SUSTAINABILITY REPORT 2023

Corporate Sustainability Report 2023

NOMURA

NOMURA ASSET MANAGEMENT

Corporate Principles

Nomura Asset Management's primary mission is to offer professionally managed investment products that correspond to the diverse needs of our diverse client base. We aim to deliver the best possible investment performance, backed by an exceptional level of client service.

Nomura Asset Management aims to maximize added value for our clients' investments through our total commitment to highly professional research and portfolio management operations spanning a wide range of asset classes and global markets.

In an industry where knowledge, expertise and integrity are of paramount importance, Nomura Asset Management relies on the skill and professionalism of its people – these are our most vital assets. By nurturing professional career development and encouraging specialization within our various business areas, we can harness the creativity and vitality of our staff for the benefit of our clients and for the long-term growth of our business.

At Nomura Asset Management, we understand the importance of high ethical standards, and our fiduciary duty is therefore central to our relationships with our clients. We strive to earn the lasting confidence of our clients while acting with a clear sense of corporate responsibility wherever we do business.

Nomura Asset Management will seek to develop products that address the needs of a sophisticated global client base, by applying the most advanced investment technology available.

We continually augment and strengthen our research and investment capabilities; our risk management and compliance systems are thorough, and we excel at providing comprehensive and carefully tailored client services.

These qualities enable us to adapt and respond rapidly to changing needs and circumstances.

ESG Statement

The most recent version can be found here.
https://global.nomura-am.co.jp/responsibility-investment/pdf/esg_statement.pdf

Nomura Asset Management formulated an ESG Statement in March 2019 based on our corporate philosophy and our aim to achieve customer-first business operations. We then revised the ESG Statement in both 2021 and 2022.
The ESG Statement was formulated in order to share with stakeholders our ESG-related activities and direction, as well as our policy for addressing both environmental and social risks, and is based on our aim to realize a sustainable, prosperous society.
Our ESG Statement expresses how, as a responsible institutional investor, we require portfolio companies to manage their businesses with an emphasis on ESG, and clarifies our policy of managing our own business with an emphasis on ESG.

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Nomura Group's mission

We help to enrich society through our expertise in capital markets

Nomura Group's mission has remained unchanged since its founding in 1925.

Nomura Asset Management, a Nomura Group company, strives to realize sustainable, prosperous society by helping clients build wealth as a responsible institutional investor. True to Nomura Group's founder Tokushichi Nomura II's aim to "Enrich the nation through the securities business," our mission has been to help create a prosperous society based on our management vision of "Achieving sustainable growth by helping solve social issues."

About this report

This report has been published to inform all of our stakeholders about our actions related to corporate sustainability as a company.

Responsible Investment Report

We have published the Responsible Investment Report to help individual investors, portfolio companies, domestic and international institutional investors and asset owners better understand our initiatives as an institutional investor.

The Responsible Investment Report can be found here.
https://global.nomura-am.co.jp/responsibility-investment/pdf/ri_report_2022.pdf

President & CEO
Hiroyasu Koike

CEO Message

Our aim is to continue to be an asset management firm that makes the world a better place both by helping clients build wealth and by solving social issues

As a responsible institutional investor, Nomura Asset Management aims to both help clients build up assets as well as realize a sustainable, prosperous world. Our clients' needs have continued to become increasingly diverse. With the growing demand for a higher level of added-value in asset management services, our goal is to continue to be an asset management firm that makes the world a better place by evolving into an asset management solutions provider and thereby win the support of clients around the world.

In addition to providing our clients with investment returns, we are also proactively working to achieve sustainability over the medium- to long-term, an effort which includes a focus on ESG. Sustainability is an important management issue that supports the investment chain (the virtuous cycle of investment). We not only ask our portfolio companies to enhance their corporate value, but we also demand that they emphasize sustainability in their management approach. Moreover, we are advancing sustainability efforts in our own business operations as well.

Examples of this include establishing targets and advancing measures to achieve net zero in our own offices, as well as the creation of donation schemes utilizing the corporate version of the hometown tax system to support regional revitalization.

With respect to the investment chain, it is critical to keep the virtuous cycle of investment going. The role of asset management firms like Nomura Asset Management, which manage clients' precious financial assets, is more than simply assessing the market value of portfolio companies.

Another important role for asset management firms is engagement, which refers to the process of fully understanding the business environment portfolio companies operate in, and proactively urging them to both enhance their own corporate value and grow sustainably. At Nomura Asset Management, our Engagement Department possesses expertise in this domain, and engages in effective dialogue with portfolio companies from the viewpoint of an institutional investor, while also encouraging them to work toward the SDGs. By starting the investment chain and keeping it going, we aim to realize both sustainable growth and a prosperous society, which will in turn help our clients build wealth.

We also believe it is important to widen the scope of our asset management in order to allow even more people to enjoy the benefits of this virtuous cycle of investment. The investment chain philosophy exists at the core of the financial and economics education we put significant effort into.

Nomura Asset Management has been engaged in the asset management business globally since our founding in 1959. Looking ahead, our diverse, highly-professional personnel will continue to contribute to society by leveraging their talents and individuality to provide wide-ranging solutions. As a firm, we will march forward, aiming to be Japan's leading asset management firm preferred by clients around the world.

Sustainability timeline

Please refer to Pages 13-18 of our Responsible Investment Report for information on initiatives.

Responsible Investment Report 2022
https://global.nomura-am.co.jp/responsibility-investment/pdf/ri_report_2022.pdf

GO FURTHER

2021

Our efforts
- Materiality published
- 2050 Net Zero Goal and 2030 Interim Target related to greenhouse gases emissions of managed assets established
- Engagement Department established
- ESG Statement revised

Key initiatives we are involved in, etc.
- Net Zero Asset Managers initiative (NZAM) signed
- CDP, Partnership for Carbon Accounting Financials (PCAF), Access to Nutrition Initiative, GRESB signed

2022

Our efforts
- Sustainability Development Department, Net Zero Strategy Department established
- Sustainability Advisory Board created
- Materiality KPI announced
- Asset Management Women's Forum network secretariat launched
- ESG Statement revised

Key initiatives we are involved in, etc.
- Women in ETFs signed

2020

Our efforts
- Donation scheme to help regional revitalization launched
- Asset Management Research Center established

2019

Our efforts
- ESG Statement formulated

Key initiatives we are involved in, etc.
- TCFD endorsed
- Access to Medicine Index, Climate Action 100+, 30% Club Japan (Investor Group), Japan Stewardship Initiative (JSI), and Farm Animal Investment Risk and Return (FAIRR) signed

2018

Our efforts
- Self-evaluation of stewardship activities disclosed

Key initiatives we are involved in, etc.
- The International Corporate Governance Network (ICGN) and The Asian Corporate Governance Association (ACGA) signed

2017

Our efforts
- Proxy voting results disclosed individually

Key initiatives we are involved in, etc.
- Malaysian Stewardship Code adopted

2016

Our efforts
- Responsible Investment Department and Responsible Investment Council established
- Conflict of Interest Management Policy formulated

Key initiatives we are involved in, etc.
- Stewardship Codes in Singapore, Hong Kong and Taiwan adopted
- UK Office acquired Tier1 evaluation from UK FRC(UK FRC: Abbreviation for the Financial Reporting Council in the United Kingdom)

2015

Our efforts
- Responsible Investment Group and ESG specialists established
- Stewardship Committee integrated into Responsible Investment Committee

2014

Our efforts
- ESG Committee reorganized into Responsible Investment Committee
- Proxy Voting Committee reorganized into Stewardship Committee

Key initiatives we are involved in, etc.
- Japanese version of the Stewardship Code adopted

START

2001

Our efforts
- Proxy Voting Committee established

2004

Our efforts
- Management of SRI Index Fund commenced
- Management of governance fund commenced

2010

Key initiatives we are involved in, etc.
- UK Stewardship Code adopted

2011

Our efforts
- ESG Committee (now the Responsible Investment Committee) established

Key initiatives we are involved in, etc.
- United Nations-supported Principles for Responsible Investment (UN PRI) signed

2012

Key initiatives we are involved in, etc.
- Principles for Financial Action for the 21st Century (financial action principles targeting a sustainable society) signed

Corporate Sustainability Initiatives

In April 2022, we established the Sustainability Development Department to further promote management emphasizing sustainability as an asset management firm and to enhance our sustainability-related communication both internally and externally. Also, in addition to senior management's evaluations of the outcomes of our efforts related to sustainability activities that contribute to improving the sustainability of society, we have established a Sustainability Development Committee which holds quarterly meetings attended by all executive officers, where members deliberate about initiatives aimed at solving challenges.

The Company has also established a Sustainability Advisory Board, which meets twice a year, for the purpose of receiving advice and criticism about our sustainability efforts from an outside perspective in light of trends around the world. The Sustainability Advisory Board is comprised of three independent outside directors and two outside experts.

In FY2022, our main achievements in Company-wide sustainability promotion were describing in our ESG Statement our vision of the sustainable, prosperous society we aim to realize and publishing our materiality KPIs in order to promote company-wide sustainability.

Revision of ESG Statement

Following repeated discussions throughout our organization, we revised and published our ESG Statement, which now describes with clarity our vision for the society we are striving to realize as an asset management firm. (Please read about our vision for society on P.07.)

Materiality KPIs

We established indicators to measure the outcome of initiatives for each item in the materiality we announced in 2021, and monitored progress each quarter. We then established and announced materiality KPIs for those initiatives that are very important for our key stakeholders and for which we are able to disclose performance values each year after setting medium- to long-term targets. (Please refer to P.11 for our materiality KPIs.)

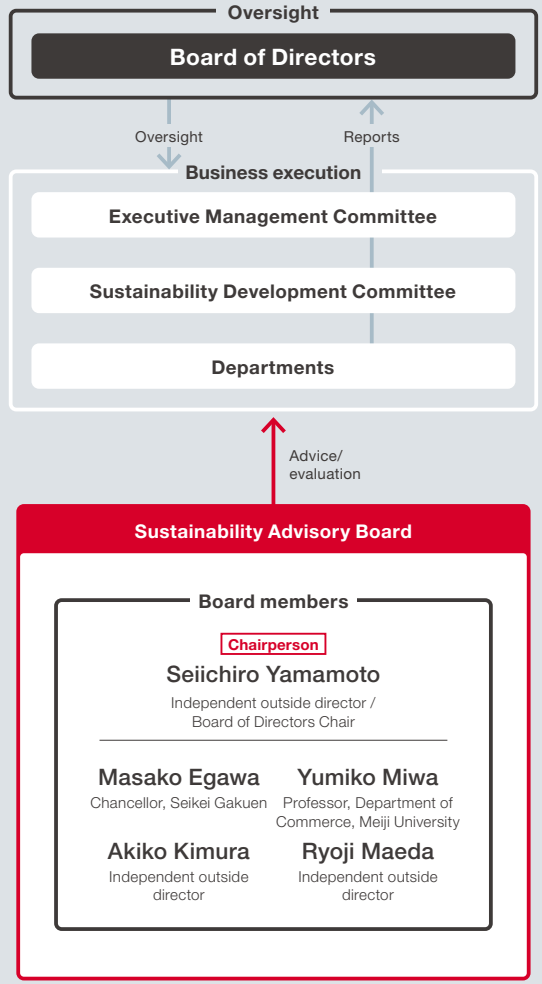
Outlook for 2023

Utilizing the systems and mechanisms that have been further developed since the establishment of the Sustainability Development Department, we will reinforce our efforts so that people throughout the firm take a personal interest in working on initiatives aimed at resolving our materiality. In this Corporate Sustainability Report, and in the sections of our corporate website related to sustainability, we will communicate our efforts in an easy-to-understand manner and highlight our strengths and commitments, so that stakeholders both inside and outside the Company are able to gain a strong understanding of Nomura Asset Management's approach.

Deputy-Head of Corporate Unit
(Treasury & Controller's Department, Sustainability Development Department, Human Resources Department, Asset Management Research Center)

Riyo Azechi

Sustainability Development Department



Sustainability Advisory Board

Messages from outside experts

I hope that NAM personnel will take a personal interest in sustainability and enhance the firm's performance

Masako Egawa

Chancellor, Seikei Gakuen
Visiting Researcher, Center for Advanced Research on Finance, The University of Tokyo
Outside Director, Mitsui & Co., Ltd.
Outside Director, Mitsubishi Electric Corporation

I spent my career working in M&A and corporate finance at a foreign-capital investment bank until I was in my 40s. During those years I had limited involvement with asset management firms and knew only a little bit about Nomura Asset Management. As a member of the Sustainability Advisory Board, I have been impressed by the Company's earnest commitment to sustainability. In addition, I can appreciate the emphasis on research and analysis that is typical of a Nomura Group company. ESG investing still has a relatively short history, and there are many themes to be studied and analyzed, such as the relationship between sustainability and long-term corporate value. I would like to see Nomura Asset Management shed light on these kinds of topics while also putting them into practice.

In the ESG Statement revised in 2022, the Company added "Equity" and "Belonging" to "Diversity and Inclusion" as particularly important ESG issues, thereby creating "Diversity, Equity, Inclusion and Belonging (DEI&B)." This change impresses upon me the Company's global-orientation and desire to be at the forefront of change. The Company has also established a KPI to increase the ratio of women working as department heads and in other managerial positions to at least 40% by FY2030.

It is important that everyone in the Company take a personal interest in working to achieve the goals of the ESG Statement and the KPIs.

While expressing its commitment to sustainability, senior management must also advance initiatives that take root in day-to-day actions, such as engaging in ongoing internal discussions and creating detailed action plans. I would like to see everyone in Nomura Asset Management share an understanding that enhancing diversity will bolster the Company's performance, and work to achieve the firm's sustainability goals.

I would like to see Nomura Asset Management lead global asset management firms in ESG

Yumiko Miwa

Professor, Department of Commerce, Meiji University
Outside Director, Eisai Co., Ltd.
Outside Director, Pigeon Corporation

We are now in an era where it is impossible to separate sustainability from financial and corporate activities. From a geological point of view, we are said to have now entered the age of the Anthropocene, where traces of human activity are impacting the Earth's geological features, and we must seriously think about ESG from a sustainability perspective.

Ever since the 2008 financial crisis, the public has expressed a high degree of dissatisfaction with the finance industry. This has prompted me to think about sustainability from a finance angle. Finance is actually an effective means of resolving global environmental and social issues. Challenging the finance community in today's world, Nobel Prize-winning economics professor Robert Shiller said, "Finance is not merely about making money. It's about achieving our deep goals and protecting the fruits of our labor. It's about stewardship and, therefore, about achieving the good society."*

Nomura Asset Management is a top-class asset management firm in Japan and is in a position to lead the finance industry in helping achieve "our deep goals" that Robert Shiller wrote about.

In the 2022 revision of the ESG Statement, Nomura Asset Management clarified the virtuous cycle of investment and the important issues that should be solved to realize it. I look forward to seeing the Company lead the way in ESG, both in Japan and overseas, in order to achieve social goals such as regional revitalization, net zero, and the empowerment of women.

*Robert J. Shiller
Finance and the Good Society

Realizing a desirable society through the investment chain

NAM's vision for society

-Excerpt from Nomura Asset Management's ESG Statement-

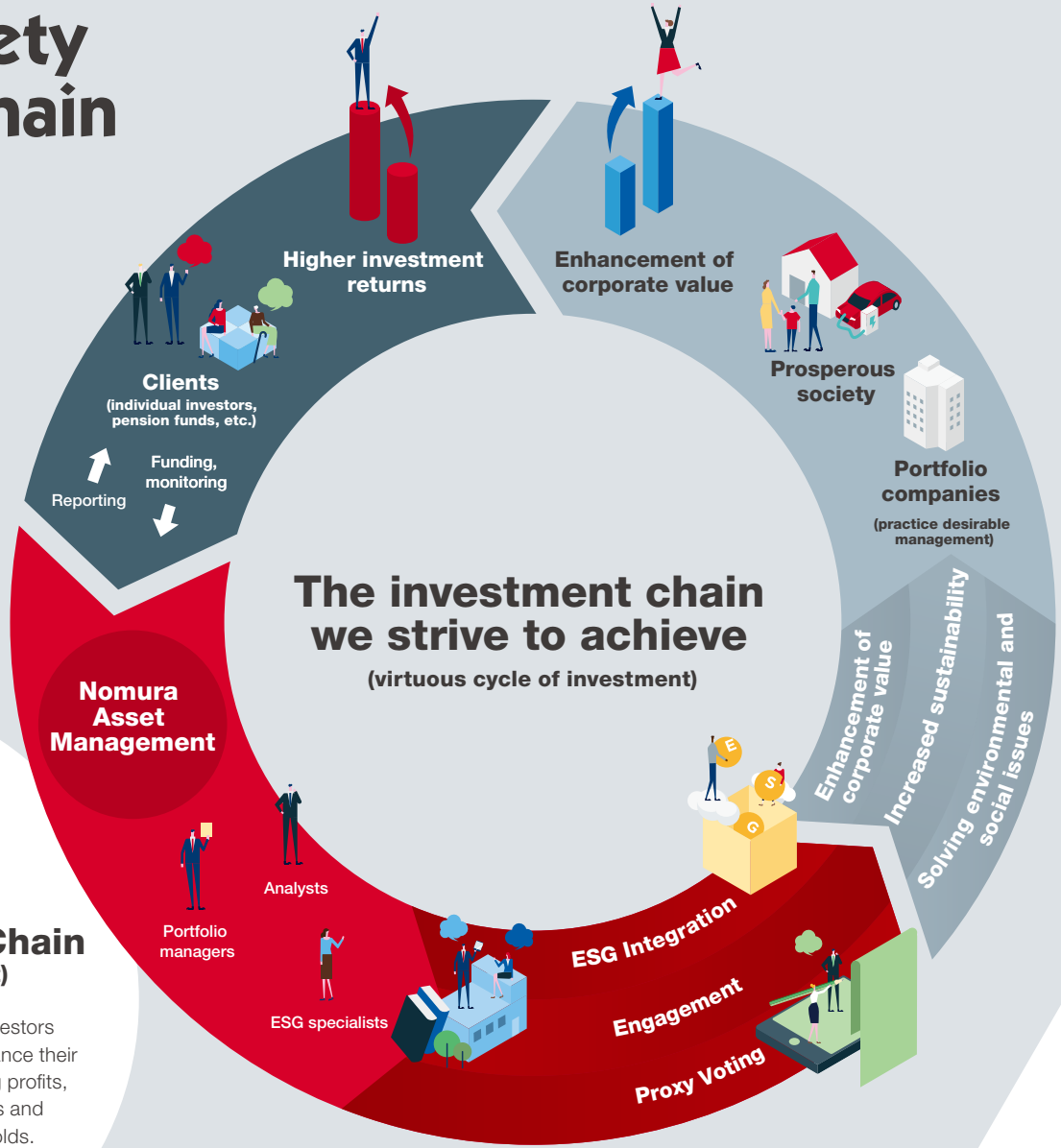
We seek to realize a sustainable, prosperous society in which the rich natural environment is preserved, diverse human capital is utilized, economic development is driven by technological innovation, human rights are respected, and well-being is promoted. It is a society in which ESG issues are addressed and the SDGs are achieved.

ESG

ESG is the acronym for Environment, Social and Corporate Governance.

SDGs

SDGs is the acronym for Sustainable Development Goals. The SDGs are a set of sustainable development goals for the world to achieve by 2030, adopted by the United Nations in 2015.



About the Investment Chain
(virtuous cycle of investment)

The investment chain is the cycle whereby investors invest in companies, and those companies enhance their medium- to long-term value, thereby increasing profits, with the accompanying increase in dividends and wages ultimately being returned to households.

Key issues (materiality) for realizing the investment chain

4 Goals and NAM's Materiality

Strengthening the Investment Chain

- Provision of excellent products and services that help clients build wealth
- Promotion of responsible investment
- Enhancement of investment capabilities and client convenience through digitalization
- Promotion of financial and economics education
- Support for regional revitalization

Realizing a Healthy Global Environment

- Achieving a decarbonized society
- Preservation of Natural Capital

Realization of a Society in Which Human Rights are Respected

- Promotion of DEI&B (Diversity Equity Inclusion & Belonging)
- Creating environments where employees can work with well-being

Corporate Value Improvement through Governance

- Sufficient display of corporate governance functions
- Enhancement of internal control systems

We announced our materiality in our Responsible Investment Report 2020. Following thorough internal discussions about how to solve our materiality and based on advice from the Sustainability Advisory Board, in FY2022 we established and announced KPIs, and have been further advancing our business management with an emphasis on sustainability as an asset management firm. Going forward, we will continue to monitor our progress and accelerate our efforts towards achieving our vision, as we aim to realize a sustainable, prosperous society.

Materiality selection process

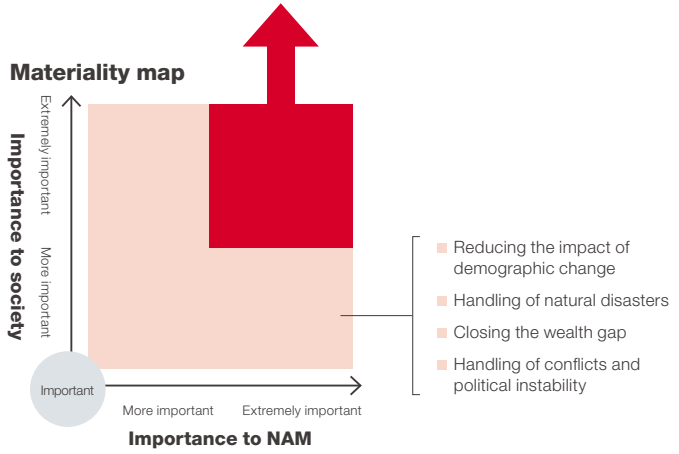
STEP 01 List creation
In order to realize the virtuous cycle of investment (investment chain) that we are targeting, we make a list of the issues we feel we should focus on based on the environment surrounding our company as well as our business activities.

STEP 02 Analysis
We determine candidate issues for materiality through hearings with internal departments, while considering the degree of impact on our business activities and the amount of impact on society.

STEP 03 Selection
In light of Nomura Group's Management Vision and our corporate principles, we select topics for materiality after repeated internal discussions on the importance and impact of candidate issues and the efforts to solve them.

STEP 04 Decision/ announcement
We decide and announce our materiality following a suitability check by the Executive Management Committee. We review and adjust our materiality, as necessary, based on changes in the environment, progress in our businesses, reports to the Board of Directors, and advice from the Sustainability Advisory Board.

Materiality map



Materiality - Solving social problems through investment -

Goal	Materiality	Objectives	Key initiatives
Strengthening the Investment Chain	Provision of excellent products and services that help clients build wealth	We will respond to clients' various asset management needs, and provide excellent investment performance	■ In addition to traditional assets, expand investment in areas such as ESG and alternative investments, and further improve asset allocation capabilities ■ Development and provision of products and services for customers at various life stages
	Promotion of responsible investment	Through stewardship activities, we will continue to support portfolio companies' corporate value enhancement and social value creation	■ Enhancement of ESG integration to incorporate non-financial information into the investment process ■ Proactive promotion of ESG engagement based on ESG perspectives and important topics
		Goal: Realizing a healthy global environment — Targeting the shift to a sustainable decarbonized society, we will use engagement and other means to encourage portfolio companies to combat climate change.	■ Enhancement of the level of investment with respect to climate change risks and opportunities ■ Use of engagement with portfolio companies to have them incorporate climate change initiatives into their management strategies
		Goal: Realizing a healthy global environment — We will demand that portfolio companies have management strategies that take the sustainability of natural capital into account.	■ Use of engagement with portfolio companies to have them incorporate initiatives aimed at the coexistence of natural capital and their business into their management strategies
		Goal: Realization of a society in which human rights are respected — We will promote DEI&B in portfolio companies, in order to continuously create added value by allowing diverse human resources to display their abilities and individuality	■ Promotion of diversity and inclusion through engagement with portfolio companies ■ Establishment and management of Japan Empowering Women Select Index ETF
		Goal: Realization of a society in which human rights are respected — Our portfolio companies will improve productivity and create high value-added services by creating a high-quality work environment	■ Developing and managing investment strategies that focus on the performance of companies that are good places to work ■ Realization of decent work through engagement with portfolio companies
		Goal: Corporate Value Improvement through Governance — We will promote the thorough functioning of corporate governance in order for portfolio companies to achieve their established corporate philosophies and management targets	■ Engagement with portfolio companies with the aim of enhancing corporate governance ■ Disciplined proxy voting in accordance with the proxy voting guidelines
	Enhancement of investment capabilities and client convenience through digitalization	We will utilize cutting-edge technologies to the maximum extent possible and provide clients with even more investment opportunities and added value	■ Enhancement of UI/UX for digital content and utilization of DX to cultivate new business domains

Please refer to the Responsible Investment Report for details about how we promote responsible investment.

Responsible Investment Report 2022
https://global.nomura-am.co.jp/responsibility-investment/pdf/ri_report_2022.pdf

Materiality - Sustainability as a company -

Goal	Materiality	Objectives	Key initiatives
Strengthening the Investment Chain	Enhancement of investment capabilities and client convenience through digitalization	We will utilize cutting-edge technologies to the maximum extent possible and provide clients with even more investment opportunities and added value	■ Development of investment methods utilizing AI, alternative data, and other means
	Promotion of financial and economics education	In order to familiarize potential customers with investment trusts, we will promote financial and economic education and work to expand the investor base	■ Enhancement of education/training that will lead to the promotion of wealth building
	Support for regional revitalization	We will work with regional financial institutions to create a strong movement for regional revitalization originating from regional financial institutions	■ Partner with regional financial institutions to launch donation schemes utilizing the corporate version of the hometown tax system ■ Holding ESG forums with regional financial institutions to discuss regional revitalization and consider ESG
Realizing a healthy global environment	Achieving a decarbonized society	Strive to achieve carbon neutrality with the aim of transitioning to a sustainable, decarbonized society	■ Reduction of Nomura Asset Management's CO_2 emissions, with the aim of achieving carbon neutrality
	Preservation of Natural Capital	Advance efforts to conserve natural capital	■ Utilization of environmentally-friendly and socially-friendly products
Realization of a society in which human rights are respected	Promotion of DEI&B (Diversity Equity Inclusion & Belonging)	We will promote DEI&B within Nomura Asset Management, in order to continuously create added value by allowing diverse human resources to display their abilities and individuality	■ Introduction of job-grade personnel system ■ Development and appointment of diverse professional human resources ■ Support for balancing work and childcare/nursing care ■ Continuous implementation of training and workshops to raise awareness of DEI&B
	Creating environments where employees can work with well-being	We will aim to realize high productivity and create high value-added services by developing a work environment that promotes employee well-being.	■ Correction of long working hours ■ Strengthen communication with management to promote flexible work styles and increase employee engagement (willingness to contribute to the company) ■ Education targeting improvements in health literacy ■ Understanding employees' health status and conduct mental health checks ■ Implementation of measures to prevent communicable diseases
Corporate Value Improvement through Governance	Sufficient display of corporate governance functions	We will promote the sufficient functioning of corporate governance in order to achieve our corporate philosophies and management targets.	■ Adoption of a monitoring model as a Company with Audit & Supervisory Committees ■ Appointments of independent outside directors possessing expertise in specialized fields ■ Creation of various committees
	Enhancement of internal control systems	We will work to strengthen and enhance our internal control systems and conflict of interest management framework in order to protect our clients' assets and earn their unwavering trust	■ Construction of an internal control system based on three lines of defense ■ Monitoring of market risk, credit risk, operational risk, etc., by various committees ■ Enhancement of the conduct risk management system ■ Construction of a robust crisis management system ■ Strengthening the conflict of interest management system ■ Creation of the Fund Management Council and the Responsible Investment Council, and appointment of independent outside experts as members of both councils ■ Ensure independence of decision-making and personnel in investing and research

Materiality KPIs

In January 2023, we established key performance indicators (KPIs) for our materiality in order to measure the results and further increase the transparency of our ESG and other sustainability initiatives.

Customer-centric business operations

We have set KPIs based on the philosophy of continuously (investment years) providing customers (assets under management) with better investment products (investment performance) that help them build wealth.

KPI

Investment trusts (Japan)

Fundmark*1 balance weighted rating

▶ **Continuously above 3.0**

Current status ▶ **Overall: 3.2** As of March 31, 2023

Details can be found here
https://www.nomura-am.co.jp/corporate/service/cobo/kpi.html *Japanese website only

We are also measuring the following as indicators to gauge our active management capabilities, with the aim of bolstering our investment capabilities

Actively managed investment trusts (Japan)

Average 3-year and 5-year Sharpe ratios*2 for each asset type

Goal ▶ Continuously exceed the industry average

Current status ▶ **Continuously exceeded the industry average for five of the six asset types, both for the 3-year and 5-year average** As of March 31, 2023

Active management strategies offered globally

Ratio*3 of competitively advantaged strategies based on 3-year and 5-year Sharpe ratios.

Goal ▶ Have at least 1/3 of our strategies continuously be within the top 1/3 compared to our competitors

Current status ▶ **Although it is less than 1/3 for the 3-year average, it is greater than 1/3 for the 5-year average** As of March 31, 2023

We aim to strengthen the investment chain by achieving these KPIs.

*1 Using investment performance results for investment trusts sold in Japan, Nomura Research Institute, Ltd. performs comparisons and analysis of the performance of each product. Nomura Research Institute categorizes investment trusts in line with the investment strategy and investment reality (approximately 300 Fundmark categories), compares the investment trusts' performance (risk-adjusted returns) within each category, and publishes an evaluation using a five-step ranking (Fundmark rating).
*2 Based on the Fundmark database provided by Nomura Research Institute, Ltd. Investment trust performances for NAM and the industry averages (risk-adjusted return) have been compiled by NAM for each asset class.
*3 Based on eVestment's database, which is widely used as an investment performance analysis platform by institutional investors around the world. NAM has computed and compiled rankings within categories for risk-adjusted return in eVestment.

Greenhouse Gas Emission Reductions

We have established targets for greenhouse gas emission reductions in order to realize a decarbonized society.

KPI

Achieve net zero greenhouse gas emissions from managed assets by 2050

2030 interim target ▶
55% portfolio coverage ratio of assets managed by NAM with SBT certification

Current status ▶ **36.4%** As of December 31, 2022

*SBT stands for Science Based Targets, which are greenhouse gas reduction targets scientifically-consistent with Paris Agreement targets

KPI

By 2030, NAM will transition to using 100% renewable energy- sourced electricity and achieve net-zero greenhouse gas emissions

Current status ▶ **60.3%** As of March 31, 2023

We support the goals of the Paris Agreement, the international framework on climate change, and have joined NZAM, a global initiative comprising asset management companies that aims to achieve net zero greenhouse gas emissions from portfolio companies by 2050. In addition to achieving this goal as a responsible institutional investor, we will promote our own efforts as a company, and aim to achieve carbon neutrality with the target of transitioning to a sustainable, decarbonized society.

Ratio of female department heads

The empowerment of women is an important part of our DEI&B initiatives, and we have established a target for women in managerial positions.

KPI

At least 40% by FY2030

Current status ▶ **23.7%** As of April 1, 2023

As part of our vision for FY2030, we aim to have women naturally be involved in all decision-making processes, and to be recognized as a company that is leading the way in empowering women in the workplace. In October 2022, we formulated an action plan to achieve this goal.

Provision of excellent products and services that help customers build wealth

ESG assets under management (AUM)

*As of March 31, 2023

¥1.312 trillion

This is the total AUM of Nomura Asset Management's investment strategies that are considered ESG strategies based on factors such as the relevant country/region's ESG regulations and/or customer guidelines. This number includes the AUM of Japanese investment trusts, UCITS and other overseas investment funds, and domestic and overseas segregated accounts.
For Japanese investment trusts, we define "ESG funds" as those that actively utilize ESG integration, engagement/proxy voting, and that actively utilize other sustainable strategies as defined by GSIA.

Investment trusts for defined contribution (DC) pension plans

*As of March 31, 2023

Assets under management **¥2.0 trillion**

Domestic share **20.6%**

UCITS* balance

*UCITS: Acronym for funds satisfying the standards of the EU directive
*As of March 31, 2023

¥1.287 trillion

Alternative investments AUM

*As of March 31, 2023

¥1.262 trillion

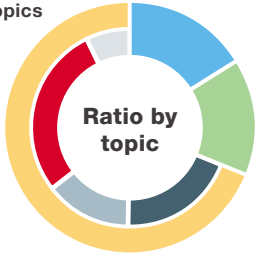
Promotion of responsible investment - Engagement track record in Japan -

Engagement meetings

Total number of engagement topics (total number of meetings)

2,424 topics (1,010 meetings)

January – December 2022



	Ratio	Number of topics
Business strategy	16%	397
Financial strategy	15%	361
ESG-related meetings	69%	1,666
Environmental	19%	470
Social	14%	343
Governance	28%	679
Proxy voting-related	7%	174
Total		2,424

Enhancement of investment capabilities and client convenience through digitalization

*FY2022 track record

Number of academic papers and presentations at academic conferences

48

Number of AI applications

11

Utilized as key signal in investment domain

4

Used as reference data in active management

Promotion of financial and economics education

Aiming to solve social issues through asset management, we are working to provide information to people of all ages.
Utilizing the asset management knowledge we have cultivated over the years, we hold seminars on asset building using investment trusts and we visit classes to teach students, as we work to create opportunities for people to think about asset management as a means to grow their money.
In addition, we are also focusing on providing support to companies that distribute our investment products so that investors can gain an even deeper understanding of the philosophy behind asset management as well as learn more about financial products and services.

Asset Management Research Center

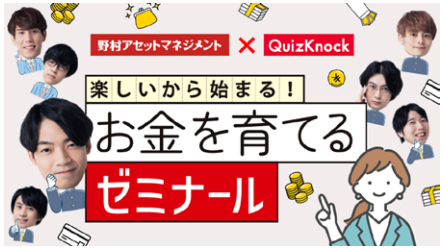
Asset Management Research Center

This internal group was established in 2020 to disseminate information based on the asset management-related insights and know-how we have accumulated over the years in an easy-to-understand manner. The Asset Management Research Center disseminates information mainly on such research topics as basic research on capital markets, basic research on personal financial assets and wealth building, and the promotion of investment education.

Investment education programs

Development of proprietary investment experience game

We have developed “Tsumitate GO!,” an experience-based game for people to enjoy learning about the unique characteristics of installment investing. Through the game’s presentations and other features, players experience installment investing and deepen their understanding of this method of investing which involves investing a fixed amount on a regular basis.



Tie-up with QuizKnock

We appointed QuizKnock’s Takushi Izawa as our “asset building ambassador” and provide “money-growing seminars” with QuizKnock to help people learn about asset management in a fun and informative manner. As a first step in learning about asset management using investment trusts, we are providing a nationwide on-site class called “Money Growing Caravan” and disseminating videos with QuizKnock on the YouTube channel “Money Growing Research Institute.”

*QuizKnock is a media organization managed by baton Co., Ltd that combines entertainment and learning. Takuji Izawa, the University of Tokyo Quiz King, is the central figure in the show, which provides content that helps people understand various topics based on the concept of “learning that begins with having fun.”

TOPIC

Information provided using SNS and other tools

Money Growing Research Institute

The Money Growing Research Institute has content for a wide range of people, including those who want to learn about investing, people who want to utilize asset management, and those who are worried about their financial life after retirement.

Website
*Japanese website only

Instagram

YouTube

NAM’s SNS

Twitter

YouTube

Facebook

*Click on the icon to go to each web page.

Promotion of financial and economics education

Sending instructors to universities and high schools

Education/training provided in FY2022

Number of participants
8,813 people

Number of hours
131 hours

Since FY2005, we have been sending employees as lecturers to more than 500 universities to provide sponsored lectures. The total number of students who have taken these classes now exceeds 60,000 students. We also accept students for internships, provide work experience programs for high school students, and hold lectures and seminars for teachers.

Education/training programs for financial institutions

Education/training provided in FY2022

Number of participants
20,329 people

Number of hours
2,097 hours

Number of online contents
1,302

We are working to further deepen customers' understanding of financial products and services by providing consulting to financial institutions that distribute our products. We provide support through lectures and workshops given by highly-specialized instructors as well as online content, including programs that establish themes, such as goal-based themes, and that provide support both in terms of theory and real-word application.

"New Support Project" to spread investing to support causes

We are working to spread the idea that investing can be a force for solving social issues, and that people are supporting something through their investment activity. We are mainly communicating to those without investment experience that investing is a force for solving social issues, and encouraging them to think about investing in a new light and become interested in it. The main purpose of this project is informing people that they can use investing as a way to support something (which is important to young people) which will both make society more prosperous and help them build wealth.

＃新しい応援 PROJECT

"ETFs are the next step in investing – NEXT FUNDS are ETFs –" Promotion

NEXT FUNDS

We are providing information so that many people can learn about ETFs (exchange-traded funds) and individual investors can invest in them.

NEXT FUNDS is the unified brand for the ETF series that we manage. NEXT FUNDS stands for "**N**omura **EX**change **T**raded **FUNDS**," which refers to Nomura's ETFs, and also expresses our commitment to develop the next generation of funds.

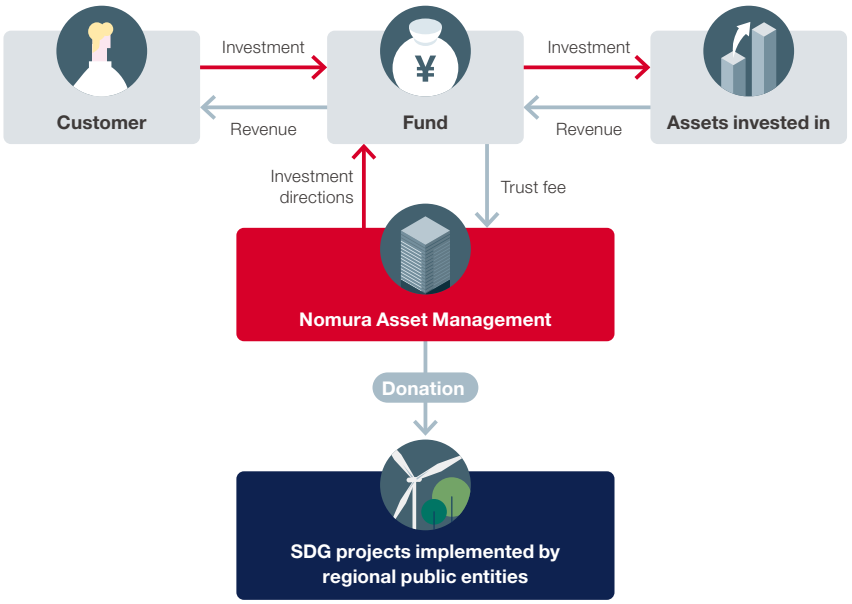
*Partially updated in September 2026

Support for regional revitalization

We aim to realize a sustainable, prosperous society through our asset management business. We believe that regional revitalization is an important issues to be solved in order to realize this vision. In 2020, we established a donation scheme utilizing the tax system to support regional revitalization (corporate version of hometown tax).
Japan is facing the problems of population decline and a super-aging of society, and each region is working together with the government to create a self-supporting and sustainable society, making the most of its own distinctive characteristics.
By working to solve social issues through asset management, we will connect the hopes of investors and Japan as a whole, and contribute to solving issues with the aim of revitalizing regional areas.

Donation scheme for regional revitalization

We donate a portion of our revenue according to the amount of sales of our ESG investment strategy products (applicable funds) to SDG-related projects carried out by local governments in prefectures throughout Japan.



POINT Promote regional revitalization with regional financial institutions and regional public entities

POINT Investors (customers) contribute to efforts aimed at regional revitalization by holding these funds

POINT Make donations utilizing corporate version of the hometown tax system

Introduction of projects

We were awarded the FY2022 Minister's Prize related to the corporate version of the hometown tax system!
https://www.nomura-am.co.jp/news/20230120NAM.pdf
*Japanese website only

Kokorozashi Project
Working together with customers and/or regional financial institutions to revitalize regional areas

TASUKI Project
Working with Nomura Securities on regional revitalization

Details can be found here

Kokorozashi Project
https://www.nomura-am.co.jp/special/kokorozashi/
*Japanese website only

TASUKI Project
https://www.nomura-am.co.jp/special/tasuki/
*Japanese website only

Total assets of funds covered by the donation scheme ▶ App.¥137.0bn (As of March 31, 2023)

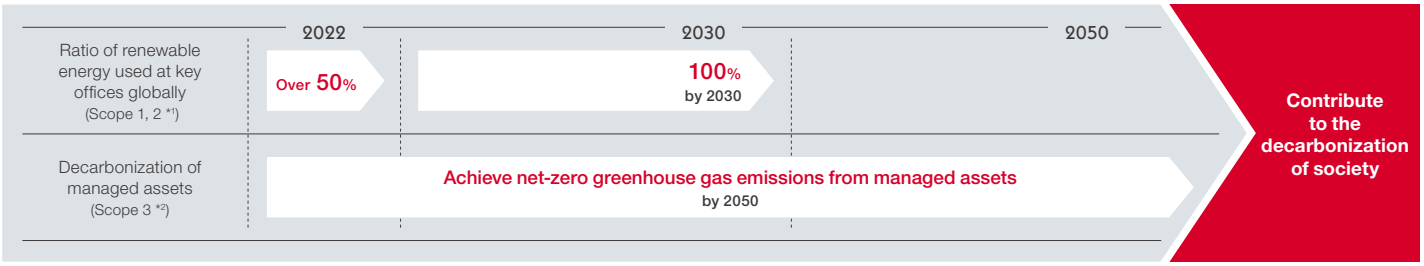
Cumulative total amount donated ▶ ¥195.0mn (FY2020 – FY2022)

ESG-related meetings held with regional financial institutions to discuss regional revitalization and ESG ▶ 17 times (FY2022 track record)

Achieving a Decarbonized Society / Preservation of Natural Capital

As a member of Nomura Group, we are proactively working to address environmental issues based on Nomura Group's Environmental Policy. Aiming to realize a decarbonized society as quickly as possible, our offices are implementing energy conservation measures and other initiatives aimed at reducing greenhouse gas emissions to net zero, while we are also implementing programs that help each and every employee consider the environment in their personal behavior and actions.

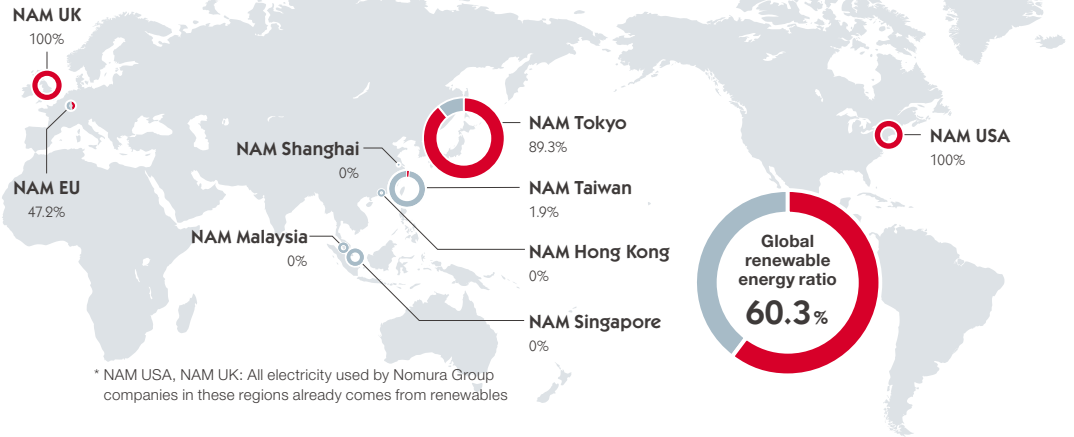
Our roadmap to achieve a decarbonized society



*1 Scope 1: Direct emissions of greenhouse gases from a company's own operations Scope 2: Indirect emissions associated with electricity, heat and steam supplied by another entity
*2 Scope 3: The emissions of other companies that are related to a company's business activities.

Efforts by NAM offices to achieve net-zero emissions

We are working to reduce the environmental impact of our business activities by procuring renewable power to the extent possible at each of our offices. In FY2022, renewable power accounted for 60.3% of our global electricity consumption. Going forward, we will continue to work to both conserve energy and increase our procurement of renewable energy, thereby accelerating our efforts to power our offices with 100% renewable energy. Our plan is to have renewable energy power all of our offices by 2030.



* NAM USA, NAM UK: All electricity used by Nomura Group companies in these regions already comes from renewables

TOPIC

Use of Green Power certificates

By using renewable energy via partnerships with the owners of the office buildings our offices are located in, as well as through the use of Green Power certificates, 89.3% of the electricity used by our offices in Japan is derived from renewable energy. By acquiring Green Power certificates, which represent the environmental benefits of electricity generated by clean energy, our offices are deemed to have used renewable energy.

Green Power mark – Certificate of use of green power in Japan

Environmentally-friendly initiatives

In addition to using renewable energy, we are advancing other initiatives to reduce our impact on the environment, such as by reducing paper consumption and using eco-friendly products.

Reducing environmental impact from the use of paper

All of the copy paper we purchase is environmentally friendly, and we have achieved a green purchasing ratio of 100% for copy paper. In addition, the amount of printing paper we purchased in FY2022 was 60.7% lower than in FY2019. In FY2022, factors such as an increase in the ratio of employees coming to work in our offices (following the work-from-home-centered working style during the height of the COVID-19 pandemic) resulted in an upward trend in the amount of printing, but we will continue our efforts to reduce paper printing going forward.

Elimination of plastic use

We have already switched from using plastic file folders to paper file folders, ended the use of PET bottle drinks for visitors, distributed drink mugs in an effort to end the use of plastic cups in the office, and gave our employees eco-friendly bags to use for shopping in stores near our office buildings. By considering the environment for these and other items that our people use on a daily basis, we are working to spark change in both the awareness and behavior of our personnel.

DEI&B (Diversity Equity Inclusion & Belonging)

In accordance with the Nomura Group Corporate Philosophy and Code of Conduct, we respect the diversity and different values of our executives and employees, and strive to improve long-term corporate value by building healthy working environments in which all executives and employees can demonstrate their full potential regardless of their nationality, race, gender, gender identity, sexual orientation, creed, social status, whether or not they have a disability, or any other attribute. We are promoting "DEI&B," adding "Belonging" to go one step beyond "DEI" which has become widely pursued around the world.

"Belonging" refers to a state in which an employee is respected and feels comfortable that they are in a place where they can make the most of their individuality, a state that is created after diversity and inclusion are promoted. Furthermore, it is necessary for senior management and employees to share a sense of purpose to achieve sustainable improvement of corporate value and to foster a sense of unity.

Certifications from external organizations

Our efforts to promote diversity have been certified and highly recognized by outside organizations.

Kurumin

Recognizing the outcomes of NAM's continuous initiatives aimed at helping employees balance work and childraising, for two consecutive periods since FY2019 NAM has received certification from the Minister of Health, Labor and Welfare based on Japan's Act on Advancement of Measures to Support Raising Next-Generation Children.

Tomonin

NAM has been granted use of the "Tomonin" logo from the Ministry of Health, Labor and Welfare for our efforts to establish a work environment that enables employees to pursue their careers while balancing their work and family nursing care.

PRIDE Index

NAM received the gold award (the highest rank) in the PRIDE Index 2022, an evaluation index in Japan for LGBTQ+ initiatives in the workplace.

2022 Certified Health & Productivity Management Outstanding Organization (White 500)

NAM was recognized as a "Health & Productivity Management Outstanding Organization 2023 ("White 500") (large corporation category)" by the Ministry of Economy, Trade and Industry (METI) and the Nippon Kenko Kaigi for the second year in a row and the fourth time overall. NAM was among the top 50 companies within the White 500.

Gold Award in the Gan-Ally Award 2022

NAM won the Gold Award in the Gan-Ally Award, a non-governmental project organized by Gan Ally Bu. Gan Ally Bu's aim is to create workspaces, and a wider society, where cancer patients can thrive while receiving treatment. Gan means cancer in Japanese.

TOPIC

01 COLUMN Events featuring outside experts

From the perspective of ESG and SDGs, we want our employees to view corporate sustainability goals as a personal matter, recognize the issues in our company and solve them, thereby realizing sustainability overall for NAM. We invited experts and held events to raise the level of understanding and awareness about this.

Topic for 1st event

Global human rights issues and efforts to address them
-Using the power of investment to solve social issues-

Speakers

Kanae Doi
Japan Director, Human Rights Watch

Seiichiro Yamamoto
Chairperson, Board of Directors

Topic for 2nd event

Gender equality

Speakers

Mari Miura
Professor, Sophia University

Topic for 3rd event

NAM as viewed by outside experts

Speakers

Masako Egawa
Chancellor, Seikei Gakuen

Yumiko Miwa
Professor, Faculty of Commerce, Meiji University

02 COLUMN Initiatives to increase belonging

Aiming to deepen the mutual understanding of diversity among employees and create a comfortable working environment for all of NAM's employees, we interviewed employees with diverse backgrounds and published these interviews on our internal website.

Interview with persons with disabilities about working style

We used an online tool with subtitles to ask questions about ways in which they are creative at work and what they normally feel as they work. We then shared this interview with other employees.

Interviews about balancing family nursing care and work

We introduced some employees who are balancing family nursing care and work while utilizing flex-time, telecommuting and family nursing care leave.

Forum about men taking childcare leave

We held a forum regarding men participating in childraising and balancing raising children with work

Coming to work at NAM from another industry

We created opportunities to make new discoveries about NAM based on what they view as NAM's strengths and things they were surprised by after changing jobs and coming to work at NAM from another industry.

In order to deepen mutual understanding between executives and employees, we carried out various initiatives aimed at revitalizing communication vertically, horizontally, and diagonally.

1on1

Employees meet one-on-one with their supervisors, where in addition to discussing issues related to their work progress, they also have an opportunity to talk honestly about work-related problems and worries, as well as about their careers.

Conduct-related events

As part of our efforts to foster good conduct in compliance with the Code of Conduct, employees become conduct influencers and engage in various informational activities targeted to employees. We held lectures to hear about social contribution activities from NPOs, solicited opinions among employees on good conduct and bad conduct within the company, and made it an opportunity to become aware of our behavior and culture that can get overlooked in our daily lives.

Employee mixers

We hold mixers for executives and employees across business lines, thus encouraging communication between executives and employees of other departments with whom they have few opportunities to interact on a daily basis.

DEI&B -Promoting the active participation of women-

NAM's greatest asset is our human resources, which is the source of our competitiveness and innovation. Leveraging diversity in management, including different ways of thinking and different values, is essential for the sustainable growth of NAM. In particular, the active participation of women employees is essential for the sustainable growth of our company, and we have formulated an action plan to contribute to the creation of new value and the sustainable development of our company.

Action plan for the Act on Promotion of Women's Participation and Advancement in the Workplace

Period of plan

October 1, 2022 ▸ March 31, 2031

Numerical targets based on policy

Target for "providing opportunities related to work life for women workers"

Goal 01 Ratio of women among new-graduate hires Maintain at **40% or higher**

46.7% April 2023 class of new hires

Goal 02 Increase ratio of women in department head positions to at least **40%**

23.7% As of April 1, 2023

Targets for "establishing a hiring environment that contributes to balancing occupational life and home life"

Goal 03 Set a target of **15** vacation days taken per person per year

82.7% FY2022

Goal 04 Have **100%** of men employees take special leave during and after spouses' or partners' childbirth / childcare leave

93.8% FY2022

Other data

Wage gap between men and women

67.2%

The low proportion of women in managerial positions is the main reason for the difference. We believe that the wage gap will contract in the process of realizing the goals of the Action Plan for the Promotion of Women's Participation and Advancement in the Workplace.

Track record of men employees taking childcare leave

111.5%

The ratio of childcare leave taken by men is the total of special leave during and after spouses' or partners' childbirth, childcare leave and pre- and post-natal leave

TOPIC

Ask the head of the Human Resources Department! The background behind establishing a KPI for the ratio of women department heads

NAM has established a KPI of at least a 40% ratio of women department heads by FY2030. We asked the head of the Human Resources Department about how NAM arrived at this decision.

Q Why did you set the KPI higher than the government's target of achieving a 30% ratio of women in positions of leadership?

A As a responsible institutional investor, we are in a position to ask portfolio companies to respond to ESG through our engagement activities. We believe it is necessary to promote the active participation of women based on the recognition that diverse perspectives and values can be a strength in securing sustainable growth for our own company as well. The figure of 40% was determined in light of our situation while also taking global trends into account.

Q Is this target achievable?

A Currently, the ratio of women employees in NAM is about 35%, but this percentage is increasing year after year. In addition to hiring and appointing women, we are focusing on advancing projects centered on female employees, developing women through selective training programs, and fostering awareness among female employees themselves. We believe these efforts will allow us to achieve this target.

Q Was establishing the KPI a smooth process?

A We spent a lot of time discussing why we chose to establish this KPI and whether it is achievable. The background behind our establishing a KPI and the measures to achieve it are described above. We believe it is important to gain everyone's understanding about the KPI established through these discussions, and about how we are committed as a company, including through messages to employees sent from NAM's president. We are building a system to offer ongoing support for women employees to be involved in decision-making, and this is widely understood within the company.

Q What is the ultimate goal?

A Diverse human resources are a source of competitiveness and innovation. From the perspective of gender diversity, we aim to have women participate in all decision-making processes as a matter of course.

Head of Human Resources Department
Rika Demizu

DEI&B -Diversity promotion-

Internal projects

Project F

Project F was initially launched as part of our effort to promote the active participation and promotion of women in NAM. Currently, the project consists of seven core members and four mentors. At the time of its launch, the goals were to launch a new fund in April 2022 and then to try things that the members had no previous experience with, such as marketing. As employees of an asset management company, we freely discussed the value we wanted to deliver by providing the fund, without being limited to only the active participation of women. The result was a fund to develop the next generation of business executives in Japan.

The "F" in the project name comes from three ideas: (1) Fans (investment is support); (2) Fun (investment is fun); and (3) Future (investment creates the future). These three ideas were our pillars in both creating the fund and marketing it.

Currently, we are working on digital marketing that emphasizes providing investors with an investment experience through active funds and a sense of participation. Most recently, we conducted a participatory project to determine the fund's name using Twitter's voting function. Around 1,000 people voted, and "Passion Archipelago" was decided on as the name. In addition, in May 2023, we provided an investment report for the fund's beneficiaries, and we were able to deliver thoughts and messages from the fund's managers. We will continue to assume new challenges going forward.

Project G

Project G started in September 2022 as an in-house project to engage in discussions about creating a workplace environment where diversity is respected and which leads to the company's growth, and to make proposals to senior management. Nine people of different genders and ages, from different departments and with varied work backgrounds volunteered and regularly held discussions within the group about issues such as growth challenges for NAM by allowing all employees to play an active role and by incorporating diverse perspectives, and initiatives to become an ideal company. In addition, they conducted interviews and went on tours to study examples of actions by other companies, and also conducted questionnaires and roundtables with NAM employees to hear diverse opinions within the company, which were then incorporated into concrete measures. In addition to making proposals at the Executive Management Committee, they also reported to the Board of Directors.

In FY2023, they will begin working to turn their proposals into reality, starting with building an internal network and other grassroots measures. They will continue to recruit additional activity members and create a culture change movement in a manner that allows many employees to participate.

Project G
=Project for Growth=

Cross-industry project

Initiatives across the asset management industry to promote the empowerment of women

In the spring of 2022, we launched the Asset Management Women's Forum network secretariat with three other companies in order to support the promotion of women's participation as part of D&I in the asset management industry. With the cooperation of the Investment Trusts Association, we held two events aimed at helping women build careers unbound by gender, connecting with others who share the same worries and goals, as well as sharing their thoughts. Approximately 740 people in total attended these events, and we will continue holding these types of activities going forward.

First event

August 2022
Held online event

Part I
Panel Discussion
Overcoming obstacles women face in the workplace

Part II
Workshops divided into three topics (discussions among participants)

Topic A
Career breaks: How to advance one's career after a period of time away from work

Topic B
Gaining the understanding of others: Developing trust with one's superiors at work

Topic C
People managers: Should you aim for a management role?

Second event

Prior to International Women's Day on March 8, we positioned February 2023 as Asset Management Women's Month and held a total of three programs

2/13 Online
Learn about career management to maximize women's active participation
-Essential knowledge and tips for managers with staff who are working while raising children-

2/17 In person
Roadmap for developing women leaders
-A workshop for those responsible for promoting the active participation of women in the workplace, where they learned about and discussed specific industry initiatives-

2/28 Online
Women's career design
-A look at the concerns of each age group as well as reskilling!-

DEI&B -Human resources development-

In order to become the leading company chosen by customers, it is important to adapt to the changing times and establish a foundation that enables sustainable growth. As an asset management firm, human resources are our most important bedrock assets, and we aim to solidify this foundation by developing our human resources.

Development system with a focus on selective and elective training

Required training	Learn the mindset, basic knowledge and skills of an asset management firm employee, thereby building the foundation for thriving at work (Rank-based training, ethics training, department-based training, etc.)
Selective training	Training for people to acquire the mindset, experience and management skills that will form the foundation for being appointed to a new role (People training, management training, experience working in other departments, etc.)
Elective training	Reflecting their own career plans, employees have opportunities to grow as professionals in line with their individual aptitude (e-learning, language learning, Nomura Business Academy, etc.)
Support for attaining certifications	Securities analyst (CMA), U.S. securities analyst (CFA), financial planner (FP), etc.

Education and training programs we offered in FY2022

Total number of people who participated in training
4,524

Hours of training
11,495

Training costs per employee
¥112,000

Employee certification

As of March 31, 2023

CMA **466**

CFA **61**

FP **112**

Creating a work environment that fosters well-being

Under the Group-wide health and productivity management goal, which aims to ensure that all people working at Nomura are in a state of physical, mental, and social well-being, NAM has established and is promoting guidelines in order to achieve this overarching goal.
In FY2023, we will formulate and promote guidelines aimed at **rectifying long working hours, encouraging employees to take vacation days and other leave benefits, and maintaining and improving employee health.**
NAM has introduced a flex-time work system and a work-at-home system to enable flexible working styles.
With respect to achieving internal KPIs, we monitor each department's efforts to achieve these KPIs on a company-wide basis, and promote initiatives to realize improvement based on the status of each department.

FY2023 Nomura Asset Management Well-Being Guidelines

01 Rectify long working hours

Goal: We aim to maintain employee health and promote health and productivity management by eliminating long working hours while improving productivity through operational ingenuity and process reviews.

- KPI (All employees): Working time intervals — At least 8 hours
- KPI (Managers): Overtime work — Less than 60 hours/month
- KPI (Non-managers): Overtime work — Less than 45 hours/month

02 Encourage employees to take vacation days, etc.

Goal: By getting sufficient rest both physically and mentally, and making their private lives more fulfilling, employees will be able to work with energy and enthusiasm

- KPI: Annual paid leave — Take at least 15 days/year
- KPI: 5 consecutive business days of annual paid leave — at least once
- KPI: Percentage of men taking childcare vacation/childcare leave — 100%

03 Maintaining and improving employee health

Goal: By being both physically and mentally healthy, each employee can fully demonstrate his/her abilities and individuality, and play an active role in the company

- KPI: Ratio of employees who undergo health exams (regular health exam/comprehensive medical exam) — 100%
- KPI: Ratio of employees who attend mental health training — 100%

Please refer to the following for details about each KPI.
https://www.nomura-am.co.jp/special/sustainability/data.html
*Japanese website only

Corporate Governance Strengths

As an asset management firm entrusted with managing customers' assets, we always act in the interests of our customers and strive to increase the independence and transparency of our business management in order to earn customers' unwavering trust.
To that end, as a company with an Audit and Supervisory Committee, we delegate a significant amount of authority related to decisions on important business execution to executive directors appointed by the Board of Directors. These executive directors are responsible for business execution, while the Board of Directors mainly supervises management alongside the Audit and Supervisory Committee.

Management Oversight

In addition to a Board of Directors, NAM has an Audit and Supervisory Committee, and these bodies supervise executive directors to ensure they are conducting business operations appropriately. The chairperson of the Board of Directors is an independent, outside director, and efforts are made to ensure that Board of Directors meeting discussions are lively, including by determining the priority agenda items in advance based on discussions with the company president. The following initiatives are also being carried out.

INITIATIVE

Bolstering independence

NAM appoints persons who are sufficiently independent from Nomura Group, to which NAM belongs, as independent outside directors, and also as members of the Audit and Supervisory Committee.

Strengthening conflict of interest management

NAM has established a meeting body made up of a majority of independent outside directors and others who are independent from the Company, and this meeting body verifies the following from the standpoint of fulfilling our fiduciary duty

- **Stewardship activities including proxy voting**
- **Operation and management of investment trusts**

Business execution

Executive directors responsible for business execution are selected for their sufficient capabilities based on their knowledge, experience and other attributes, based on the opinions of members of the Audit and Supervisory Committee. In addition, NAM has adopted an executive officer system, appointing persons with high levels of expertise and experience as executive officers and delegating some of the executive functions to these executive officers, thereby achieving more efficient business management.

Enhancing management independence and transparency

In April 2021, we increased the number of independent outside directors from two to three, and appointed them as the chairperson of the Board of Directors, chairperson of the Audit and Supervisory Committee, and member of the Audit and Supervisory Committee, respectively. This is part of our efforts to further improve the independence and transparency of our business management.

Robust conflict of interest management system

To ensure that we never engage in business operations that prioritize our own interests or the interests of other Group companies over the interests of our customers, we have established a system to ensure the independence of operations and research as part of our conflict of interest management policy. Anticipating the changing times and accompanying needs, we are continuously making organizational reforms, and have established a robust system, including the appointment of a Chief Conflict Officer.

Our conflict of interest management policy can be found here
https://www.nomura-am.co.jp/conflict/
*Japanese website only

Independent outside directors As of April 1, 2023

Seiichiro Yamamoto
Chairperson of the Board of Directors

Akiko Kimura
Chairperson of the Audit and Supervisory Committee
Attorney-at-Law

Ryoji Maeda
Member of the Audit and Supervisory Committee

Board of Directors
3 of the 8 directors are independent outside directors

Audit and Supervisory Committee
The chairperson is an independent outside director, and a majority of members are independent outside directors

Sustainability initiatives in NAM's global network

NAM is a global asset management company operating in more than 10 countries and regions.
By promoting sustainability activities globally, we aim to meet the expectations for solving social issues and realize a sustainable, prosperous society.

United Kingdom

Donations through investment

In December 2022, Nomura Asset Management U.K. Limited donated $50,000 to charity: water, a charity that works to bring safe drinking water to people who need it. A portion of the management fees received by Irish UCITS fund "Nomura Funds Ireland plc" were used for this donation. The plan is for this donation to be used by schools in Niger and community projects in Ethiopia.

United Kingdom

Germany

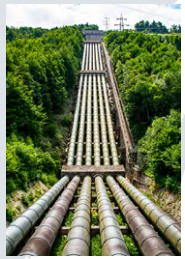
Malaysia

Germany

Environmental initiatives

We have set a goal of net zero GHG emissions at our offices by 2030 (see page 11), and are promoting the use of renewable power globally. In particular, Nomura Asset Management Europe KVG mbH has been using renewable power for more than 10 years.*

*Nomura Asset Management Europe KVG mbH had been purchasing renewable power until the end of September 2022, but due to difficulties in procurement due to the situation in Russia and Ukraine, the company temporarily suspended purchases of renewable power, but then resumed purchasing renewable electricity from April 2023.



Malaysia

Social contribution activities

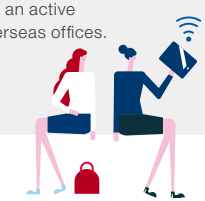
In June 2022, as part of its "contribution to a sustainable future," Nomura Asset Management Malaysia Sdn.Bhd. participated in the volunteer activities of the NPO Team Selangor which held a "plogging" event (an activity that combines jogging and picking up garbage) on the Kedongdon River, one of the most beautiful rivers in the state of Selangor. It is estimated that volunteers picked up a total of more than 80kg of garbage during this event.

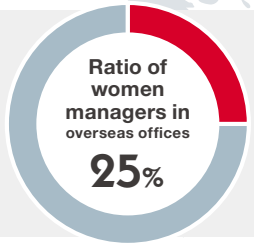
According to the United Nations Environment Program World Conservation Monitoring Center (UNEPWCMC), Malaysia is recognized as one of the countries with the most diverse natural areas in the world. Efforts to conserve ecosystems contribute to the sustainability of many nature-dependent economic activities in Malaysia.

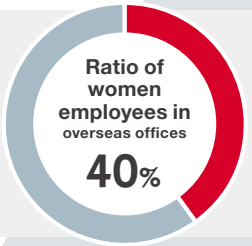
TOPIC

Women's active participation in overseas offices

Women also play an active role in NAM's overseas offices.



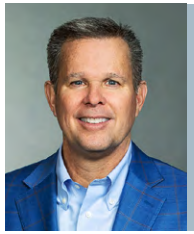




As of March 31, 2023
*Excludes the Taiwan office

Sustainability initiatives at asset management companies with which NAM has a capital alliance

The two asset management companies that Nomura Holdings owns a stake in have long been working to realize sustainability through their core businesses. NAM partners with these asset management companies to contribute to the realization of a sustainable, prosperous society through sustainable investment.



American Century Investments®

Prosper With Purpose™

In addition to providing profits from investments to its customers, ACI is working to create a better society by investing in companies that can solve social issues and by providing funds for the activities of a cutting-edge research institution.

Jonathan Thomas | President, Chief Executive Officer |

American Century Investments (ACI)

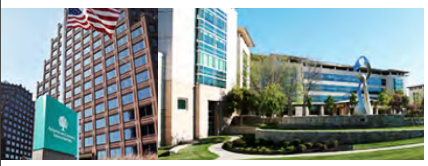
Throughout its nearly 60-year history, ACI has been a high-quality active investment manager with a focus on delivering strong investment performance and building strong, long-term relationships with its clients.

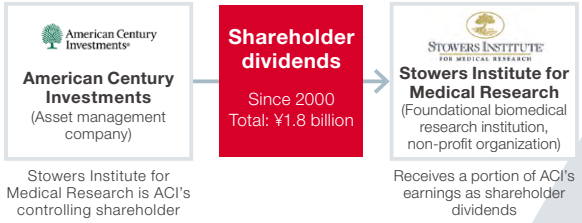
Nomura Holdings has formed a strategic alliance with ACI, which includes taking an ownership stake in ACI. NAM effectively leverages ACI's expertise to provide investment solutions.

ACI returns corporate profits to society through beneficial projects

The Stowers Institute for Medical Research, a non-profit organization established by ACI's founder, is ACI's controlling shareholder, and uses shareholder dividends to make a positive impact on people's health. The Stowers Institute for Medical Research focuses on foundational biomedical research, such as molecular biology and cell biology, to discover the causes of hereditary diseases, and conducts research to find the keys to treatment and prevention.

The Stowers Institute for Medical Research uses dividends from ACI as operating funds to conduct foundational medical research to help the many people who are waiting for treatments to be developed.





New Forests

Our vision is to see investment in land use and forestry as central to the transition to a sustainable future.

Mark Rogers | Chief Executive Officer |

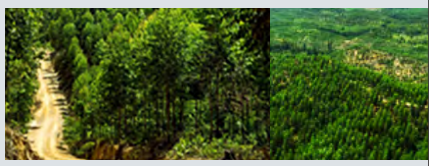
New Forests Pty Limited (New Forests)

New Forests is an Australian-headquartered manager of nature-based real assets, whose vision is to provide long-term, stable investment returns for investors to achieve a sustainable future by managing forests and other land assets, with a focus on the circular bioeconomy and local communities. New Forests currently has A$10.7 billion in assets under management, managing over 1.2 million hectares. Nomura Holdings, Inc. has acquired a 41% stake in the company, and Nomura will be able to offer a new class of asset. In addition, Nomura is focusing on creating related businesses by acquiring industry knowledge and expertise in the areas of forest resources and carbon credits.

Acquire, manage, and operate forest assets with consideration for the local environment

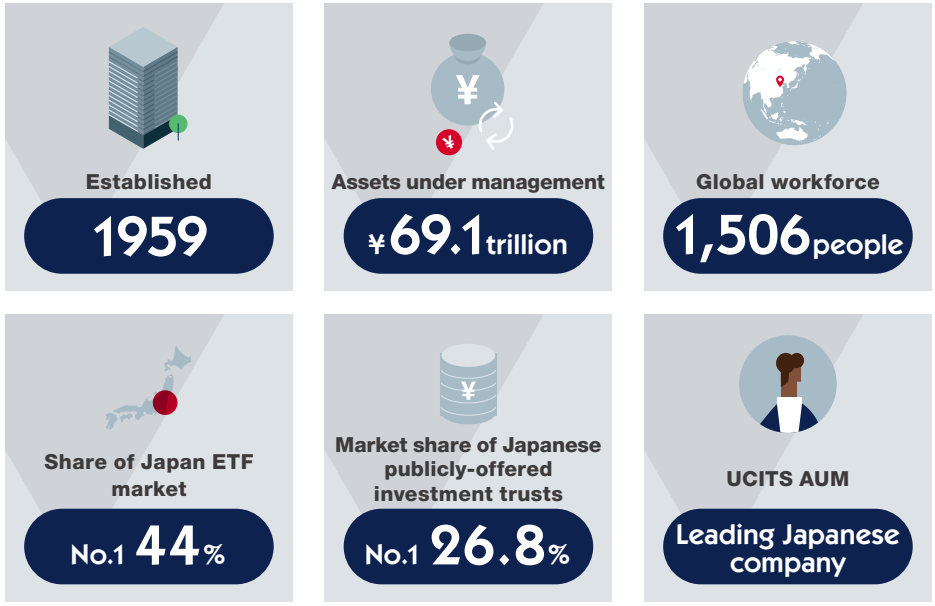
New Forests is the world's second largest forest asset management company and manages a range of forest and land related funds across Australia and New Zealand, the United States, Africa and Southeast Asia.

The company manages a diversified portfolio of sustainable timber plantations and conservation areas, carbon and conservation finance projects, agriculture, timber processing and infrastructure. It supplies forest certified products (products that make use of forests in a sustainable manner) to Asia, and focuses on the environmental value of forests by delivering carbon credit and other nature related benefits.



Company outline

Nomura Asset Management's strengths by the numbers (as of March 31, 2023)



Compiled by Nomura Asset Management, based on data from The Investment Trusts Association, Japan.

Company name	**Nomura Asset Management Co., Ltd.** **https://www.nomura-am.co.jp/**
Shareholder	**Nomura Holdings, Inc. (100%)**
Business activities	**Business related to investment advisory, agency business and investment management business**
Financial instrument operator number	**Kanto Finance Bureau Director (Financial Instruments) No. 373**
Member Associations	**The Investment Trusts Association, Japan** **Japan Securities Investment Advisers Association** **Type II Financial Instruments Firms Association**

Nomura Asset Management's strengths as seen by our "first in the industry" and "first in Japan" initiatives

- 1959 — Nomura Securities Investment Trust established
- 1968 — **Launched the industry's first monthly investment-type equity fund**
- 1972 — **Launched Japan's first 100% foreign equities fund**
- 1980 — **Began managing Japan's first index fund**
- 1981 — Nomura Investment Management established
- 1995 — **Launched Japan's first ETF**
- 1997 — Established Nomura Asset Management by merging Nomura Securities Investment Trust and Nomura Investment Management (name changed to current name in November 2000)
- 1999 — **Launched Japan's first private-placement investment trust**
- 2001 — **Launched Japan's first in-kind creation type ETF**
- 2007 — **Launched Japan's first ETF using credit linked bonds**
- 2008 — **Became first Japanese asset manager to obtain an Islamic investment business license (Established Nomura Islamic Asset Management)**
- 2015 — Entered into a business partnership with ACI (American Century Investments)
- 2016 — Established Wealth Square (through the merger of Nomura Fund Research and Technologies and Nomura Research Institute)
- 2016 — **Established Japan's first department dedicated to responsible investing**
- 2019 — **First merger of publicly-offered equity investment trusts in Japan**
- 2022 — **First in Japan to reflect a companies' disclosed greenhouse gas emissions into corporate evaluations**
- **Launched Japan's first multi-asset ETF**

Risks and costs

-Japan Next-Generation Managers Fund-

Investment risks

This fund invests in equities, etc., and may experience a decline in net asset value due to the impacts of a decline in the share prices of constituent stocks and/or impacts from the insolvency or deterioration in the financial condition of companies issuing the stocks held by the fund. In addition, when investing in assets denominated in foreign currencies, the net asset value may decline due to exchange rate fluctuations. Therefore, investors' investment principal is not guaranteed, and losses may occur due to a decline in the net asset value.
An investment trust is different than money held in a savings account.

*For details, please refer to "Investment Risks" in the fund prospectus.

(As of June 2023)

Subscription Commission

None.

*The subscription commission is subject to change. For details, please contact the distribution company.

Management Fee (Trust Fee)

The amount obtained by multiplying the fund's net asset value by 1.089% per year (0.99% per year exclusive of taxes). The amount will depend on the period of time the customer owns the fund.

Other Expenses and Fees

Other expenses and fees include brokerage commissions on transactions involving portfolio securities, expenses required to keep foreign currency-denominated assets, costs paid to auditors for fund audits, and taxes related to the fund, which are all paid as they occur, during the period in which the customer owns the fund.

*These costs vary according to management conditions and other factors, so details on rates and upper limits, etc., cannot be provided in advance.

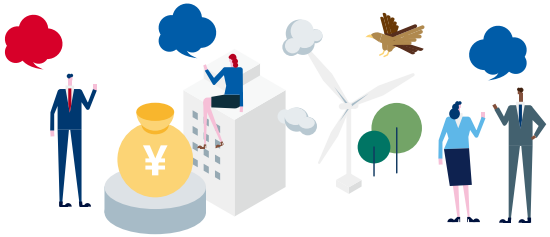
Partial Redemption Charge (upon cash out)

The amount found by multiplying the per unit NAV by 0.3%.

The total of the above expenses cannot be provided, as it depends on the period of time the customer owns the fund.

*For details, please refer to the "Fund Costs and Taxes" section of the fund prospectus.

Trade name	Nomura Asset Management Co., Ltd.
Financial instrument operator	Director of Kanto Local Finance Bureau (Financial Instruments Firms) No. 373
Member Associations	The Investment Trusts Association, Japan Japan Investment Advisers Association Type II Financial Instruments Firms Association



NOMURA

NOMURA ASSET MANAGEMENT

https://global.nomura-am.co.jp/