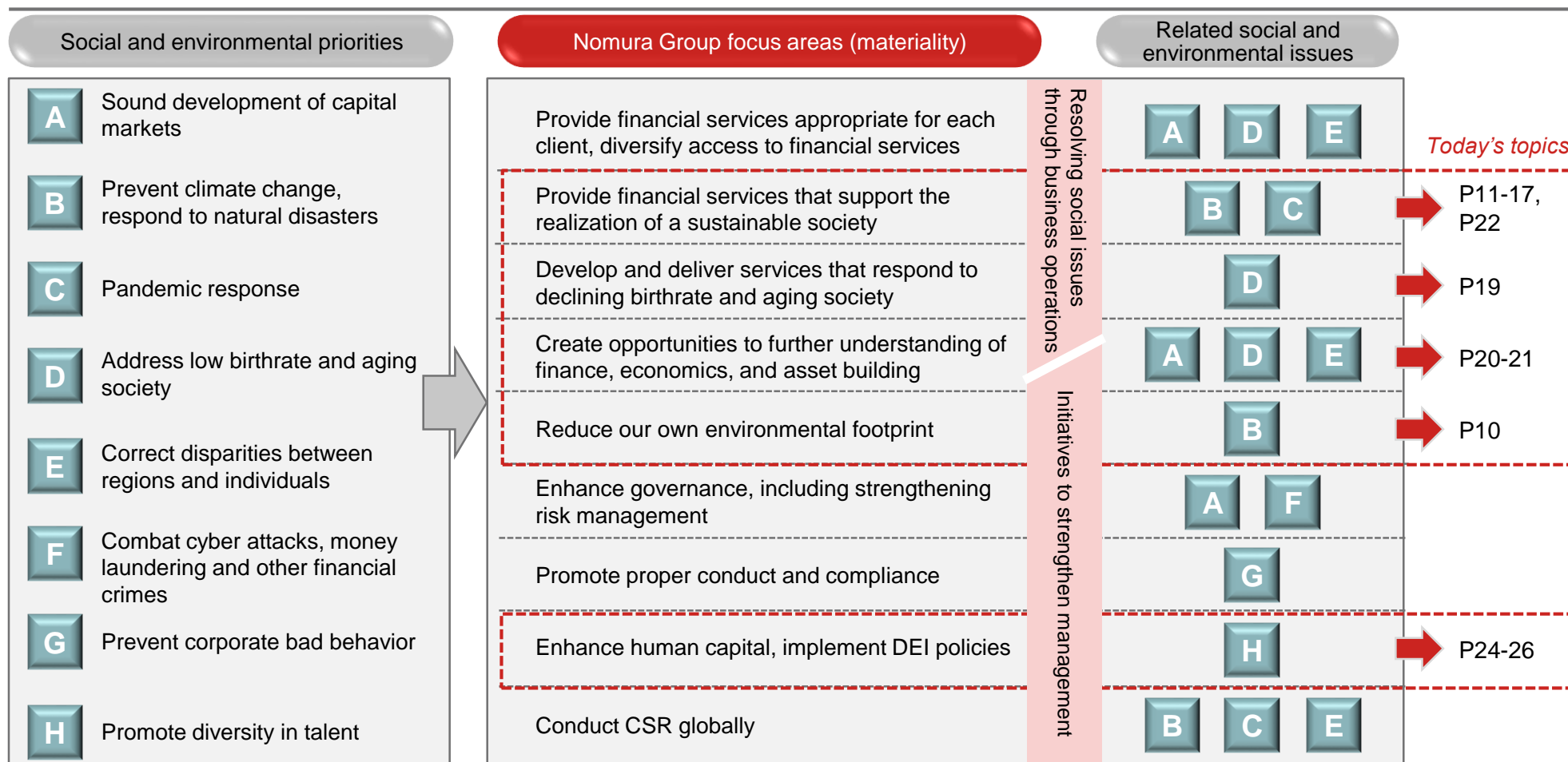
Sustainability at Nomura

- 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



Materiality at Nomura

- Nomura Group has set out priority areas for senior management to focus on (materiality) centered on social and environmental issues

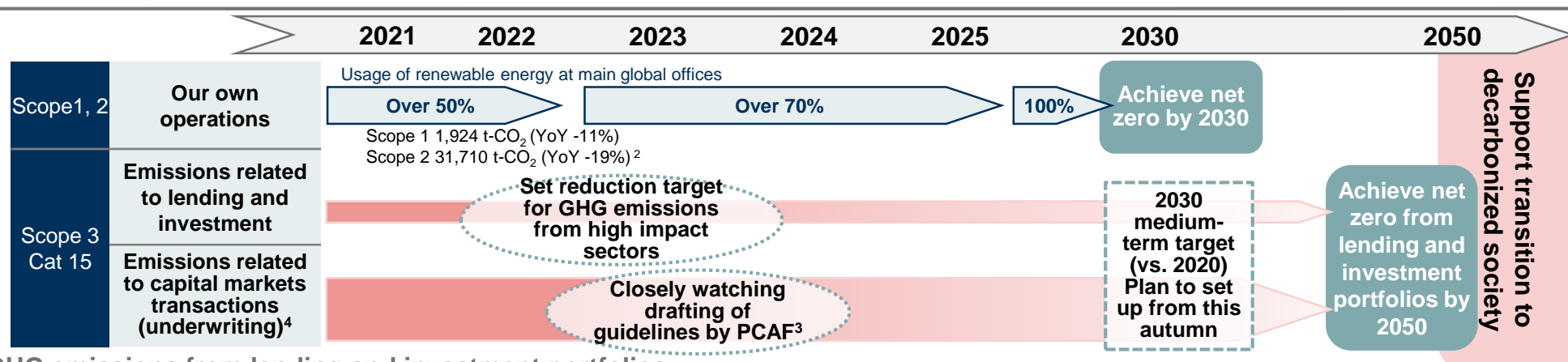


Addressing environmental issues

For Our Society: Achieving net zero

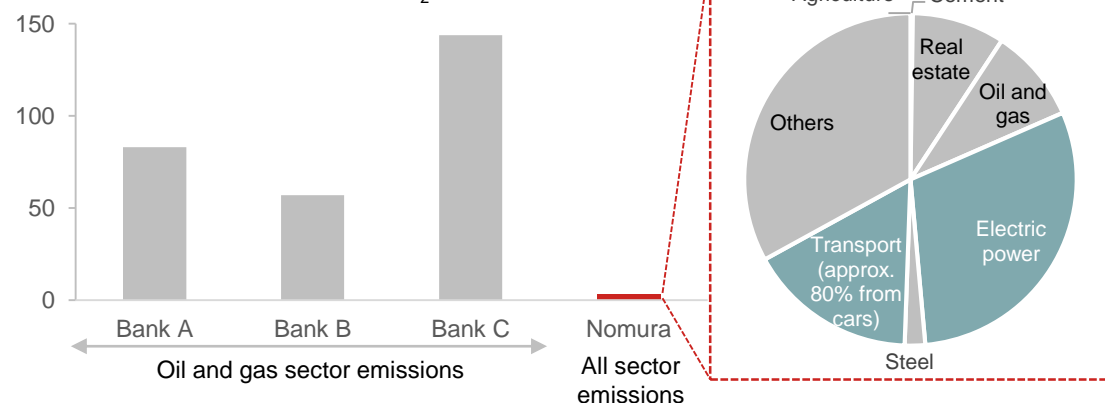
- We joined the Net Zero Banking Alliance¹ in September 2021 and from this autumn we plan to set 2030 medium-term targets for high impact sectors

Our commitment



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

Absolute amount: Million tonnes of CO₂e



- GHG emissions from Nomura Group's lending and investment portfolios are relatively small

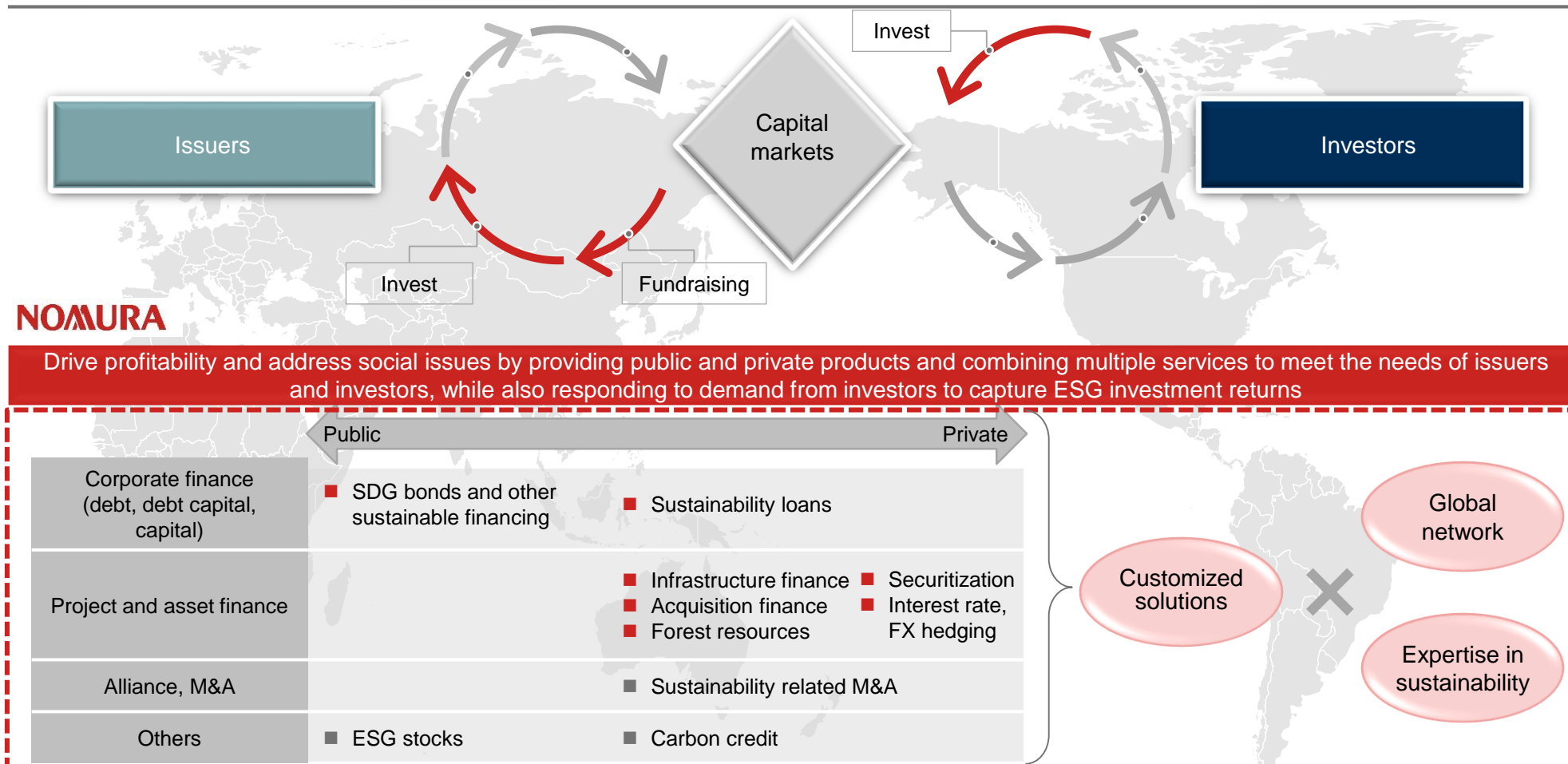
- Scope: Lending and investment on balance sheet includes shares held by Nomura Holdings and lending and securities held by international Wholesale and Nomura Trust and Banking
- High impact sectors: Electric power, cars, others

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



For Our Clients: Solid track record in sustainable financing and advisory

NOMURA

- 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

Sustainable financing track record

Over \$21.4bn

FY2021/22

- #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

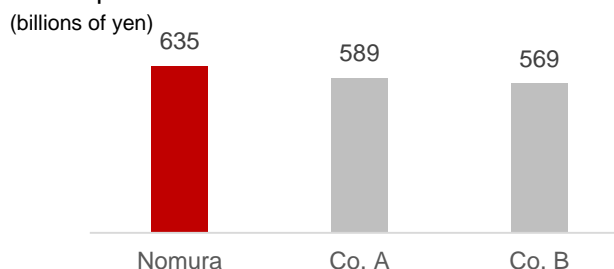
Sustainable FIG Financing

2022

Sustainable SSA Financing



- #1 in sustainable financing underwriting for Japanese issuers²



- Supported EU's largest fundraising two consecutive years

European Union
Social bond
€17bn

Joint Lead Manager

Issued as part of SURE in Oct 2020

European Union
Green bond
€12bn

Joint Lead Manager

Issued in Oct 2021 as part of Next Generation EU program to recover from Covid



Sustainability related advisory

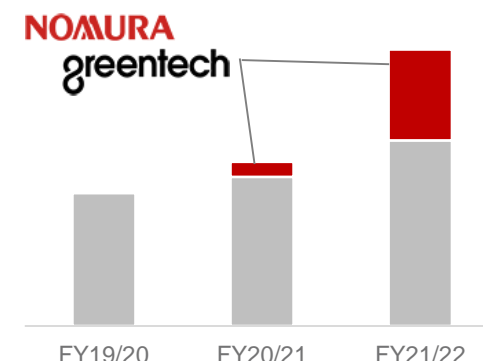
Involvement in sustainability related M&A transactions

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



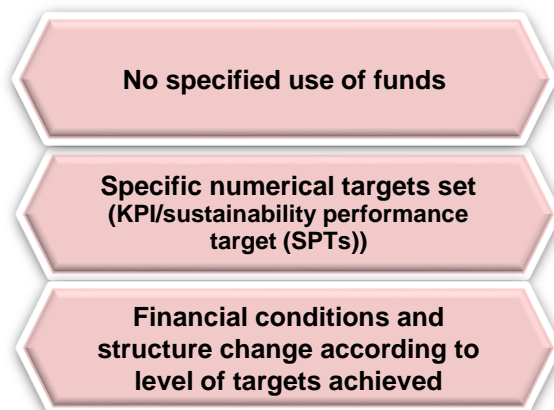
1. Source: Refinitiv, Jan – Dec 2021

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.

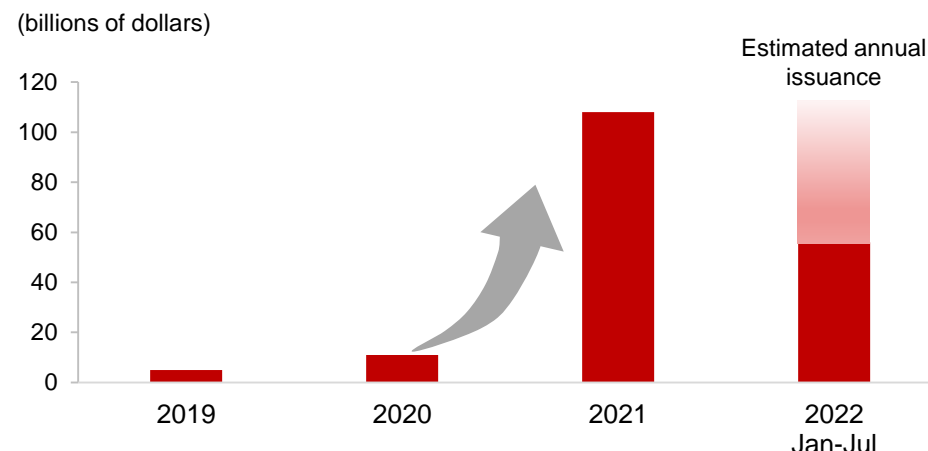
For Our Clients: Solutions tailored to client needs (1)

- 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



Issuance of sustainability-linked bonds



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)

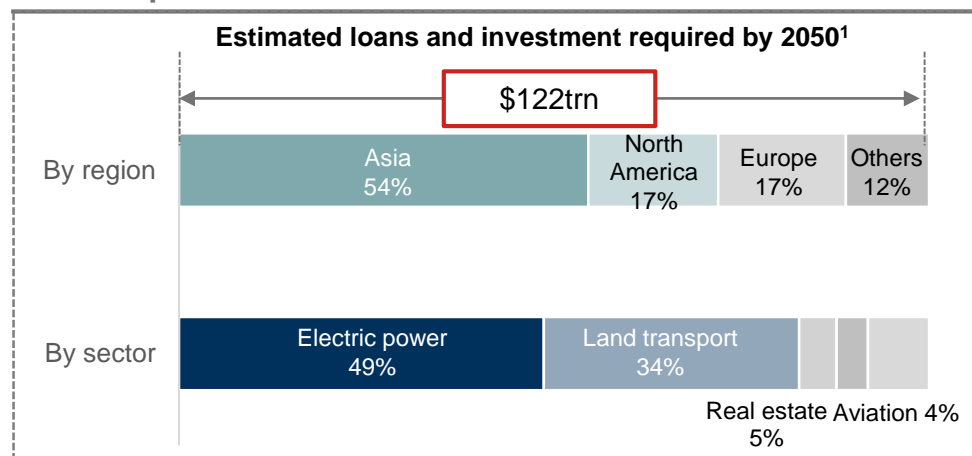
- ✓ SPTs: Reduce GHG emissions by 50% compared to FY2014
- ✓ Features: If targets not reached, make additional commitment equivalent to 0.1% of value of bond issuance as funds for projects set up by Shiga Prefecture to reduce GHGs

April 2022

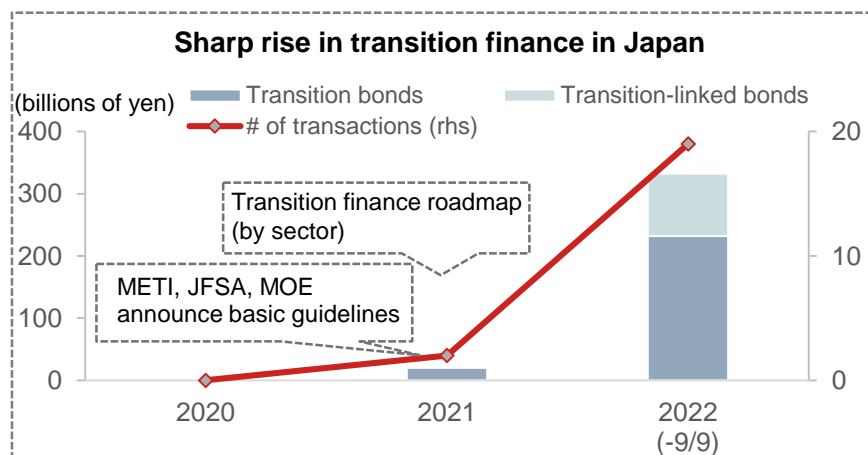
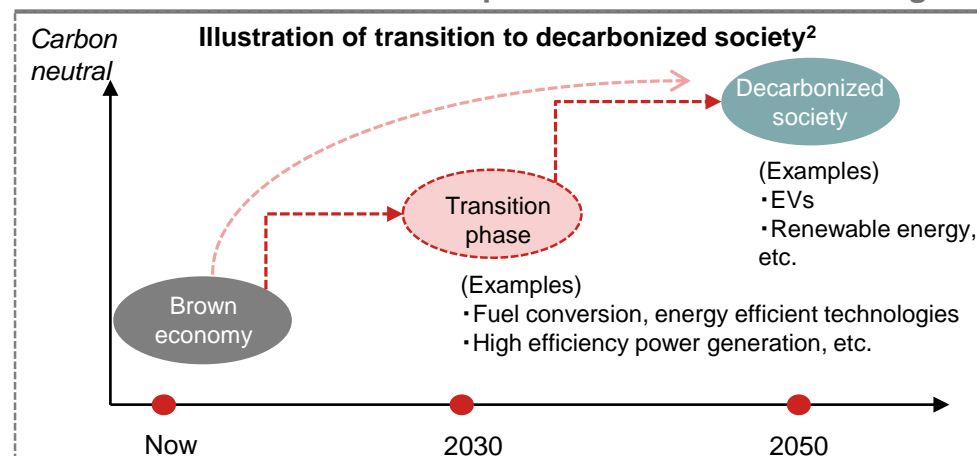
For Our Clients: Solutions tailored to client needs (2)

- **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



Not all industries can make leap to decarbonization in one go



Supported multiple transition finance transactions

NOMURA

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

Jun 2022

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

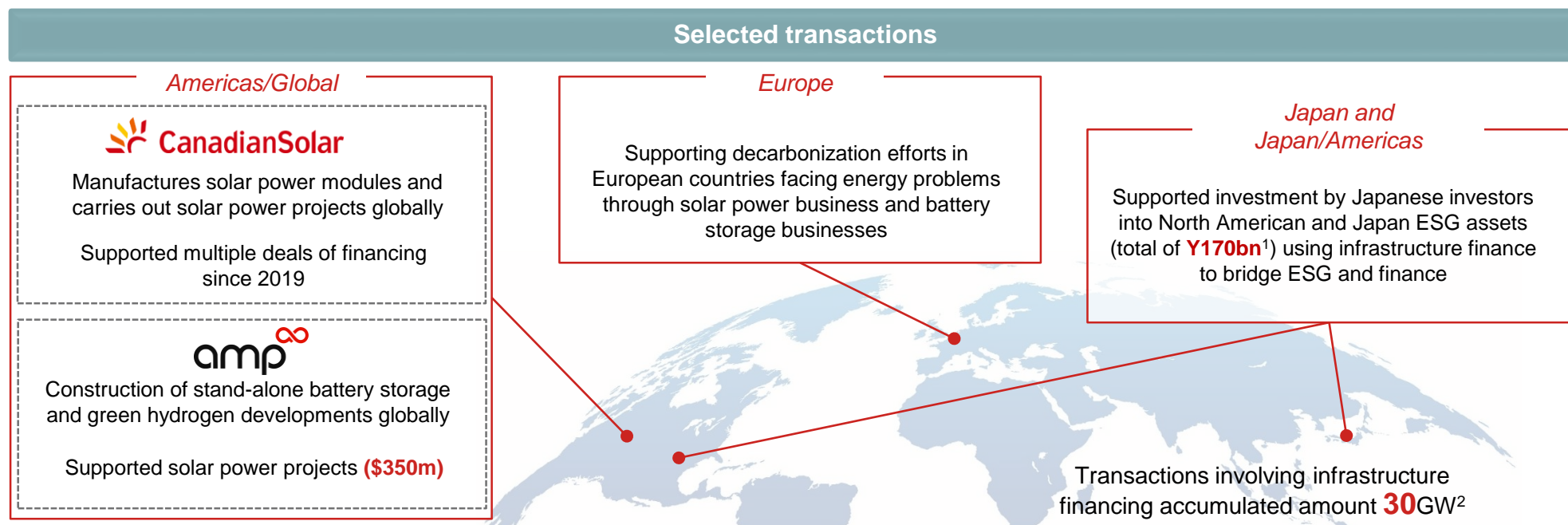
Aug 2022

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

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

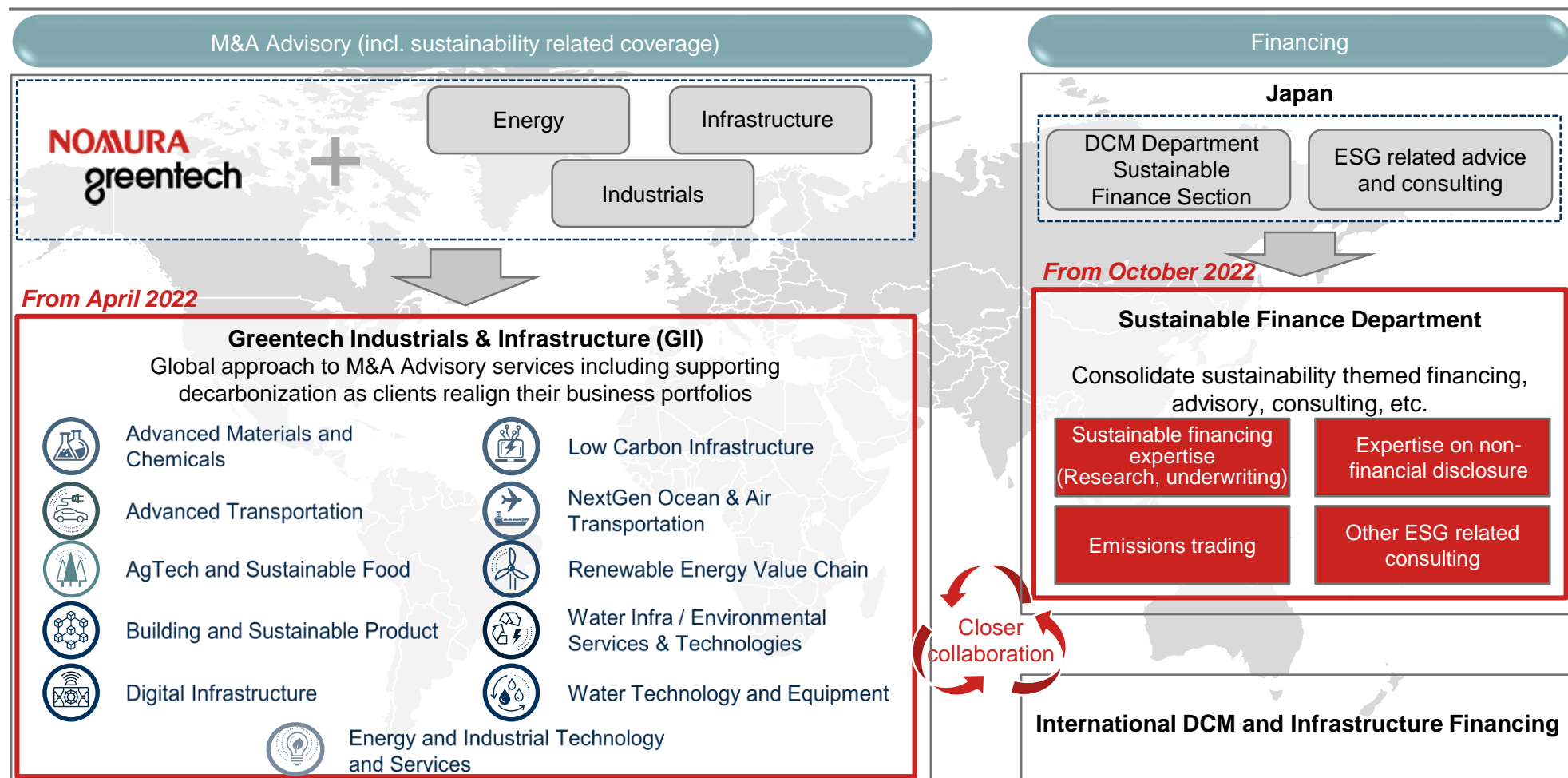


1. Accumulated total from 2020 to Sep 2022

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

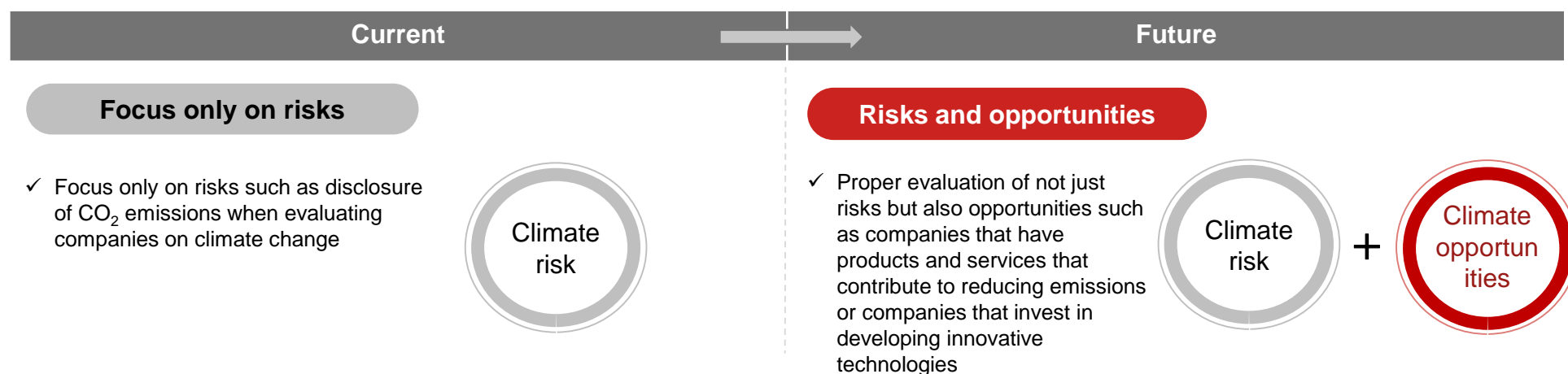
- Strengthen our organization to deliver services for strategic advice on sustainability and to meet demand for fundraising and fund management across debt and equity securities



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



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



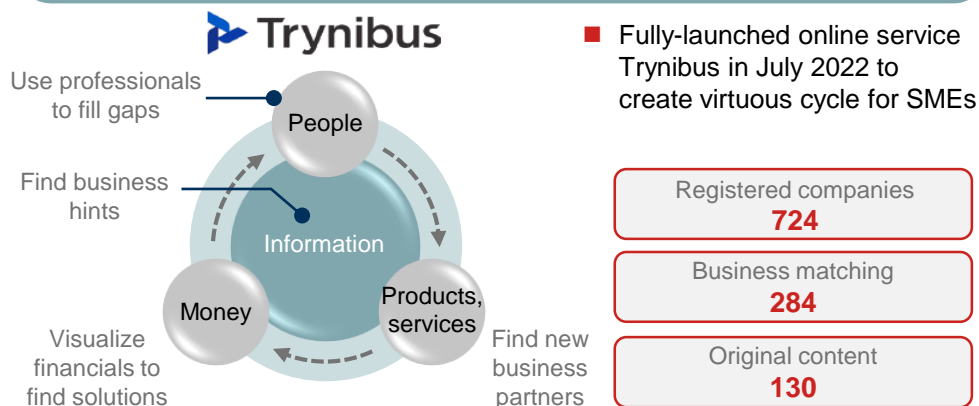
Addressing social issues

For Our Clients: Solutions for an aging society

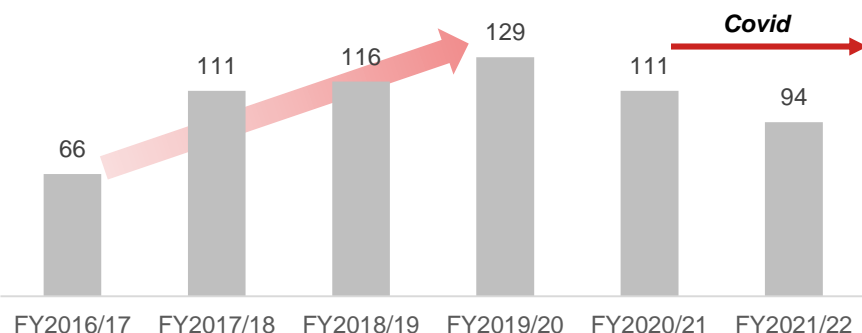
- Enhancing our solutions for SMEs given aging management and lack of successors
- Inheritance consulting to support smooth hand over of assets to next generation is on the rise

Solutions for managers and owners

Trynibus: Platform to support SMEs

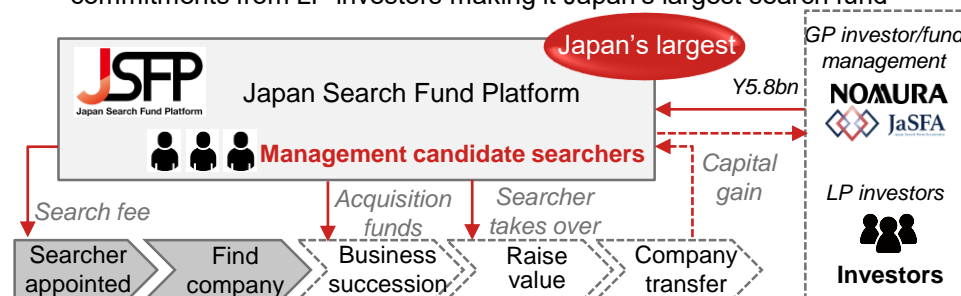


Increase in M&A transactions for SMEs and healthcare companies due to growing demand for business succession



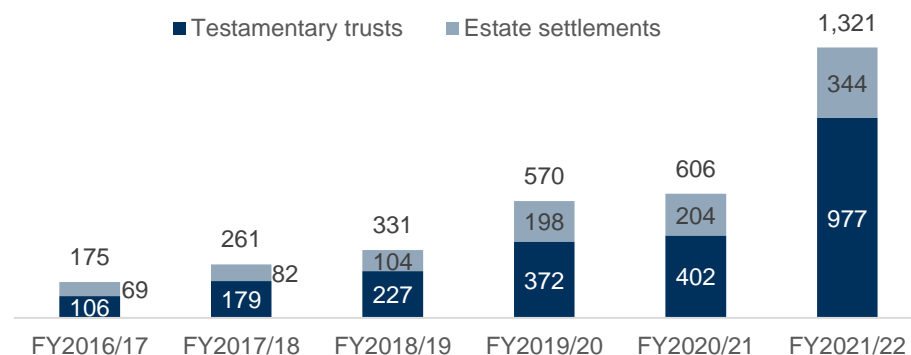
Platform to bring together manager candidates and SMEs with succession issues

- Completed second closing in Aug 2022; Over ¥5.8bn in investment commitments from LP investors making it Japan's largest search fund



Inheritance consulting

Referrals to Nomura Trust and Banking on the rise



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

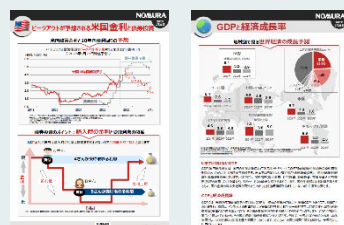
Appointed SMD in charge of financial education, established Financial Well-being Dept.

+

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

Financial education across generations

Elementary, junior high, and high schools

Universities

Young adults

Middle aged

Seniors

Support financial education at schools

As of Mar 2022



Financial education recipients

948,000

Financial education classes

13,000

Nikkei STOCK League participants

138,000

Original teaching materials

1,075,000

Support government, companies, business groups, and individuals



In-house training support

5,000 times

Consulting

800 companies

Life planning seminars

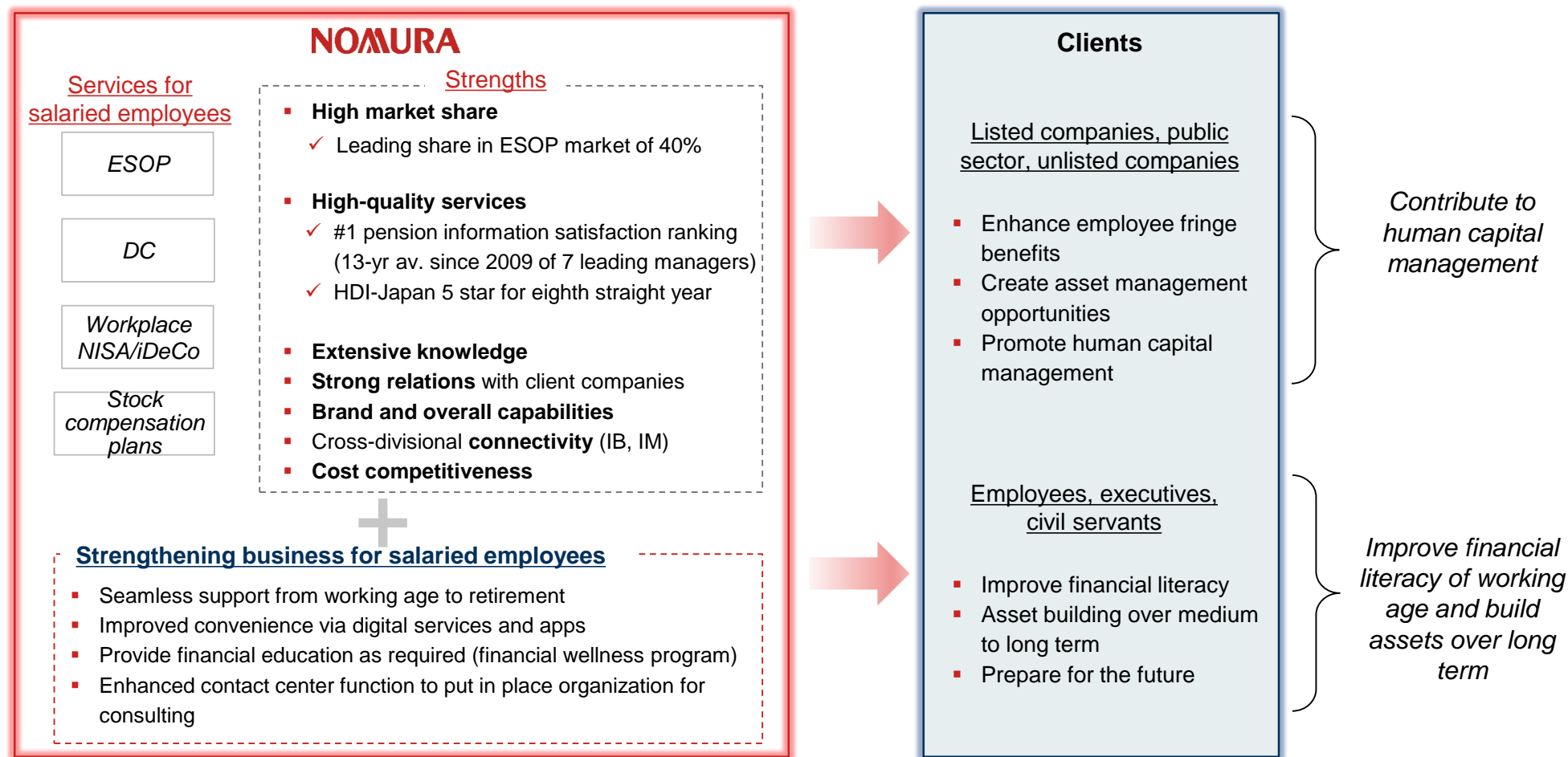
9,000 times

As of Sep 2022

For Our Clients: Approaches to working age generations to expand investor population

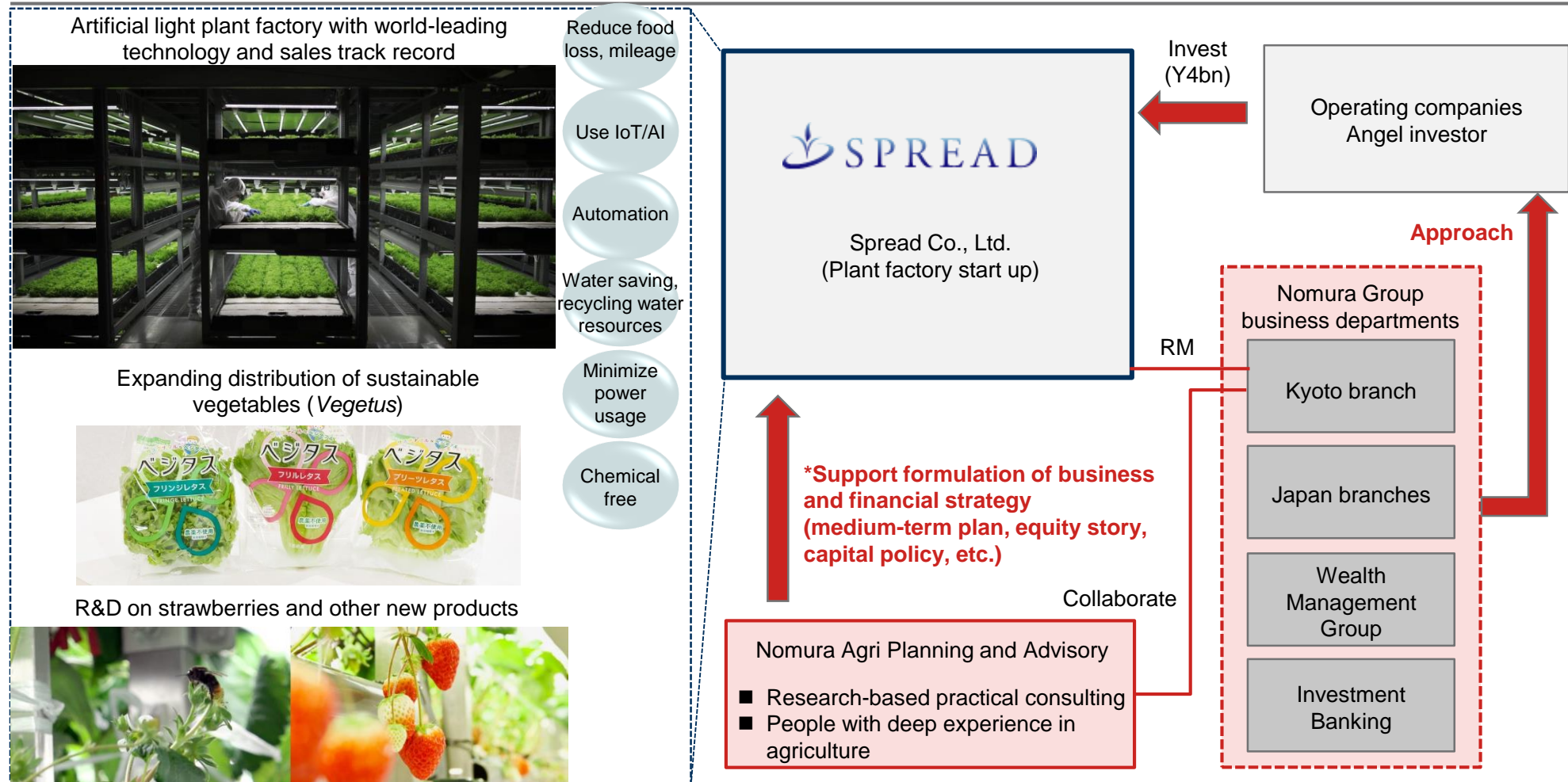
NOMURA

- 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



For Our Clients: Food and agriculture solutions

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



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

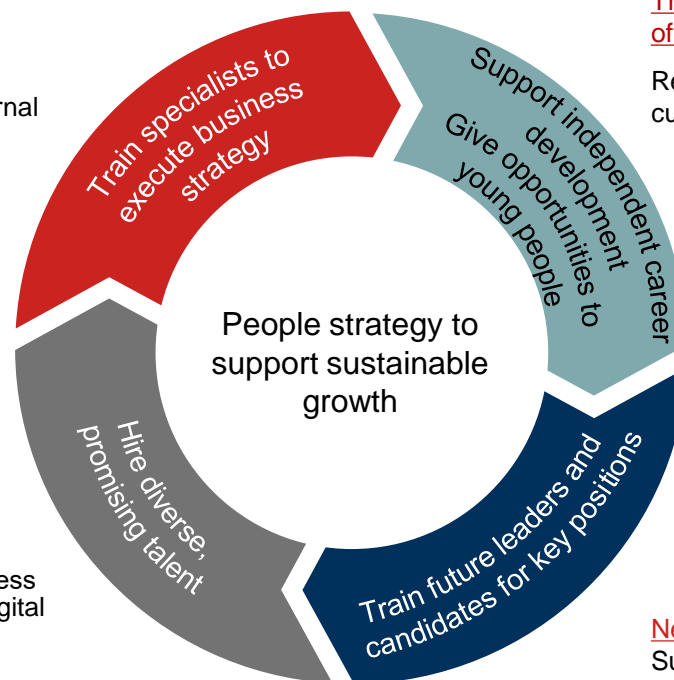
Program held for nine months to increase base and train next generation of leaders

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)



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

Position	2016	2022	Target
NHI Directors	9%	25%	—
NHI SMDs	1	5	—
Nomura Securities Dept. Head	—	5.9%	10% (by 2025)
Nomura Securities management positions	8%	13.9%	20% (by 2025)

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



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.



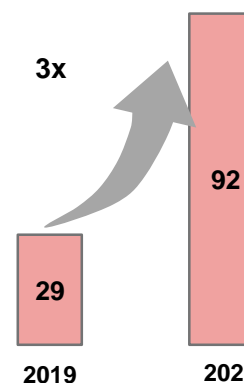
Nomura Securities DEI training

- 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

Position	Women		All employees	
Senior managers	Leadership program (+ coaching)		Sustainability training Mid-career hire training	New dept. head DEI training Mentor training
Managers	Mentoring External training	Leadership training		New section head DEI training Manager training
Employees		Leadership training Cross-industry networking Training		New graduate DEI training

*Includes sponsorship program for senior women managers held from 2010 to 2017.

External training



- 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



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

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

■ Our strengths as seen from score analysis

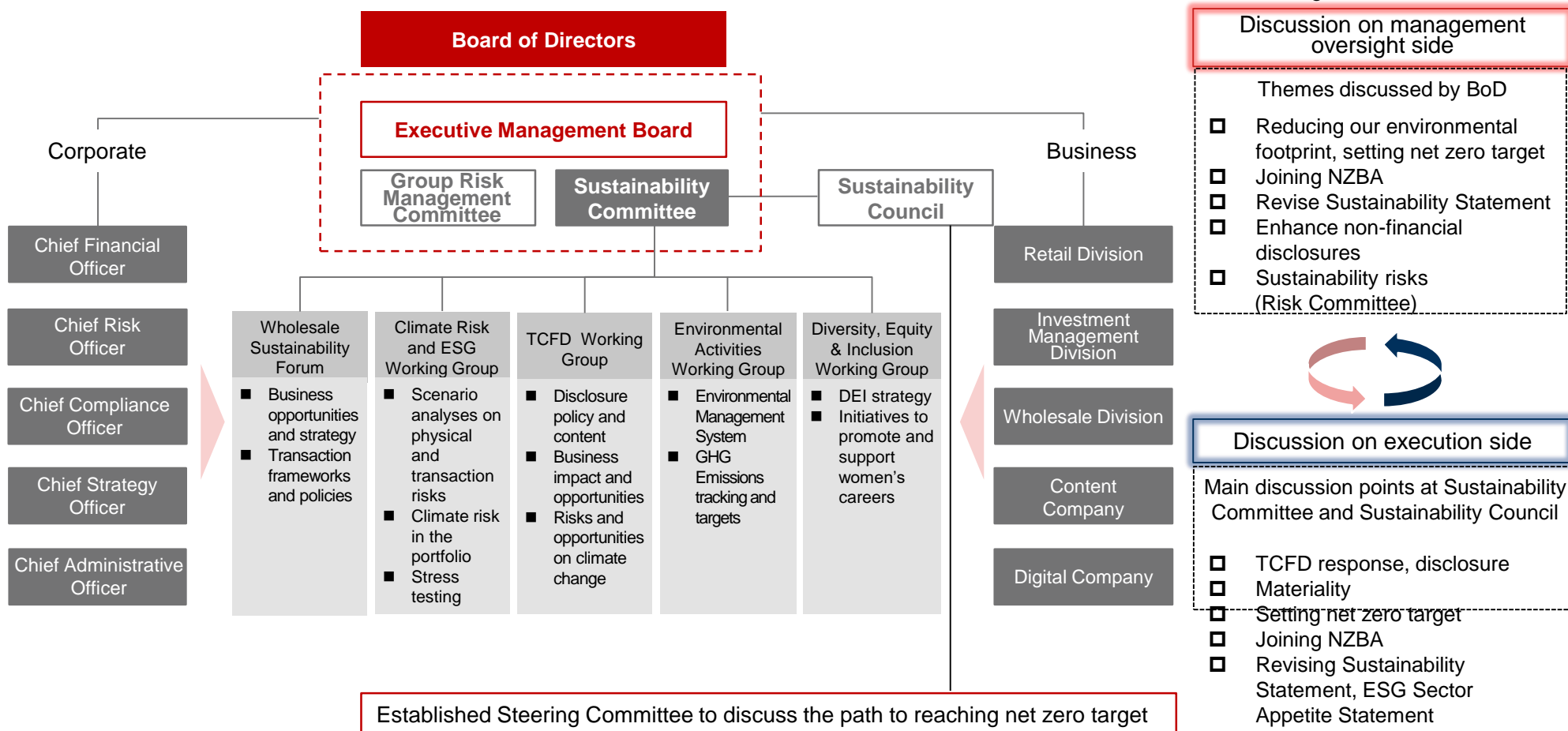
Results of analysis by research company on absolute scores for each question and peer comparison show the following five areas as our strengths globally

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



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

https://www.nomuraholdings.com/sustainability/group/data/pdf/esg_ws.pdf

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

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

- 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

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
https://www.nomuraholdings.com/sustainability/group/data/pdf/sca_policy.pdf

Internal training

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



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.

Appendix

Inclusion in ESG Indices

Member of
**Dow Jones
Sustainability Indices**

Powered by the S&P Global CSA



FTSE4Good



FTSE Blossom
Japan



FTSE Blossom
Japan Sector
Relative Index



2022 CONSTITUENT MSCIジャパン
ESGセレクト・リーダーズ指数

2022 CONSTITUENT MSCI日本株
女性活躍指数 (WIN)



ESG ratings

MSCI	ISS	CDP
MSCI ESG Ratings 	ISS ESG Corporate Rating C-	CDP
<small>CCC B BB BBB A AA AAA</small>		Leadership Level A

(December 2021)

Awards/Recognition



The Banker
Investment Banking
Awards 2022

INVESTMENT BANK
OF THE YEAR FOR
SUSTAINABLE SSA
FINANCING

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)

■ 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

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

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

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

Principles for Responsible Investment

Signatory of:



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

Net-Zero Banking Alliance

Global alliance for banks aiming for carbon neutrality in their lending and investment portfolios by 2050. Nomura joined in 2021.

Partnership for Carbon Accounting Financials (PCAF)



Global initiative by financial institutions to calculate and disclose GHG emissions in lending and investment portfolios. Nomura Asset Management joined in 2021 and Nomura Holdings joined in 2022.

Net Zero Asset Managers Initiative

Global alliance for asset managers aiming for carbon neutrality in their lending and investment portfolios by 2050. Nomura Asset Management joined in 2021.

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