

Nomura Asset Management Incorporates Skills of Outside Directors and Business Opportunities for Nature-positive into ESG Scoring

Tokyo, February 6, 2025—Nomura Asset Management Co., Ltd. (NomuraAM), the core company within the Investment Management Division of Nomura Group, today announced that it has incorporated two evaluation items on the skills of outside directors and on business opportunities for nature-positive¹ into its ESG scores used for assessing Japanese companies from an ESG perspective.

NomuraAM links all the evaluation items for its ESG scores with the ‘Appropriate management practices of Investee Companies’ as defined by NomuraAM and with the goals of engagement activities (constructive dialogue with companies). Through this revision, NomuraAM will increase the effectiveness of its engagement activities and further drive ESG integration (incorporation of ESG factors into the investment process) into investment for Japanese equities.

In addition to financial data, NomuraAM believes it is essential to reflect non-financial data in company evaluations and make investment decisions based on these evaluations, in order to increase the added value of its investments.

NomuraAM’s Responsible Investment Committee, the highest decision-making body for responsible investment, sets out the ‘Appropriate management practices of Investee Companies’ in its [Basic Policy for Responsible Investment Management](#) in order for investee companies to enhance their corporate value and achieve sustainable growth. NomuraAM encourages investee companies to realize this through engagement.

Details of the two items newly incorporated into NomuraAM’s ESG scores, based on the ‘Appropriate management practices of Investee Companies,’ are as follows.

(1) Skills of outside directors (in the area of governance)

With the appointment of outside directors with effective skills becoming critical, the revised Corporate Governance Code requires disclosure of the skills matrix. NomuraAM refers to the skills matrix in its materials for the General Meeting of Shareholders² and evaluates outside directors’ abilities and experience in areas including Management, Finance, and ESG³.

(2) Business opportunities for nature-positive (in the area of natural capital)

Information disclosure on natural capital currently focuses on risk perspective. However, it is necessary to disclose and evaluate business opportunities to promote corporate efforts toward nature-positive. NomuraAM evaluates the disclosure of business opportunities for nature-positive, particularly with regard to whether specific products and services are being developed.

As a responsible institutional investor, NomuraAM will continue to address ESG issues while working to secure its place as the Japanese asset manager preferred by clients globally.

¹ To halt and reverse nature loss.

² Since the creation of the skill matrix is left to each company, the lack of objectivity and standardization is an issue. In collaboration with Uzabase, inc., NomuraAM is verifying whether the skill matrix of directors can be automatically generated and evaluated using available text information, in order to strengthen the evaluation process for this item.

³ In NomuraAM’s Proxy Voting Standards, “We expect those companies whose stocks are constituents of TOPIX 100 to become role models for other Japanese companies, and from November 2024, we will in principle vote against the re-election of a director who has been in the position of chairperson and president, etc., in these companies if we determine that skills of outside directors in particular are clearly insufficient.”

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Nomura

Nomura is a global financial services group with an integrated network spanning approximately 30 countries and regions. By connecting markets East & West, Nomura services the needs of individuals, institutions, corporates and governments through its three business divisions: Wealth Management, Investment Management, and Wholesale (Global Markets and Investment Banking). Founded in 1925, the firm is built on a tradition of disciplined entrepreneurship, serving clients with creative solutions and considered thought leadership. For further information about Nomura, visit www.nomura.com.