

TCFD/TNFD

Disclosure in alignment with TCFD and TNFD

Introduction

The Task Force on Climate-related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures (TNFD) developed guidelines for corporate disclosure of sustainability-related information. These guidelines aim to provide investors and other stakeholders with transparent and reliable information.

Information disclosure based on the former TCFD's recommendations (now succeeded by standards such as ISSB's IFRS S2; hereinafter "TCFD recommendations") and TNFD recommendations is a crucial tool for companies to properly manage their sustainability-related risks and opportunities, and to deliver transparent information to investors and other stakeholders.

While organizing information in line with the four pillars of the TCFD recommendations—Governance, Strategy, Risk Management, and Metrics and Targets—we partially categorize the structure of our disclosure in light of the differences in nature between climate change and natural capital. Specifically, Governance and Risk Management are described in a consistent manner as common frameworks for both issues, while Strategy and Metrics and Targets are presented separately under "Climate Change" and "Natural Capital," as the analytical methods and assessment indicators differ depending on the issue.

* TCFD was disbanded in October 2023, but its role has been succeeded by the IFRS Foundation and the International Sustainability Standards Board (ISSB).

Governance (Common to Climate Change and Natural Capital)

We regard climate and nature-related risks and opportunities as important elements, and thus keep

an appropriate governance system in place. The data compiled by the Sustainable Investment Strategy Department and Responsible Investment Department are ultimately reported to the Board of Directors via the Executive Management Committee. The Board of Directors is then able to appropriately monitor these risks and opportunities.

The analytical data related to climate-related risks and opportunities compiled by the Secretariat are shared with portfolio managers and analysts. These data are then utilized in company analysis, engagement, and investment decision-making. The same applies to the analytical data related to nature-related risks and opportunities.

Risk Management (Common to Climate Change and Natural Capital)

We believe it is important to discern and analyze climate- and nature-related risks throughout the entire life cycle of a company's products and services as well as throughout the supply chain. First, we use external databases, such as from ISS (Institutional Shareholder Services), to manage portfolio risk. We identify and manage investee companies' climate-related transition risks and physical risks using our own corporate analysis and ESG scores, as well as through engagement. In addition, with respect to natural capital, we consider and analyze nature-related metrics, including disclosures on water consumption and waste volume. Such risk management analysis outcomes are integrated into the comprehensive risk management process. As such, they are shared within the Investment and Research Unit, and are reported to both the Executive Management Committee and the Board of Directors after being monitored by the Responsible Investment Committee.

Metrics and Targets, and Strategy (Managed separately for Climate Change and Natural Capital)

Metrics and Targets

Climate Change

In order to evaluate climate-related risks and opportunities, we measure four carbon metrics recommended in the TCFD's recommendations (financed emissions, carbon footprint, carbon intensity, and weighted average carbon intensity).

Natural Capital

We assess nature-related risks and opportunities associated with our equity and corporate bond portfolios, based on our strategy and risk management process. In particular, we focus on the metric called the Potentially Disappeared Fraction of species ("PDF") and we perform comparative analyses against benchmarks using ISS's data.

Strategy

Climate Change

We believe that promoting non-fossil energy is important from the standpoint of ensuring stable energy supply and corporate growth, while reducing excessive dependence on fossil fuels and building a resilient energy supply-demand structure capable of withstanding supply disruptions caused by geopolitical risks and price volatility. We also continue engaging with investee companies with high levels of GHG emissions, encouraging them to take measures to address climate change.

Natural Capital

We recognize nature-related risks and opportunities. In terms of transition risk, we are paying close attention to increased production costs, stranded assets and fluctuations in demand due to changes in consumer behavior and preferences. With respect to physical risks, we are focusing on forest fires, floods, droughts, and outbreaks of pests and diseases. We also recognize the interconnectedness between these risks and the systemic risks of ecosystem and financial stability.

Meanwhile, we are focusing on technologies, products and services that create positive impacts on nature or abate negative impacts. We ascertain the status of our investments in companies that have a large impact on natural capital. Also, through engagement we urge portfolio companies to recognize and disclose such risks.

Disclosure in alignment with TCFD and TNFD

The climate-related analysis in our portfolio

1 Analysis Policy

Reference Sources

We analyze climate-related risks and opportunities centered on financed emissions associated with our managed assets. In conducting this analysis, we primarily refer to the following standards:

- The Global GHG Accounting and Reporting Standard for the Financial Industry (Partnership for Carbon Accounting Financials, PCAF)
- Institutional Shareholder Services*
- World Energy Outlook (International Energy Agency, IEA)

* Due to changes in Institutional Shareholder Services's analytical methodology, methodologies such as for scenario analysis differ from those used in previous disclosures.

Reporting Period

In principle, this analysis covers managed assets as of the end of December 2025. However, descriptions other than numerical data also include activities from January 2026 onward.

Scope of Reporting

Managed assets covered by our financed emissions analysis include Japanese equities, global equities, Japanese bonds, and global bonds (for bonds, this includes corporate Bonds), and government bonds, to the extent measurable by us using external data and other sources.

Because data coverage and assumptions underlying estimation methodologies differ by asset class and issuer, we do not present a single uniform ratio to indicate overall coverage across all covered assets. We continue to expand the scope of our analysis and added government bonds beginning with our Responsible Investment Report 2022.

The climate-related analysis in our portfolio

Caution Regarding Future Projections

The information regarding the future included in this analysis is based on information available at the time of publication and certain assumptions deemed reasonable by our company, and it contains uncertainties.

2 Analysis Results

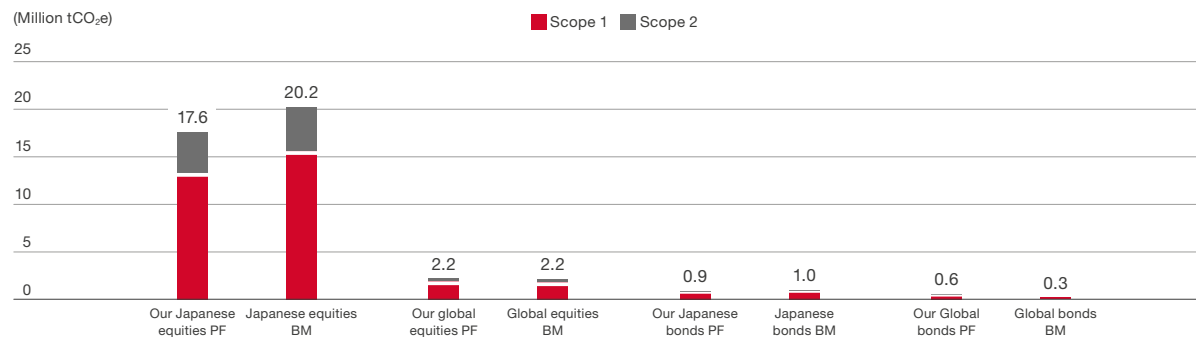
Among our managed assets, the financed emissions of our portfolio for Japanese equities showed favorable results, confirming that they are below the benchmark. **Figure 1** Additionally, the financed emissions for Japanese bonds in our portfolio are nearly at the same level as the benchmark. For global equities and global bonds, the financed emissions of our portfolio were slightly higher than the benchmarks.

The weighted average carbon intensity (WACI, emissions per unit of revenue) for Japanese equities and Japanese bonds revealed that our portfolios were below the benchmarks. **Figure 2**

In the breakdown of financed emissions by industry, it is notable that the ratios of Energy, Materials, and Utilities are high. Additionally, in some asset classes, the ratio of Industrials is also relatively high. **Figure 3**

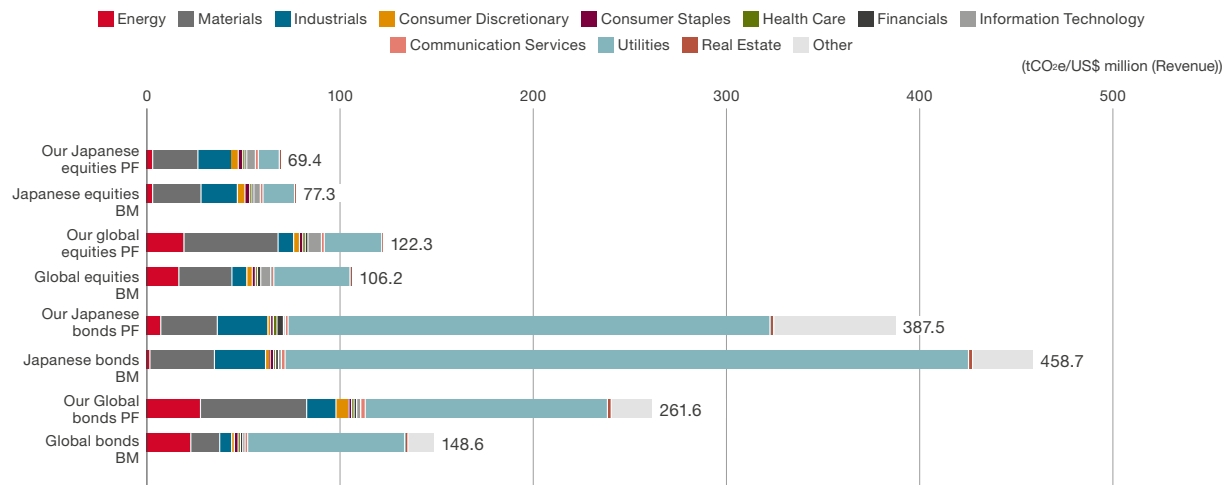
Moving forward, we will continue to engage with investee companies to encourage their efforts toward a decarbonized society.

Figure 1 Overview of Financed Emissions (Scope 1 and Scope 2)



(Source) Created by Nomura Asset Management based on various materials, including Institutional Shareholder Services (PF refers to our portfolio, and BM refers to the benchmark)
(Note) See page 49 for details on BM.

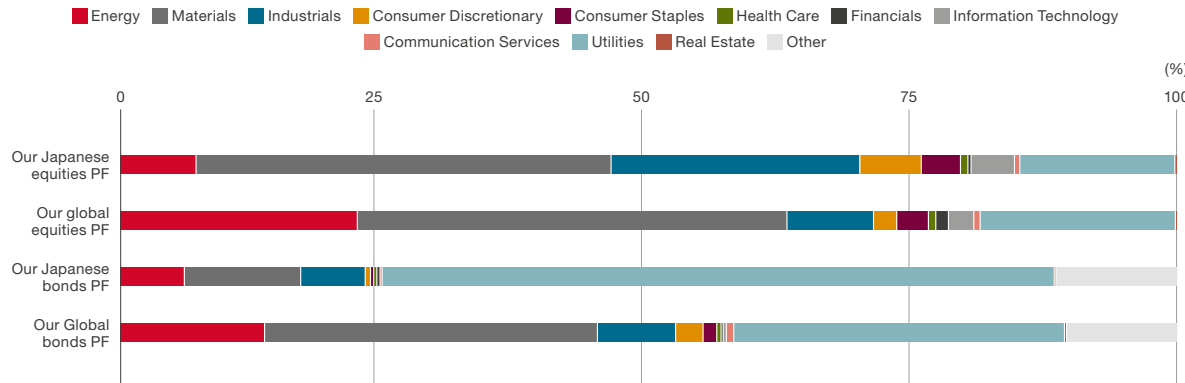
Figure 2 Weighted Average Carbon Intensity of Financed Emissions



(Source) Created by Nomura Asset Management based on various materials, including Institutional Shareholder Services
(Note) "WACI" stands for "Weighted Average Carbon Intensity," which is an indicator of greenhouse gas emissions per unit of revenue for companies or portfolios.

The climate-related analysis in our portfolio

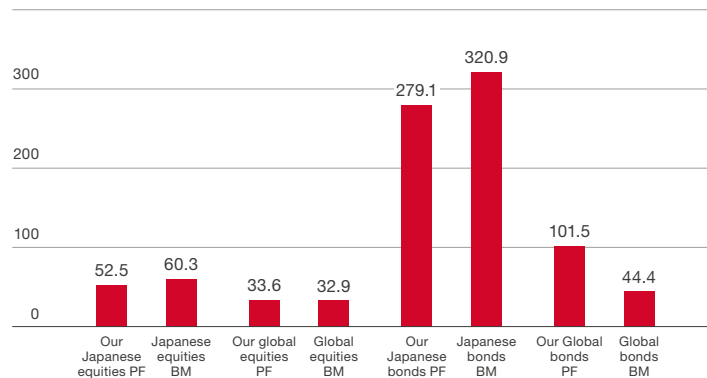
Figure 3 Breakdown of Financed Emissions by Industry



(Source) Created by Nomura Asset Management based on various materials, including Institutional Shareholder Services

Figure 4 Carbon Footprint of Financed Emissions

(tCO₂e/US\$ million (the market value of portfolio))



(Source) Created by Nomura Asset Management based on various materials, including Institutional Shareholder Services

Figure 5 Overview of Financed Emissions (Scope 3)

	Our PF	BM	% of BM
Japanese equities	301.7	334.9	90%
Global equities	21.6	22.4	96%
Japanese bonds	2.4	2.6	93%
Global bonds	4.0	2.5	163%

(Source) Created by Nomura Asset Management based on various materials, including Institutional Shareholder Services

(Note) Scope 3 is provided as reference information. This is due to the observation of non-continuous changes in the disclosure scope of GHG emissions by some companies.

3 Scenario Analysis

Analysis of Each Scenario

We analyze four asset classes—Japanese equities, global equities, Japanese bonds (mainly corporate bonds and similar instruments), and global bonds (mainly corporate bonds and similar instruments)—as an integrated four-asset portfolio. Sovereign bonds are described separately in “Analysis of Sovereign Bond Portfolio Emissions,” because the measurement methodology is different.

For financed emissions in our integrated four-asset portfolio, we conducted scenario analyses using data from ISS based on three scenarios developed by the International Energy Agency (IEA) that illustrate energy transition pathways through 2050. The three scenarios are the Announced Pledges Scenario (APS) based on government pledges, the Stated Policies Scenario (STEPS) based on current policies, and the Net Zero Emissions by 2050 Scenario (NZE) which targets net-zero emissions. [Figure 6](#)

Figure 6 Overview of Scenario Analysis

Scenario	Description	Temperature rise in 2100
STEPS	Stated Policies Scenario	2.4°C
APS	Announced Pledges Scenario	1.7°C
NZE	Net Zero Emissions by 2050 Scenario	< 1.5°C

The climate-related analysis in our portfolio

Figure 7 shows, for our portfolio, annual trends under three types of emissions projections—Historical, Policies, and Target—together with the carbon budget for each scenario. The emissions projections (Historical/Policies/Target) are ISS estimation categories, while the IEA scenarios (STEPS/APS/NZE) are used as frameworks for referencing carbon budgets.

Results

We assessed the alignment of our integrated four-asset portfolio using ITR (Implied Temperature Rise) and the Crosspoint year. ITR is an indicator that converts into degrees Celsius the level of global temperature rise implied by the future greenhouse gas emissions pathway of a company or portfolio (it does not itself indicate any specific IEA scenario name). The Crosspoint year refers to the year in which the portfolio's cumulative future emissions projection reaches the carbon budget under a given scenario (e.g., IEA's STEPS, APS, or NZE).

For our integrated four-asset portfolio, when cumulative Target-based projections were compared with the NZE carbon budget, the ITR was 1.7°C and the Crosspoint year was 2046. This estimate is based on current investee company targets and still remains misaligned with NZE (<1.5°C). This suggests that climate-related action is needed across the market as a whole, taking into account not only active management but passive management as well.

Figure 7 Projected Portfolio Emissions
(Comparison with IEA carbon budgets) (Scopes 1, 2, and 3; million tCO₂e)

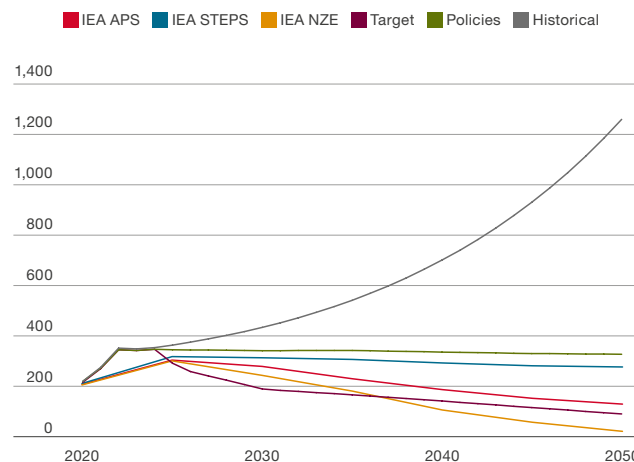
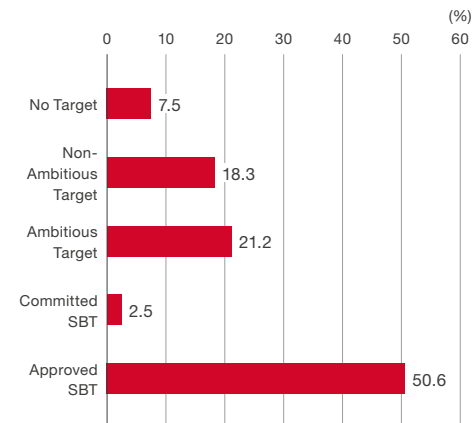
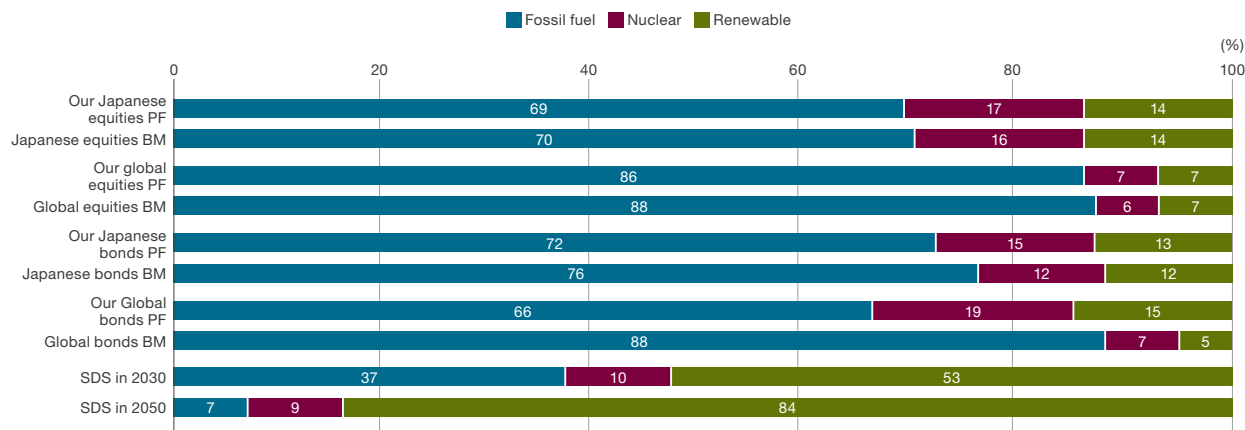


Figure 8 Status of GHG Reduction Targets in Our Four-Asset Integrated Portfolio



(Source) Created by Nomura Asset Management based on various materials, including Institutional Shareholder Services

Figure 9 Power Generation Mix (Portfolio, Benchmark, SDS)



(Source) Created by Nomura Asset Management based on various materials, including Institutional Shareholder Services

(Note) The total may not be 100 due to rounding.

The climate-related analysis in our portfolio

4 Status of Investee Companies' GHG Reduction Targets

As of the end of December 2025, the portfolio coverage ratio of companies in our integrated four-asset portfolio that had committed to or obtained validation under the Science Based Targets (SBT) initiative reached 50.6%. Commitment to and validation under the SBT indicate that an investee company has set and disclosed science-based GHG reduction targets. [Figure 8](#)

5 Analysis of Transition Risks Based on Power Generation Mix

We compare the power generation mix (on a generation basis) of our portfolio with that of the benchmark and the Sustainable Development Scenario (SDS)*. The power generation mix of our portfolio is broadly similar to that of each benchmark. Through engagement with investee companies, we seek to increase the share of non-fossil energy, reduce transition risks arising from fossil fuels, and promote reductions in carbon emissions. [Figure 9](#)

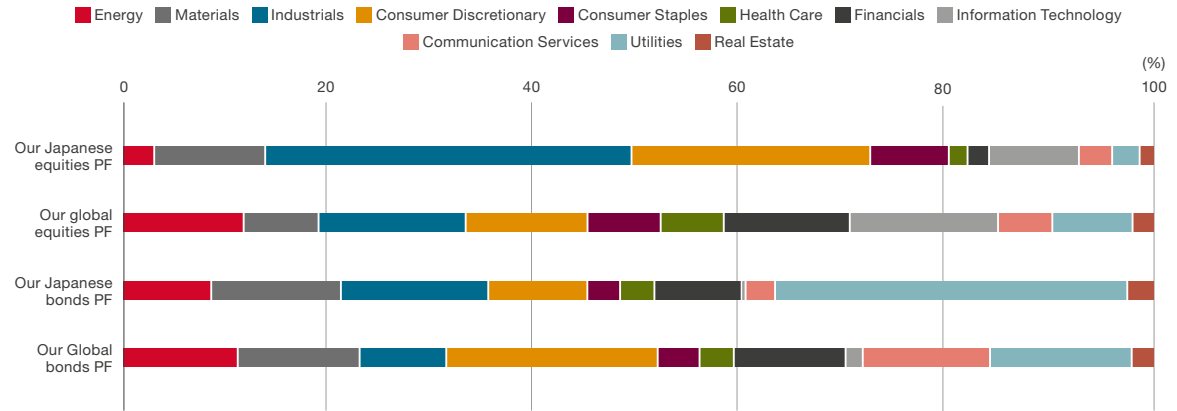
* Institutional Shareholder Services uses SDS in its analysis of the power generation mix.

6 Analysis of Physical Risks

Industry- and Region-Specific Physical Risk Analysis

We analyze industry- and region-specific physical risks using data from ISS. [Figure 10](#) show the industry-specific composition of physical risk VaR for Japanese and global equities and bond portfolios related to climate change by 2050. Industries with higher ratios

Figure 10 Industry-Specific Composition Ratios of Value at Risk



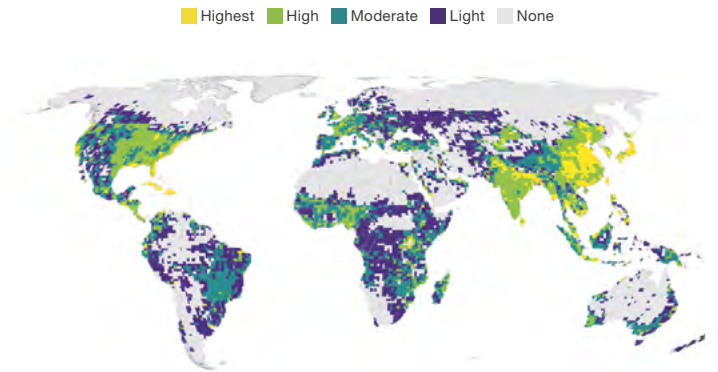
(Source) Created by Nomura Asset Management based on various materials, including Institutional Shareholder Services

Figure 11 Value at Risk Ratio for Physical Risk
(portfolio/benchmark/difference)

	Our Japanese equities portfolio	Our global equities portfolio	Our Japanese bonds portfolio	Our Global bonds portfolio
Portfolio	1.4%	0.6%	2.3%	1.3%
Benchmark	1.5%	0.6%	2.5%	0.5%
Differential	-0.1%	0.0%	-0.2%	+0.8%

(Source) Created by Nomura Asset Management based on various materials, including Institutional Shareholder Services

Figure 12 Region-Specific Physical Risks



(Source) Created by Nomura Asset Management based on various materials, including Institutional Shareholder Services

The climate-related analysis in our portfolio

are more likely to experience significant negative impacts on corporate value due to climate change.

Figure 11 compares our portfolios with the benchmark by showing physical risk VaR for each asset class as a percentage of the amount invested (VaR ratio).

Region-Specific Physical Risks

Figure 12 shows the region-specific physical risks of our four-asset integrated portfolio. We use this information for guiding decisions on industry and regional allocations. Through this analysis, we can identify industries and regions that have high physical risk.

7 Climate-Related Engagement with Investee Companies

To mitigate climate-related risks in our portfolio and promote investments in climate-related opportunities, we are advancing the following initiatives through engagement with investee companies.

Our Engagement

- Active participation in climate change initiatives such as PRI and PCAF, collaborating with other investors and stakeholders, and sharing of best practices
- Enhance the integration of climate-related risk and opportunity analysis in our investment portfolio
- Develop financial analysis and corporate valuation methods using our internal carbon pricing and GHG removals
- Develop financial products that contribute to achieving a decarbonized society in line with our 2050 Net Zero Goal and 2030 Interim Target
- Increase transparency regarding our climate change efforts through disclosure

Initiatives by Investee Companies

- Disclose climate-related financial data, including scenario analysis, transition plans, and GHG reduction targets
- Report Scope 3 emissions and GHG removal data, enabling the assessment of GHG emissions throughout the product and service lifecycle and supply chain, while encouraging GHG reductions among suppliers and customers
- Set climate change measures and external evaluations related to climate change as KPIs for executive compensation
- Obtain or commit to SBT (Science Based Targets) approval
- Secure verification and assurance for data related to GHG emissions and other metrics

The climate-related analysis in our portfolio

8 Analysis of GHG Emissions from the Government Bond Portfolio

The method for measuring GHG emissions from sovereign bond portfolios differs from that used for measuring emissions from listed equities and corporate bonds in terms of the definitions of the scopes related to emissions and the calculation of investment ratios used for measurement. For the supply chain emissions of a country that serve as the basis for measurement, Scope 1 is defined as domestic emissions based on production, Scope 2 as imported emissions related to energy, and Scope 3 as emissions associated with non-energy imports from other countries. **Figure 13** When calculating the attribution factor, which represents the investment ratio in investee companies, the method differs from that used for measuring emissions from listed equities and corporate bonds, where the ratio is based on the amount invested in relation to the EVIC (Enterprise Value Including Cash). In contrast, for measuring emissions from government bond portfolios, the ratio is based on the amount invested relative to the GDP adjusted for purchasing power parity (PPP) of a country.

We analyze emissions from our sovereign bond portfolio using data from ISS, as we do for equities and corporate bonds.

Figure 13 Definitions of Scopes and Consumption Emissions for Measuring Government Bond Portfolio Emissions

Scope 1	Scope 2	Scope 3
GHG emissions generated from emission sources located within the country	GHG emissions resulting from the use within the domestic market of electricity, heat, steam, and cooling imported from other countries	GHG emissions associated with non-energy goods and services imported from other countries as a result of activities within the domestic market

Figure 14 Sovereign Bond Portfolio Emissions

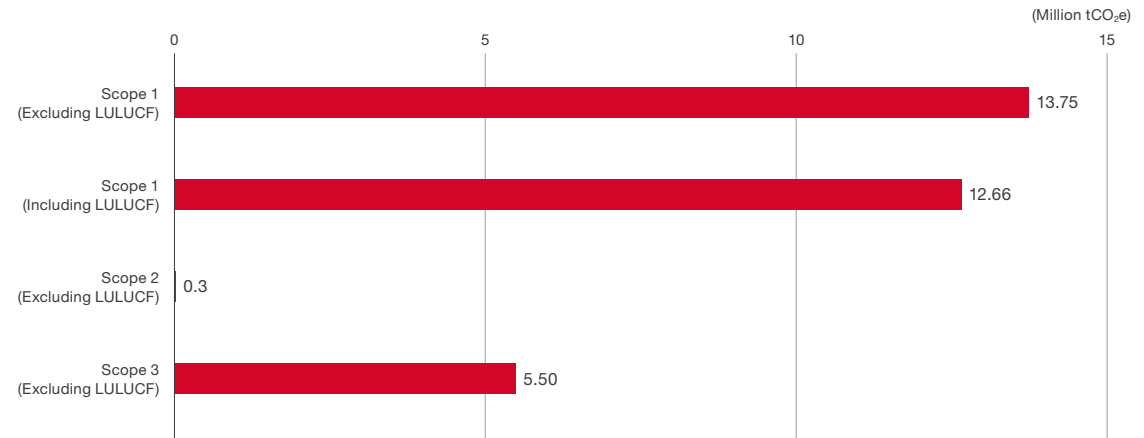
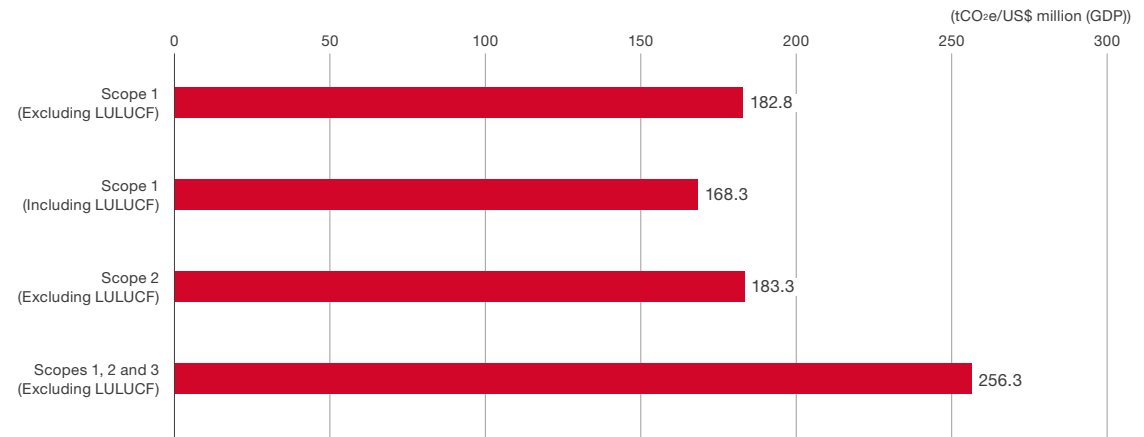


Figure 15 Sovereign Bond Portfolio Emissions Intensity (Carbon Intensity)



(Source) Created by Nomura Asset Management based on various materials, including Institutional Shareholder Services

The climate-related analysis in our portfolio

9 Participation and Collaboration in Climate Change-Related Initiatives

We declared our support for the Task Force on Climate-related Financial Disclosures (TCFD) in March 2019 and have been disclosing information in accordance with TCFD recommendations regarding our portfolios of Japanese equities, global equities, Japanese bonds, and global bonds since the Responsible Investment Report 2019.

We actively engage in dialogue with the Securities Analysts Association Japan and companies regarding non-financial information. The Net Zero Strategy Department participates in the ISSB standards seminar series organized by the Securities Analysts Association Japan facilitating discussions between analysts, investors, and companies regarding sustainability disclosure information.

Furthermore, Nomura Holdings established the “GX Management Promotion Working Group” (GX Management Promotion WG) in September 2022, as part of a key initiative of Japan’s GX (Green Transformation) League for “Rule Formation for Market Creation,” alongside leading companies and member companies, with Nomura Holdings serving as the convener. The GX Management Promotion WG aims to build a framework through which opportunities for Japanese companies to contribute to climate action are appropriately evaluated, and mainly engages in activities targeting the societal implementation of avoided emissions.

As one outcome of the GX Management Promotion WG’s activities, at COP30 held in November 2025, we joined group company Nomura Securities in introducing the GX Management Promotion WG and

participated in a panel discussion.

In addition, within the PCAF Japan coalition, we continued to serve as secretariat for the subcommittee on avoided emissions in FY2025 following FY2024, engaging in discussions and research on how financial institutions can utilize avoided emissions concepts.

As part of the output from these studies and activities on avoided emissions, Nomura Holdings analyzed avoided emissions from multiple approaches from an investor perspective and published the results in a report in March 2025. Our Sustainable Investment Strategy Department participated in drafting this report.

Reference 1 What are Financed Emissions?

Financed emissions refer to the total amount of greenhouse gas (GHG) emissions generated indirectly through loans and investments provided by financial institutions, and they are an important metric in climate action by financial institutions. Financial institutions are expected to manage financed emissions in order to fulfill their responsibilities with respect to sustainable investment and the environment.

Reference 2 Overview of the PCAF Standard**Objectives of PCAF Standards**

The main objectives of PCAF are as follows:

Enhancing Transparency

By publicly disclosing emissions from their loans and investments, financial institutions provide transparency to investors and stakeholders.

Sustainable Investment

Establishing standards for sustainable investment, which guides the selection of investee companies based on these criteria.

Alignment with the Paris Agreement

Supporting financial institutions in their efforts to contribute to emission reductions in line with the goals of the Paris Agreement.

Asset Classes Analyzed by PCAF

According to the PCAF 2022 Global GHG Accounting and Reporting Standard Part A: Financed Emissions, the following asset classes are included: At Nomura Asset Management, we primarily focus on analyzing asset classes 1 and 7. It should be noted that sovereign debt was added as a category for analysis starting in 2022.

- ① Listed Equity and Corporate Bonds
- ② Business Loans and Unlisted Equity
- ③ Project Finance
- ④ Commercial Real Estate
- ⑤ Mortgages
- ⑥ Motor Vehicle Loans
- ⑦ Sovereign Debt

Nature & Biodiversity

Actions to Protect Natural Capital

At CBD COP15 (the 15th Conference of the Parties to the Convention on Biological Diversity) in December 2022, the Kunming-Montreal Global Biodiversity Framework was adopted as a new global target through 2030, setting action targets such as 30 by 30, reducing pollution risks, ensuring the sustainable management of agriculture, forestry, and fisheries, as well as financial support. Indeed, the role of financial institutions in biodiversity conservation and restoration is becoming increasingly important.

Nomura Asset Management works to protect natural capital through participation in international initiatives and via collaboration with other asset managers. At COP15, together with PRI signatories, we endorsed an investor statement calling on governments to adopt the Global Biodiversity Framework and work together to address climate change and biodiversity protection and restoration. With respect to the TNFD, we joined the TNFD Forum in July 2023 and have participated in information gathering and technical discussions in light of the final recommendations issued in September 2023. In addition, we have communicated our efforts in various forums, including by speaking at events such as PRI in Person 2023, the PRI Nature Forum, and at meetings related to CBD COP16.

On the research front, in July 2024 we conducted a multivariate analysis of the determinants of natural capital holdings and published a paper on SSRN, a platform for posting and sharing research preprints and related materials. In February 2025, we added business opportunities related to nature positive as an assessment item in our Japanese equity ESG score.

Partnerships to Protect Natural Capital

Through both individual and collaborative engagement activities, Nomura Asset Management urges portfolio

companies to address the loss of natural capital and biodiversity. In terms of other global initiatives, we leverage our collaboration with Farm Animal Investment Risk and Return (FAIRR) to engage with food-related companies, and we share insights and best practices. In FAIRR's "Seafood Traceability" collaborative program, we act as lead investor in driving dialogue with two Japanese seafood companies.

In collaborative engagement with Sustainalytics, we encourage a wide range of companies across the agricultural value chain—including financial institutions, retailers, food companies and chemicals companies—to strengthen risk management related to biodiversity impacts, dependencies, and opportunities, while also encouraging automotive-related companies to promote a circular economy, reduce linear economy risks, and strengthen accountability.

In addition, we participate in Spring, the natural capital collaborative initiative launched by PRI, and we serve on PRI's advisory body for natural capital issues. Spring's initial focus has been on forest loss and land degradation, and we serve as lead investor for two Japanese automotive companies. Going forward, we will continue to promote initiatives by investee companies through collaborative engagement and other means, and contribute to the enhancement of medium- to long-term corporate value and the sustainability of society.

Information disclosure aimed at preserving natural capital

The loss of natural capital, including biodiversity, affects not only the environment but also the economy and human health. As the finite nature of natural capital becomes more widely recognized, the importance of initiatives and information disclosure

targeting the sustainable use of natural capital has increased in recent years.

Companies are required to understand their reliance on nature and the impacts on nature of their operations and supply chains, and link these to risk management and strategy. Biodiversity issues in supply chains can affect corporate value through higher procurement costs and reputational risks, while companies that incorporate the protection of natural capital into their management strategies may enhance long-term corporate value through improved evaluations of their products and services.

We have identified natural capital as a material issue and have explicitly included it in our ESG Statement since 2019. In addition to continuously researching natural capital-related data and regulatory trends, we assess risks and opportunities through engagement focused on natural capital and reflect them in our investment decisions. At the same time, recognizing that there is not yet a single, common global metric in this domain, we are bolstering our knowledge base and gathering information through our participation in initiatives and other means.

After participating in the TNFD Forum in July 2023, we registered ourselves as a TNFD adopter in January 2024, and we made our first TNFD disclosure in 2024.

Investment Portfolios' Impact and Dependence on Natural Capital

We evaluate natural capital-related risks for four portfolios we manage: domestic stocks; foreign stocks; domestic bonds; and foreign bonds. We focus in particular on the potentially disappeared fraction ("PDF"), a metric that quantitatively expresses the potential loss of endemic species due to environmental pressures. PDF is referred to in Life Cycle Assessment (LCA) models which are methods to quantitatively evaluate the environmental

Nature & Biodiversity

stress in the entire lifecycle of products and services, and widely used as a coefficient that indicates the amount of damage on affected domains (endpoints). The larger the PDF, the greater the impact on biodiversity.

We use ISS's data and analysis methods to analyze our portfolios against benchmarks. For benchmarks, we use TOPIX for Japanese equities, MSCI ACWI ex-Japan for global equities, NOMURA-BPI (overall) (only corporate bonds) for domestic bonds and the Bloomberg Global Aggregate Index for global bonds (only corporate bonds). Our analysis confirmed that the PDF of our portfolios was below the benchmarks for all asset classes except Japanese bonds. Meanwhile, for weighted average PDF intensity, both the Japanese bonds and global bonds portfolios were found to be below the benchmarks.

In addition, in order to understand our portfolios' dependencies on nature, we assessed the extent to which the activities of investee companies depend on the three major categories of ecosystem services: provisioning services, regulating services, and cultural services. We found that all four asset classes depend heavily on regulating services, while dependence on cultural services is relatively not so high, and that for global bonds dependence on provisioning services is higher than the benchmark, whereas no major benchmark-relative difference was observed in the other asset classes.

Furthermore, we also assessed the integrated four-asset portfolio from the perspective that environmental burdens materialize as endpoint damage through impact pathways (midpoints). The analysis revealed that the portfolio may affect ecosystems primarily through land transformation, climate change, and ocean acidification, and that Japan, China, and the United States are among the regions with the greatest impacts.

Figure 16 Absolute Biodiversity Impact

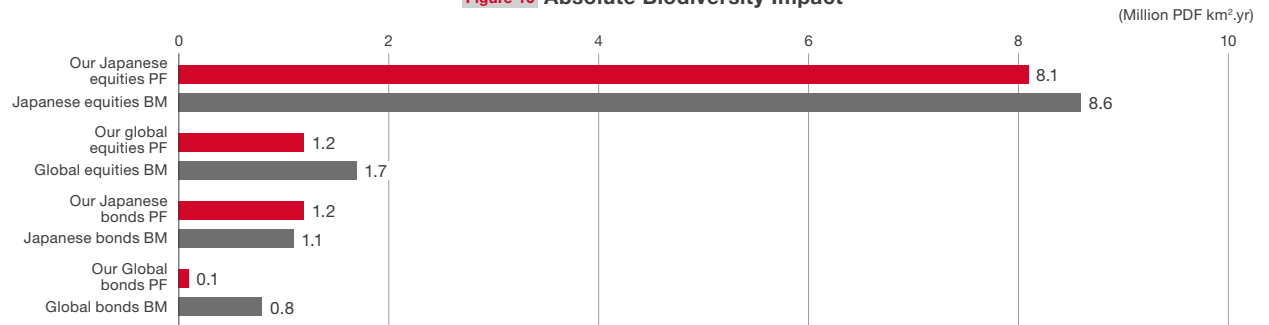


Figure 17 Weighted Average PDF Intensity by Industry

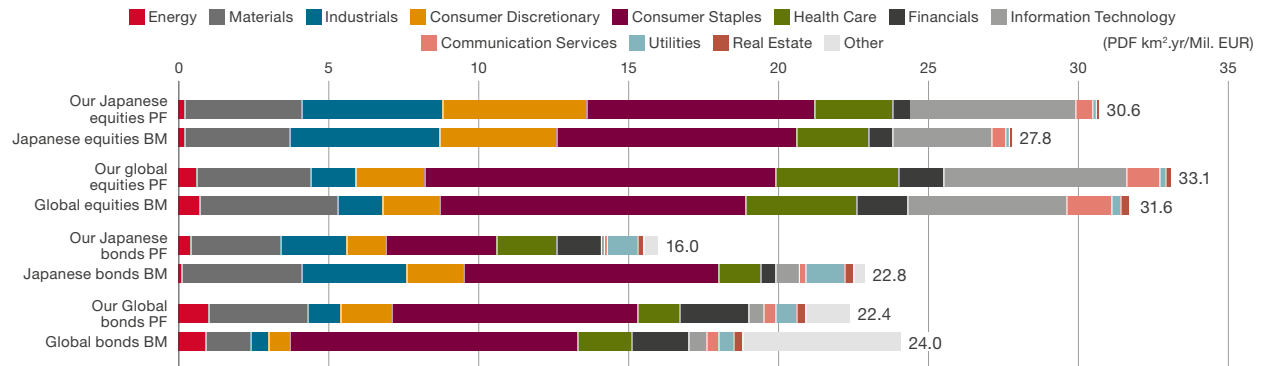


Figure 18 Ecosystem Services Dependencies (%)

	Provisioning	Regulation & Maintenance	Cultural
Our Japanese equities PF	22.7	70.4	6.9
Our global equities PF	22.3	71.3	6.4
Our Japanese bonds PF	19.9	74.3	5.8
Our Global bonds PF	19.8	71.2	8.9

Figure 19 Benchmark Comparison (%)

	Provisioning	Regulation & Maintenance	Cultural
Our Japanese equities PF	0.7	-0.2	-0.4
Our global equities PF	2.1	-2.4	0.3
Our Japanese bonds PF	-0.6	2.4	-1.7
Our Global bonds PF	17.9	-26.2	8.4

(Source) Created by Nomura Asset Management based on various materials, including Institutional Shareholder Services

Nature & Biodiversity

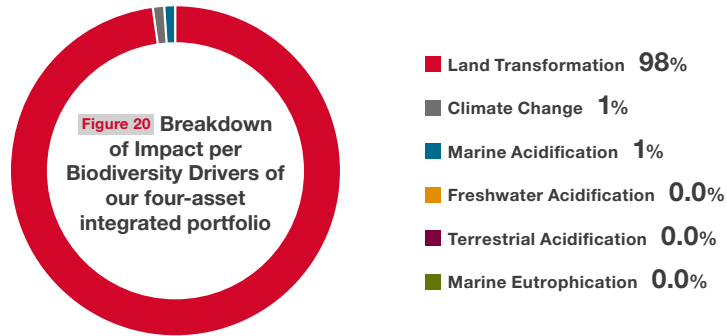
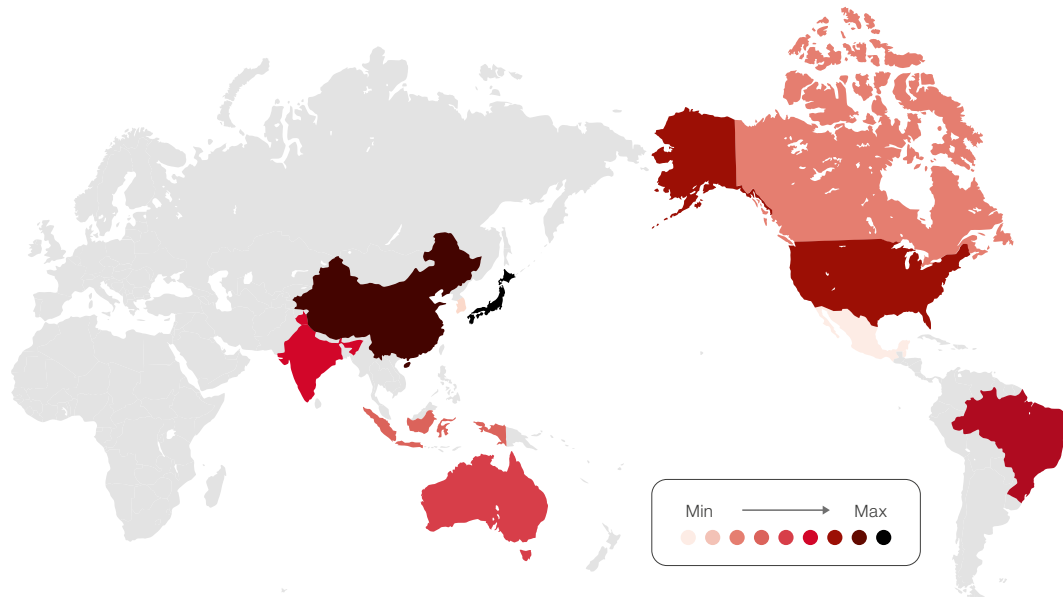


Figure 21 Breakdown of Impact per Region of our four-asset integrated portfolio



(Source) Created by Nomura Asset Management based on various materials, including Institutional Shareholder Services

Environmental Engagement

We check whether or not companies are undertaking initiatives towards sustainable production and procurement, especially companies where sales are highly dependent on commodities that have a significant impact on biodiversity, such as companies in the consumer staples, consumer discretionary, and materials sectors. For example, we look at the status of procurement of commodities that have been certified by third parties, including the Roundtable on Sustainable Palm Oil (RSPO) and the Forest Stewardship Council (FSC). Based on such monitoring data, portfolio managers, ESG specialists, and company analysts work together to engage with portfolio companies with the objective of managing nature-related risk.

Going forward, through qualitative and quantitative analysis and engagement activities in the environmental domain, we will continue to promote investee companies' initiatives—including recognition of natural capital risks, responses, and disclosure—and contribute to the enhancement of long-term corporate value and the sustainability of society.