












# Nomura Group Materiality

The SDGs logo is displayed only for the highest priority issues. ■ The highest priority issues ■ Material Issues

	Material issues	Examples of Major Initiatives	Metrics	Targets	SDGs
Capital markets	Provide financial services that contribute to solve social issues	<b>ESG related initiatives</b> <ul style="list-style-type: none"> <li>Signatory to UN Principle for Responsible Banking (PRB), UN Principle for Responsible Investment (PRI)</li> <li>Established Wholesale Division ESG sectoral appetite statement</li> <li>Developing ESG investment products and analysis of investee companies utilizing carbon pricing</li> <li>Established Nomura Greentech</li> <li>Established ESG team in the Equity Research department</li> </ul> <b>Initiatives to expand services from a client perspective</b> <ul style="list-style-type: none"> <li>Developing a new client base through collaboration with business partners</li> <li>Initiatives for asset formation and asset life extension in view of the declining birthrate and aging population (financial gerontology research, development of sales partners for elderly clients)</li> </ul>	<ul style="list-style-type: none"> <li>Value of sustainable finance we support</li> <li>Sustainable investment ratio</li> </ul>	Nomura Group's corporate philosophy is to contribute to the creation of a truly affluent society through financial and capital markets. We will contribute to the sound development of capital markets by providing high-value-added solutions and promoting the provision of risk capital and helping resolve social issues through our core business	   
	Support the circulation of risk capital	<ul style="list-style-type: none"> <li>Provide liquidity by connecting both investors and companies</li> <li>Support the circulation of risk money while ensuring soundness</li> </ul>			
Initiatives toward sustainable growth	Expand and strengthen businesses from "Public" to "Private"	<ul style="list-style-type: none"> <li>Established Investment Management Division</li> <li>Provide alternatives</li> <li>Response to diverse needs of new investor base and existing clients</li> <li>Provide private delivery tailored to needs and circumstances of clients through bespoke digital solutions</li> <li>Introduce a fee structure from the clients' perspective and utilize the CIO model</li> </ul>	<ul style="list-style-type: none"> <li>Retail client assets</li> <li>Alternative investments</li> </ul>		
	Continual review of existing business portfolio	<ul style="list-style-type: none"> <li>Continual review of business platform</li> <li>Optimal allocation of resources and cost control with an ROE target (8-10% for FY 2024/25)</li> </ul>	<ul style="list-style-type: none"> <li>ROE</li> <li>State of cost rationalization</li> </ul>		 
	Digital transformation	<ul style="list-style-type: none"> <li>Expand diverse digital delivery and contents</li> <li>Pursue added value in a new era through investing in and recruitment of human resources to harness the power of digital</li> <li>Diversify approaches to clients by using e-mail and online conferencing systems in addition to face-to-face meetings</li> <li>Create value chains by providing market infrastructure using blockchain technology</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction level</li> </ul>		
	Expand and utilize contents	<ul style="list-style-type: none"> <li>Support customer decision-making through research and quantitative analysis of financial markets and individual stocks</li> <li>Established the Content company to consolidate the research functions of the Group</li> <li>Provide research related to foreign stocks to individual customers through alliances</li> </ul>			

	Material issues	Examples of Major Initiatives	Metrics	Targets	SDGs
Governance	Customer protection	<ul style="list-style-type: none"> <li>Ensure information security</li> <li>Protect customer's assets and information properly</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction level</li> <li>Number of complaints</li> </ul>		 
	Permeation of the Code of Conduct	<ul style="list-style-type: none"> <li>Develop and promote "conduct programs" as a system to promote appropriate actions</li> <li>Provide trainings for employees regularly</li> <li>Continuous communication from management</li> </ul>	<ul style="list-style-type: none"> <li>Status of compliance with Code of Conduct (Employee survey)</li> </ul>		
	Enhance corporate governance	<ul style="list-style-type: none"> <li>As a company with Three Board Committees, strengthened the supervisory function by separating management oversight from business execution</li> <li>Reflect qualitative factors such as compliance in executive compensation</li> <li>Promote diversity of the Board of Directors</li> <li>Evaluate the effectiveness of the Board of Directors by a third-party organization</li> <li>Board of Directors discuss medium- to long-term maximization of corporate value</li> </ul>	<ul style="list-style-type: none"> <li>Diversity of the Board of Directors</li> </ul>		
Resilience	Comply with laws and regulations	<ul style="list-style-type: none"> <li>Established compliance hotline and promote its dissemination and use</li> <li>Established policies related to Anti-Money Laundering and Combating the Financing of Terrorism and build the management framework</li> <li>Eliminate transactions with anti-social forces</li> <li>Thorough disseminate and adhere strictly to guidelines for providing gifts and entertainment</li> </ul>	<ul style="list-style-type: none"> <li>Compliance training</li> <li>Number of calls to compliance hotline</li> </ul>		
	Enhance risk management	<ul style="list-style-type: none"> <li>Enhance global risk management system</li> <li>Comprehensive review of risk management framework</li> <li>Instill risk culture</li> </ul>			 
	Ensure financial soundness and respond to regulatory requirements ensure financial soundness	<ul style="list-style-type: none"> <li>Monitor and disclose financial indicators</li> </ul>	<ul style="list-style-type: none"> <li>CET1 ratio</li> <li>External TLAC Ratio</li> <li>Liquidity coverage ratio</li> </ul>		 
Platform toward business sustainability	Cyber security	<ul style="list-style-type: none"> <li>Strengthen and maintain IT security systems and environments</li> <li>Establish global business continuity management</li> </ul>			
	Efforts to address climate change	<ul style="list-style-type: none"> <li>Support for TCFD and information disclosure based on TCFD recommendations</li> <li>Introduce processes to identify ESG risks including climate change risks, and review mitigation measures</li> <li>Environmental management to reduce environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>Value of sustainable finance we support</li> <li>Sustainable investment ratio</li> <li>CO<sub>2</sub> emissions</li> </ul>		 
	Contribute to communities	<ul style="list-style-type: none"> <li>Community affairs initiatives in each region</li> </ul>	<ul style="list-style-type: none"> <li>Community contribution expenditures</li> </ul>		
	Improve financial literacy	<ul style="list-style-type: none"> <li>Provide financial and economic education</li> </ul>	<ul style="list-style-type: none"> <li>Financial and economic education activities</li> </ul>		
	Emphasize dialogue with stakeholders	<ul style="list-style-type: none"> <li>Interviews with customers, investors, employees, and shareholders on social issues and needs</li> </ul>	<ul style="list-style-type: none"> <li>Dialogue with stakeholders</li> </ul>		
Human resources, Diversity & Inclusion	Respect human rights	<ul style="list-style-type: none"> <li>Continual effort to avoid negative impact on human rights in business activities, services or business relationships</li> <li>Nomura Group Code of Conduct stipulates respect for diversity and human rights, no discrimination, and equal opportunity"</li> </ul>			
	Improve employee engagement	<ul style="list-style-type: none"> <li>Promote Health Management, Appointment of Chief Health Officer</li> <li>Promote diversity and inclusion</li> <li>Proactive communication between management and employees to promote the implementation of strategies</li> <li>Develop systems that enables diverse working styles</li> </ul>	<ul style="list-style-type: none"> <li>Employee survey</li> <li>Response rate to health examination</li> <li>Female managers ratio</li> <li>Use of childcare and family nursing care support plans</li> </ul>		  
	Talent management	<ul style="list-style-type: none"> <li>Expand training opportunities by building an online training platform and developing human resources using digital IQ</li> <li>Provide trainings to support women's careers</li> <li>Provide young employees with hands-on training and opportunities to study overseas</li> </ul>	<ul style="list-style-type: none"> <li>Education/training expenses</li> </ul>		
	Promote and recruit diverse human resources	<ul style="list-style-type: none"> <li>Recruit a wide range of human resources capable of responding to the diversifying financial business based on a policy of hiring people regardless of nationality, race, gender or other characteristics</li> <li>Emphasize employment and development of local human resources in regions</li> </ul>	<ul style="list-style-type: none"> <li>Ratio of career employment to total new employees</li> </ul>		