

# SUSTAINABILITY REPORT 2024

**NOMURA**  
NOMURA ASSET MANAGEMENT





Nomura Group's Purpose is  
“We aspire to create a better world by harnessing the power of financial markets.”  
Based on this Group Purpose, Nomura Asset Management strives to realize an  
affluent society through a virtuous cycle of investment.





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## Corporate Principles

- Maximizing Value
- Advanced Expertise
- Confidence and Responsibility

Details can be found [here](#) ➞

## ESG Statement

Defines the society we aim for as a sustainable, prosperous society

Details can be found [here](#) ➞

## Materiality

The important issues NAM should work on

## Our Approach to Sustainability

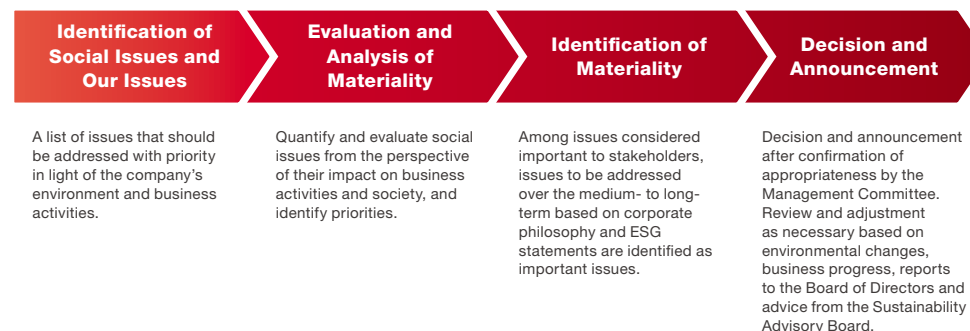
With a view to achieving Nomura Group's purpose of creating a better world by harnessing the power of financial markets, Nomura Asset Management ("NAM") has established an ESG Statement based on our corporate philosophy, in which we state our aim to realize a sustainable and affluent society.

Nomura Asset Management believes that appropriate responses to ESG issues across society will enhance the value of investee companies and eventually lead to the realization of an affluent society through a virtuous cycle of investment. To achieve this, NAM has identified material issues which we will work to address alongside our diverse stakeholders.

### What's Materiality?

Materiality refers to important issues surrounding a company from the perspective of sustainability. Among the various issues facing society, materiality refers to issues that the company should focus on in relation to its business activities.

### Process of Selecting Materiality



### About this report

This report summarizes NAM's efforts towards the realization of a sustainable and affluent society, focusing on our Company's important issues (materiality), with the aim of ensuring that all stakeholders understand the Company's efforts.

Please refer to the Responsible Investment Report for information on NAM's activities related to responsible investment in general as an institutional investor.

The Responsible Investment Report can be found [here](#) ➞





President & CEO  
**Hiroyasu Koike**

## Upon Publishing the Sustainability Report 2024

Nomura Asset Management has been issuing a sustainability report since 2023 to inform stakeholders of our efforts to realize a sustainable and prosperous society. This is our second sustainability report, and it focuses on our materiality and efforts in FY2023/24.

In FY2023/24, societal expectations for the asset management industry were higher than ever before, as the government set a goal of promoting Japan a leading asset management center.

We have continued to work to improve our in-house management capabilities, and have advanced industry-leading initiatives such as strengthening product governance, listing Japan's first actively-managed ETF, and offering private equity in public investment trusts. With steady inflows of funds and positive market factors, our assets under management reached a record high, growing to ¥91.0 trillion in March 2024.

In this environment, we have reorganized our materiality to more clearly communicate our efforts as a leading company in the asset management industry to interested parties both inside and outside the Company. The new materiality is introduced in this report.

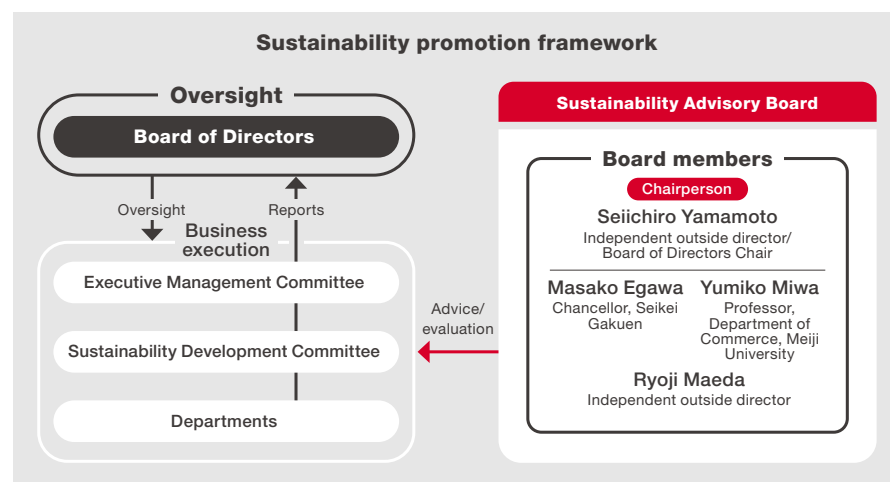
While we have reviewed our materiality, there are no changes to our major frameworks or policies, such as our Corporate Philosophy which lies at the core of our business, or our aim to realize a sustainable and prosperous society through a virtuous cycle of investment.

Going forward, guided by Nomura Group's Purpose of "We aspire to create a better world by harnessing the power of financial markets," we will continue to strive to realize a prosperous society through a virtuous cycle of investment.

## Our sustainability promotion framework

We have established the Sustainability Development Committee, attended by all executive officers, for the purpose of evaluating at a management level the results of sustainability activities that contribute to improving the sustainability of society, discussing measures to resolve issues, and further promoting our initiatives.

In addition, we have established a Sustainability Advisory Board, which meets twice a year, with the aim of receiving advice and evaluations of our sustainability initiatives from an external perspective based on trends in society. The Sustainability Advisory Board members are our two independent outside directors as well as two external experts.



### Examples of issues considered by the Sustainability Advisory Board in FY2023/24

- Reorganizing materiality (revision)
- NAM's DEI&B initiatives
- Efforts to develop personnel, promote the empowerment of women and invigorate communication in order to increase a sense of belonging

## Materiality training

Following the revision of materiality, we provided training on materiality to all employees in February and March 2024. This training aimed to help all employees deepen their understanding of materiality, perceive materiality as something personal to them, and work to resolve issues through their work and daily actions.

Each department held a discussion on how the department and each individual are working on materiality. In addition, a lunch discussion was held, where the president and mid-career young employees representing the Company shared what they had discussed about materiality in their respective departments, and freely talked about what should be done to further promote the understanding and actions on materiality in the Company going forward.



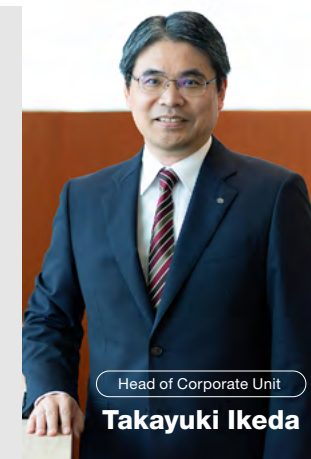
Comments received from employees during materiality training

P06 →

### Message from Head of Corporate Unit

In FY2023/24, we revised our materiality in response to changes in the surrounding environment and progress we have made in our business, and focused on describing the relationships between our clients, portfolio companies, and society in three dimensions. Please refer to Page 8 for details.

It is essential not only to organize materiality, but also to firmly instill it within the Company. Through materiality training and other means, we will continue to work to ensure that each employee takes materiality personally and incorporates materiality into their actions.



## Employee comments received during FY2023/24 materiality training



**Financial  
Literacy and  
Education Dept.**

We will aim to create all the services related to improving financial literacy necessary to popularize long-term asset-building in Japan centered on investment trusts, thereby contributing to the creation of a prosperous society.



**Investment  
Dept.**

By combining the diverse backgrounds and values of people in our department, including race and gender, to create synergy, we will strive to meet client expectations and society's needs.



**Financial  
Institution  
Solution Dept.**

In order to provide the highest added value to our customers, we will strive to deliver solutions by involving stakeholders both inside and outside the company. In order to provide excellent products and services, I will always think outside the box and keep in mind what is best for the customer.



**Investment  
Dept.**

In particular, I would like to contribute to strengthening the investment chain. When managing assets, I carefully consider whether the companies our investment products invest in are problem-free from the perspective of sustainability, whether they are helping our clients create wealth, and whether we are positively impacting society through these investments. Specifically, I believe it is especially important to analyze our investment targets and promote engagement.



**Advisory Fund  
Management  
Dept.**

As someone who manages a group, I will work every day with an awareness to enhance the well-being (sense of accomplishment, happiness, excitement, fulfillment) of my colleagues and people in related departments.



**Corporate  
Planning  
Dept.**

In order to move forward toward realizing the vision the Company as a whole aspires to, in addition to formulating strategies and building frameworks, we will work to instill materiality within the company, including by distributing messages to employees.

## Sustainability Advisory Board

### Messages from outside experts



#### 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 don’t use the word ESG anymore.”

Last year, the CEO of a US asset management firm that has been a leader in ESG investment drew attention with this statement. ESG has become the focus of political conflict in the increasingly divided US, as evidenced by the passage of an “anti-ESG law” in Florida restricting ESG investment activities. In addition, financial authorities around the world are tightening regulations on financial products that are merely a pretense and for which there are concerns about “greenwashing.”

These developments can be seen as a backlash against ESG investment, which has surged in recent years. However, the importance of sustainability for future generations remains unwavering, and NAM is earnestly dealing with the issue of sustainability head on and continuing to reform.

To mark the 100th anniversary of its founding, Nomura Group has established its purpose as “We aspire to create a better world by harnessing the power of financial markets.” NAM has also held many discussions about materiality, and people have talked about new initiatives that they would like to undertake in the future, both as departments and as individuals.

As a leader in the asset management industry, I look forward to NAM leading the industry in both solving social issues through engagement activities as well as in corporate sustainability, such as promoting decarbonization and advancing diversity.

#### Yumiko Miwa

Professor, Department of Commerce,  
Meiji University

Outside Director, Eisai Co., Ltd.

Outside Director, Pigeon Corporation



The Japanese government’s “Policy Plan for Promoting Japan as a Leading Asset Management Center” has the following pillars: a reform of asset ownership, financing for growth and diversification in investment opportunities, effective implementation of stewardship activities, and strengthening of public relations and communications. Along with this, expectations placed on asset management companies in the investment chain are growing. In this environment, it is important for asset management companies to clarify important issues (materiality) in their own management and make progress on realizing improvements in those areas.

I have been a member of NAM’s Sustainability Advisory Board for two years. During this time, we have always tackled issues in line with the times, such as formulating and publishing KPIs for materiality, disclosing our efforts and KPI results in 2023, and revising our materiality. And through NAM’s materiality training conducted in February and March 2024, I have sensed the attitude of our employees to view materiality as “something personal” and their willingness to take on the challenge of transforming their company. As a leading company in Japan’s asset management industry, we are expected to play a role in the investment chain. To achieve this, I would like each and every employee to continue to carry out initiatives that address materiality, considering actions from three perspectives: “for clients”, “together with portfolio companies”, and “for society”; and by doing so bring about change in Japan’s investment chain.



## About Materiality



For clients

NAM's vision

Continue to provide the highest value-added and be the asset management firm of choice

Materiality

Provide excellent products and services that help clients build wealth  
Execution of fiduciary duty

In order to enhance clients' investment returns



Together with portfolio companies

NAM's vision

Through dialogue, we strive to both improve the corporate value of portfolio companies and create economic value, as well as solve ESG issues and other issues at portfolio companies to create social value, while NAM itself also works to create similar value.

Materiality

Economic growth

Enhance corporate value by practicing desirable management and contribute to sustainable economic growth

Materiality

Environment

Realize a decarbonized society, protect natural capital and biodiversity, and achieve a circular economy

Materiality

Social

Respect human rights, Promote human capital management

Materiality

Governance

Realize effective corporate governance

**NAM's MATERIALITY**  
aims to foster a sustainable and prosperous society through the asset management business

In order to create a society in which clients can enjoy abundance



For society

NAM's vision

Widely contribute to advances in society through the asset management business

Materiality

Promote financial and economics education

Materiality

Support regional revitalization

Materiality

Partner and collaborate with various stakeholders



# For clients

**NAM's vision** Continue to provide the highest value-added and be the asset management firm of choice

As an asset management firm, for NAM the most important materiality is thoroughly fulfilling our fiduciary duty.\*1

\*1 Fiduciary duty refers to the obligation that must be fulfilled by those who have won the trust of another. Asset management firms are expected to demonstrate their expertise as investment professionals and develop, manage, and market products that truly aim to maximize investor profits.

## Materiality

**Provide excellent products and services that help clients build wealth**

Execution of fiduciary duty





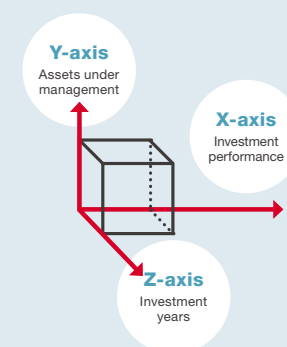
## Strategy for customer-oriented business conduct

As a company entrusted with the management of our clients' assets, we have established a policy on customer-oriented business conduct in order to fulfill our fiduciary duty since we strive to serve the best interests of our clients.

Please find the Policy on customer-oriented business conduct [here](#)  \*Japanese website only

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.

### The three key axes



### K P I

**A**

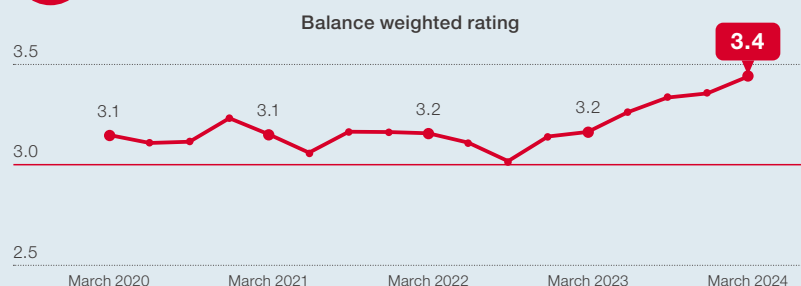
As a result of providing better investment products (investment performance) to many customers (assets under management), we aim to achieve a Fundmark balance weighted rating\* that is continuously above the 3.0 mark.

**B**

From the perspective of providing products that contribute to mid- to long-term wealth creation (investment years), we aim to maintain and improve the Fundmark balance weighted rating\* of our funds that are five years or older.

**Results**

**Fundmark balance weighted rating : 3.4 (As of March 31, 2024)**



\* 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).

In order to strengthen our investment capabilities, we also measure the following indicators to gauge our active management capabilities.

### Actively managed investment trusts (Japan)

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

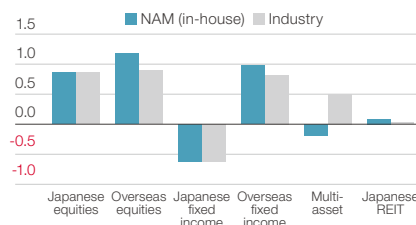


Continuously exceed the industry average

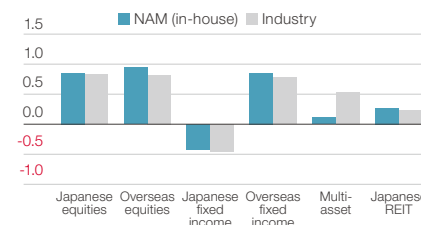


**Exceeded the industry average over three years for 4 of 6 asset types, and over five years for 5 of 6 asset types**  
(As of March 31, 2024)

### Industry comparison for 3-year Sharpe ratio



### Industry comparison for 5-year Sharpe ratio



\* 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.

### Active management strategies offered globally

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

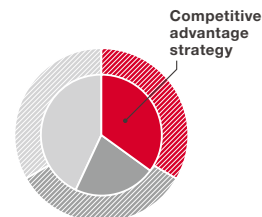


Have at least 1/3 of our strategies continuously be within the top 1/3 compared to our competitors

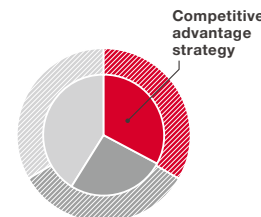


**Exceeded 1/3 for 3-years, but less than 1/3 for 5-years**  
(As of March 31, 2024)

**eVestment competitive advantage ratio: 3 years**



**eVestment competitive advantage ratio: 5 years**



\* 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.

## Bolstering investment capabilities

### -Developing talent in the Investment and Research Unit-

In order to provide excellent products that contribute to wealth creation, it is most important to strengthen our investment capabilities and generate competitive investment performance. We believe that talent development is essential to strengthening our investment capabilities. Here, we introduce our talent development initiatives in NAM's Investment and Research Unit.

Many employees have joined NAM as experienced hires, but here we will introduce how we develop new graduates who join NAM in the Investment Management track (investment and research professionals). We hire employees by track, and in the Investment Management track we hire new graduates who have a strong desire to work in investment and research operations from the recruitment stage.

Employees who join us in the Investment Management track are first assigned to the Global Research Department, which is responsible for corporate research, credit research, and economic research. There, they acquire the research skills necessary for investment decisions, and then they are assigned to work in the Investment Department or another related department.

In developing new employees, we have a training policy that emphasizes not only input but also output, and after inputting knowledge of financial analysis and securities analysis, new employees enhance their level of proficiency by applying what they have learned via practical output through on-the-job-training. In addition, we have strict performance evaluations to promote pay-for-performance and healthy competition in the Investment management organization.

In this way, by effectively hiring, training, and evaluating new employees, we will continue to enhance the capabilities of our investment and research professionals, as well as bolster our investment capabilities as an organization.



Average number of years of  
experience of investment  
professionals<sup>\*1</sup>

**13.2 years**

Number of Investment and  
Research Unit staff with  
certifications<sup>\*1</sup>

CMA<sup>\*2</sup> **231**

CFA<sup>\*3</sup> **32**

<sup>\*1</sup> As of March 31, 2024 <sup>\*2</sup> Certified member analyst of the Securities Analysts Association of Japan  
<sup>\*3</sup> Chartered financial analyst (CFA Institute)

### Information-sharing events and lectures

We hold both information-sharing events and host lectures for Investment and Research Unit employees in order to provide them with chances to learn about a wide-range of topics and broaden their horizons.

#### Events held in FY2023/24

#### Information-sharing events

- Session 1** Alternative/private asset investment
- Session 2** Strategic solutions
- Session 3** The new NISA system
- Session 4** Current trends in third-party management and the Advisory Fund Management Department's initiatives
- Session 5** Investment and Research DX Project
- Session 6** Engagement / Bolstering the Global Research Department's research and talent development
- Session 7** The Trading Department's efforts to address regulatory changes
- Session 8** Information dissemination on NAM's website

#### Lectures

### Connecting Space, People, and Dreams

Naoko Yamazaki, Astronaut

In space, precision operations as well as teamwork with foreign crew members are required in a high pressure environment with no room for failure. This has many common points with investment operations, and we thought we could learn from an astronaut, so we asked her to focus her lecture on the themes of controlling stress, teamwork, and leadership.



## Strengthening product governance

In the best interest of our customers, we are improving the quality of the products we provide by strengthening our product governance system and related initiatives.

We have always emphasized product governance in order to act in the best interest of our clients. We have been working to strengthen our product governance structure for some time now, including by establishing a Fund Management Council, the majority of whose members are independent outside directors, and a department dedicated to product governance.

In recent years, we have built a quality evaluation framework that incorporates an investor perspective in order to contribute to investors' long-term wealth creation. We publish the results of evaluations in the form of a "Fund Review Report" which also notes improvement measures for any areas that need improvement. With this, we aim to achieve more effective product governance by increasing the transparency of our efforts.

Going forward, we will continue to incorporate the knowledge of outside experts by holding Product Governance Expert Panel, and strive to improve the quality of the funds we provide to investors.

Please refer for details on initiatives regarding our fund reviews [here](#) →

\*Japanese website only



### Timeline of bolstering product governance

May 2016	Established Fund Management Council
May 2020	Carried out the first ever merger of stock investment trusts in Japan
April 2022	Established Product Governance Department
April 2023	Established Product Governance Committee Started the Fund Review Issued press release on strengthening product governance
May 2023	Started disclosure of Fund Review Report
Oct. 2023	Carried out merger of mother funds
Dec. 2023	Disclosed philosophy on core fund, core plus fund, and key fund categories Details on <a href="#">P13</a> →
Feb. 2024	Established Product Governance Expert Panel

### Perspectives for bolstering product governance (Investment trusts)

#### 1 Investment/Management

- Risk level in degree of achievement of return after costs
- Investment structure that enables continuous generation of performance over the long term
- Alignment of product characteristics investors expect and the investment process

#### 2 Product Characteristics

- Product characteristics appropriate for long-term wealth building
- Trust fee matching the expected gains ensuring investor profit
- Trust period, asset scale appropriate for the service provided (for NISA, etc.)

#### 3 Information Provision/Disclosure

- Appropriate explanations that help investors make decisions, including about product details and investment status
- Appropriate disclosure of expenses (general management expenses, etc.)
- Appropriate disclosure of fund review on NAM website

Product governance to ensure the best interests of our clients requires initiatives in a wide range of areas, including not only investment performance but also solicitation and disclosure, and even with respect to the appropriateness of the product characteristics of our products themselves. We have reviewed our investment processes and trust fee levels, and have worked to improve the content of disclosure. Going forward, we will continue to implement necessary measures to improve the quality of the funds we offer to investors.

Head of the Product  
Governance Department

**Issei Sano**



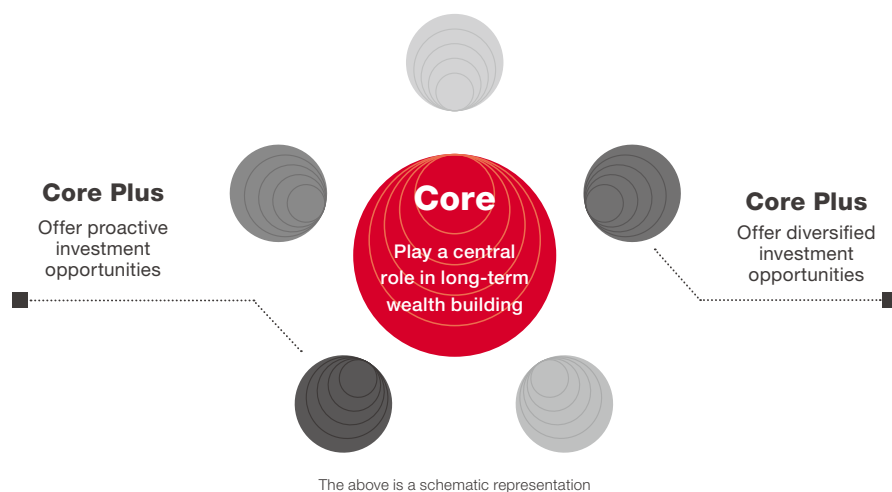
## Plain language disclosure

We develop and provide products and services for customers at various life stages. We strive to provide appropriate information disclosure that allows customers to select products and combinations of products that suit their various investment needs.

As customers' life plans and lifestyles become increasingly diverse, so do their objectives and methods with respect to wealth creation. We also provide a various lineup of funds for customers to use to build wealth. To enable investors to select products and combinations of products that are appropriate for them, we recommend that they divide our various lineup of products into two broad categories: "Core" and "Core Plus." "Core" is named to reflect its central role in long-term wealth creation, and comprises funds that can be expected to provide sustainable and stable returns over the long term. "Core Plus" is named to indicate that by combining such funds with "Core" funds, the investor can expect positive effects such as delivering even more diversified investment opportunities, thereby improving the risk/return ratio of an investment portfolio.

We show which category our key funds belong to on our website.

Details on Core and Core Plus funds can be found [here](#) \*Japanese website only



## Disclosure by portfolio managers on website

We provide optimal solutions to our clients based on our global investment framework. We introduce our portfolio managers for our major products so that clients can understand our investment system and invest with confidence. On the portfolio manager introduction pages, we introduce the bios of each portfolio manager along with their photo. In addition, we post articles written by each portfolio manager, such as "Strategy Overview," "What I Value in Investment," and "My Message to Investors," so that investors can understand the personality and philosophy of each portfolio manager. In addition to the portfolio managers, we also include the bio and photo of our CIO (Chief Investment Officer), who oversees NAM's investment operations.

In recognition of our robust information disclosure on our website, including information about portfolio managers, we ranked No.1 in the 2024 Gomez website rankings for investment fund companies.

Details can be found [here](#) \*Japanese website only





## Products responding to diverse customer needs

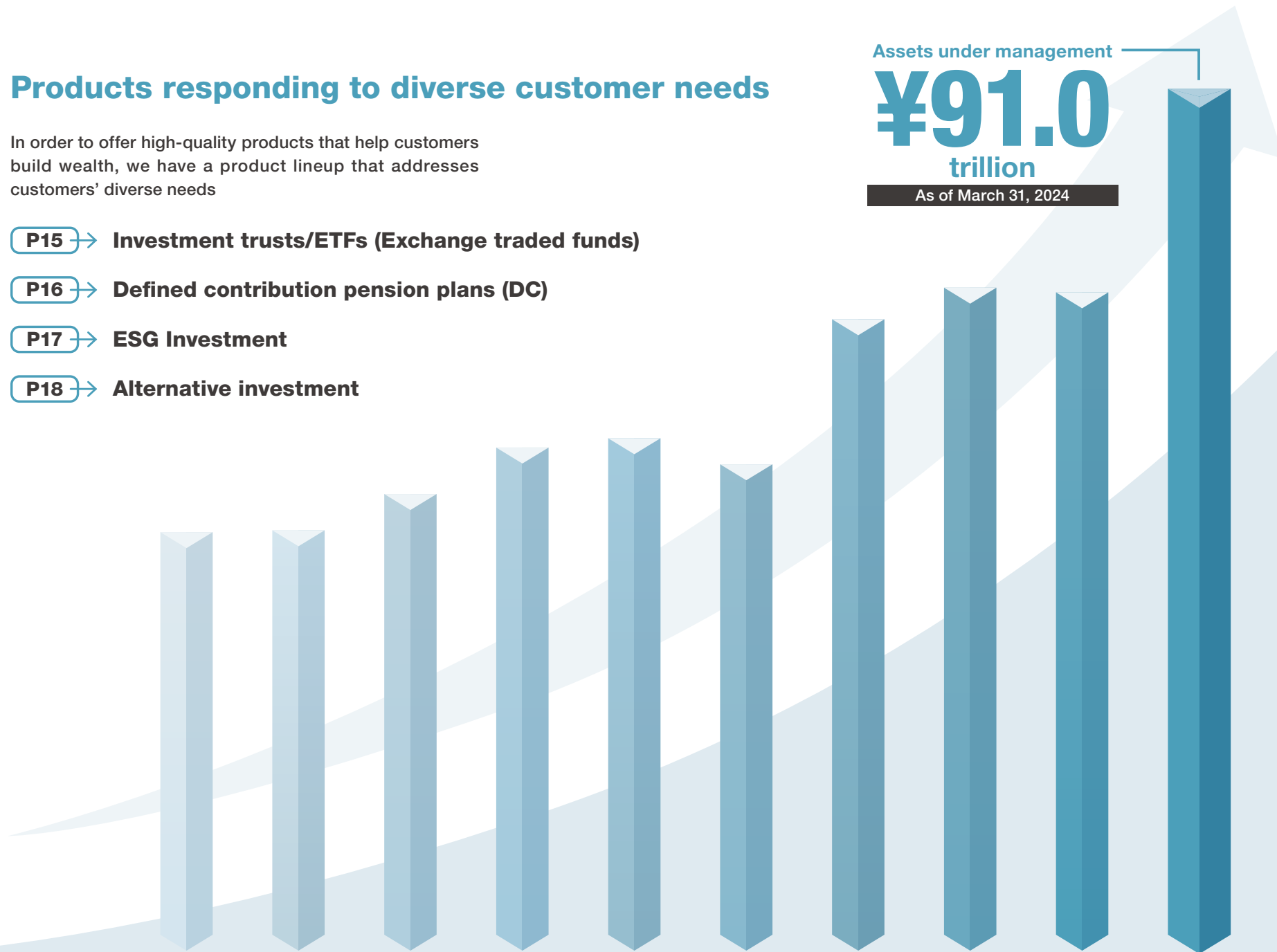
In order to offer high-quality products that help customers build wealth, we have a product lineup that addresses customers' diverse needs

- P15** → Investment trusts/ETFs (Exchange traded funds)
- P16** → Defined contribution pension plans (DC)
- P17** → ESG Investment
- P18** → Alternative investment

Assets under management

**¥91.0**  
trillion

As of March 31, 2024



## Products responding to diverse customer needs

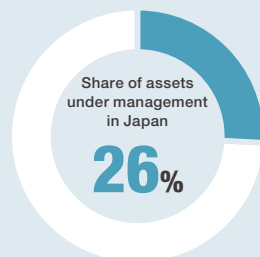
### Investment trusts\*

NAM holds the No. 1 share in Japan's investment trust market.

\* Investment trusts marketed to unspecified and large numbers of investors

In the ¥227 trillion Japan investment trust market

Assets under management **¥59.6 trillion**  
(As of March 31, 2024)

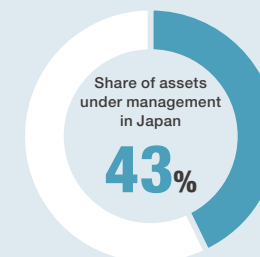


### ETFs (Exchange traded funds)\*

NAM holds the No.1 share in Japan's ETF market

\* Investment trusts that are listed on a financial exchange and can be bought and sold in real-time just like stocks

Assets under management **¥38.7 trillion**  
(As of March 31, 2024)



### Providing new investment opportunities

In addition to public products that invest in traditional assets such as stocks and bonds, we are expanding our investment opportunities into private assets.\* In FY2023/24, we served as an investment advisory company for the launch of Japan's first open-end investment trust which essentially invests in unlisted companies (private equity) around the world. This fund provides our customers with a new opportunity to invest in unlisted companies. Going forward, we will continue to promote the “democratization of private assets” by expanding private assets, which were previously only accessible to a limited number of clients, to a broader range of investors.

\* A type of alternative asset that is different from traditional assets, and is not traded on public markets such as stock exchanges. For more information on alternative investment, please refer to [P18](#)

**We offer a diverse range of investment products, from public to private markets**

**Traditional assets**  
(public)

Listed stocks  
Bonds, etc.

**New investment opportunities**  
(private)

Private equity  
Private real estate

### Listed Japan's first actively managed ETF on the stock exchange

In September 2023, we listed Japan's first actively managed Japanese stock ETF on the Tokyo Stock Exchange.

Leveraging our investment and research resources, with active ETFs we are able to develop products that meet investors' needs, which was difficult with existing index-linked ETFs. We simultaneously listed two Japanese stock ETFs: one growth and one value (high dividend stocks). With this, clients can invest according to the market environment.

Details can be found [here](#) \*Japanese website only

### Promotion of ETFs for the new NISA system

Under the new NISA system, which launched in January 2024, we are promoting the “NEXT FUNDS” ETF series we manage, with the promotions featuring the comedian Kazlaser. There is particularly high demand for high-dividend stocks in the growth investment universe, and investors are showing increasing interest in NEXT FUNDS, especially for high-dividend ETFs.

Details can be found [here](#) \*Japanese website only





## Defined contribution pension plans (DC)

We offer a wide range of products to meet the diverse needs of participants in defined contribution pension plans (“DC” plans), in which participants contribute a fixed amount every month and future benefits are determined by the investment performance of the accumulated funds. As the importance of building wealth for the future increases and the government prepares to formulate a policy strategy to make Japan a leading asset management center, the role that DC plans must play is becoming increasingly critical.

### Investment trusts for DC pension plans

(As of March 31, 2024)

Assets under management **¥2.8 trillion**

Market share **21.3%**



### Assets under management of overseas stock index funds for DC pension plans

Surpassed the **¥1 trillion mark!**

Details can be found [here](#) \*Japanese website only

### LSEG Lipper Fund Awards Japan 2024

Received the excellent company award in the Overall, Equities and Bond fund categories for DC pension plans!

Details can be found [here](#) \*Japanese website only

NAM has personally visited both financial institutions and non-financial companies across Japan to provide information on investment products and the DC pension plan system, as well as to provide investment education and other information, and to understand the wide variety of needs in the marketplace.

Also, in light of amendments to the Defined Contribution Pension Act and the latest trends, we have been quick to develop DC products such as target year funds and ESG funds.

As a result of these efforts, we have received support from many members, which has led to us having the top share in terms of assets under management for DC plan-specific funds, and assets under management for our DC plan-specific foreign stock index fund now exceeds ¥1 trillion, while we have also received numerous awards.

We will continue to strengthen our efforts to promote our DC plan products so that Nomura comes to mind first when people think of DC plans.

FY2023/24 was a fiscal year of major turning points, with Japanese stocks hitting a new record high, negative interest rates being lifted, and the first year of the policy of turning Japan into a leading asset management center. It was also a major turning point for our DC plan business, with the establishment of the Defined Contribution Pension Solution Department which will specialize in further promoting the growth of DC plan funds.

It was also a fiscal year in which our efforts in our DC plan business yielded tangible results, with NAM regaining the top market share in assets under management for DC plan funds and the total assets under management of our DC plan foreign stock index funds exceeding the ¥1 trillion mark.

Based on Nomura Group’s purpose of “We aspire to create a better world by harnessing the power of financial markets,” we will continue to utilize DC plans to contribute to wealth creation.

Head of the Defined Contribution Pension Solution Department

**Kimihiko Sora**



## Products responding to diverse customer needs

# ESG Investment

ESG investment refers to an approach of selecting investment targets by thoroughly evaluating the ESG initiatives of the investment target and encouraging continuous consideration of ESG issues. ESG investment products can meet the needs of customers who want to contribute to solving environmental, social, and governance issues, rather than just pursuing investment returns. Nomura Asset Management defines ESG funds as those that actively utilize ESG integration, engagement/proxy voting, and that actively utilize other sustainable strategies, and we are working to continuously bolster quality management and information disclosure.

## ESG investment assets under management

(as of March 31, 2024)

¥1.5 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, Nomura Asset Management defines "ESG funds" as those that actively utilize ESG integration, engagement/proxy voting, and that actively utilize other sustainable strategies as defined by GSIA.

Companies that engage in business with consideration for the environment and society and have excellent governance will be able to provide technologies and services that respond to the demand from society for solving ESG issues, which is likely to lead to increase corporate value. In addition, companies that address ESG issues can be expected to have reduced risk of environmental and social problems as well as scandals.

## The relationship between ESG investing and investment returns



### Expansion of business opportunities

By providing technologies and services that improve ESG issues in society, business growth will occur and corporate value will increase.



### Suppression of downside risk

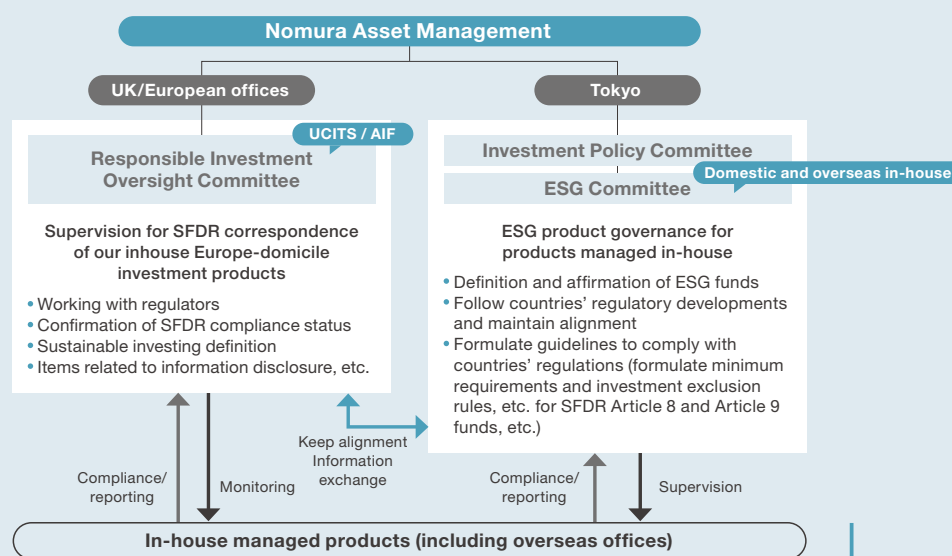
By taking the initiative in addressing the company's own ESG issues, the company's risk of environmental and social problems, as well as scandals, is reduced.

## ESG product governance

To retain the trust of our customers, we believe it is important to be compliant with global ESG regulations, provide high-quality investment products, and fulfill our duty to be accountable. To that end, we are continuing to work on ESG product governance, not only managing the quality of our ESG investments, but also from the perspective of information disclosure.

Details can be found [here](#) ➡

### ESG product governance framework for NAM's investment products



## Products responding to diverse customer needs

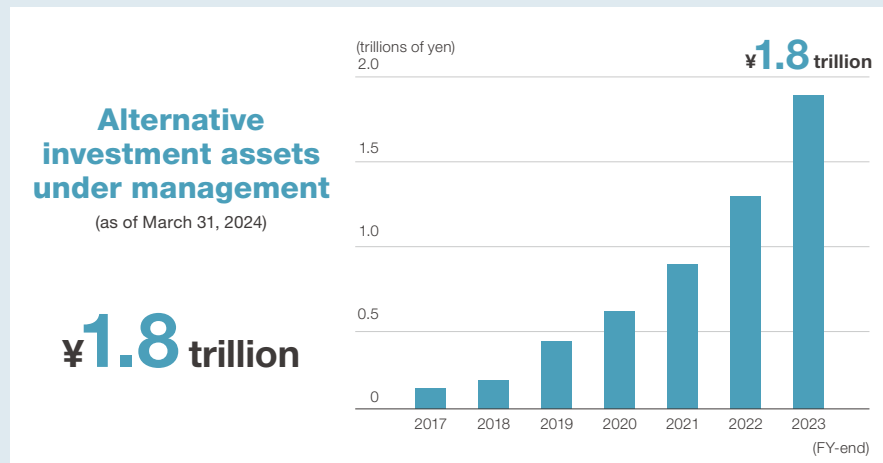
# Alternative investment

Alternative investment has different risk and return characteristics than traditional asset management, and can be an effective means of increasing portfolio diversification, maximizing returns and minimizing risk. In addition, alternative investment often includes asset classes that have low correlation with traditional assets, and do not necessarily align with the rapid price fluctuations in the market. By offering alternative investment services in addition to traditional investment products, we can help customers manage overall portfolio risk, optimize returns, and build wealth.

Nomura Group has a Management Vision of “Achieve sustainable growth by helping resolve social issues.” in the run up to the Group’s 100th anniversary in December 2025, and has established a strategy of “Expanding our business from public into private” in order to achieve this vision.

As the core company of the Investment Management Division newly established under this strategy, NAM provides asset management services related to alternative assets, including private equity and private debt, in addition to traditional assets such as stocks and bonds, to clients in Japan and overseas, and will continue to work towards further expanding and increasing our level of sophistication in this field.

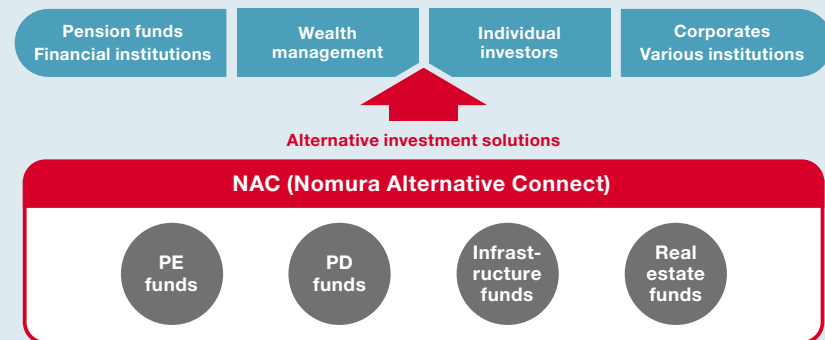
Nomura Group began its alternative asset management-related business in 2001. Subsequently, in 2015, the Group implemented a functional reorganization with the aim of streamlining and consolidating operations within Nomura Group, and in 2017, NAM established a dedicated department to work on alternative investment.



## Provision of Nomura Alternative Connect (NAC)

In February 2024, NAM decided to offer an alternative investment solution called Nomura Alternative Connect (NAC). NAC is a service that provides access to alternative investment products around the world.

Leveraging the knowledge we have gained from our track record of providing a wide range of alternative investment products, NAC provides an opportunity for one-stop investment in funds offered by leading alternative investment managers (NAC partners) around the world, allowing clients to choose from a variety of asset classes (private equity, private debt, infrastructure, real estate), regions (global, North America, Europe, other), investment strategies, risk appetites and investment formats.







## Together with portfolio companies

**NAM's vision** Through dialogue, we strive to both improve the corporate value of portfolio companies and create economic value, as well as solve ESG issues and other issues at portfolio companies to create social value, while NAM itself also works to create similar value.

As a responsible institutional investor, we continually encourage portfolio companies to define desirable management practices in order to increase their corporate value and achieve sustainable growth, and we urge them to take action through ongoing engagement and proxy voting. However, in addition to asking portfolio companies to do this, we also believe it is important for NAM, as a company in our own right, to work to create value and achieve sustainable growth.

Materiality	Economic growth	Enhance corporate value by practicing desirable management and contribute to sustainable economic growth
Materiality	Environment	Realize a decarbonized society, protect natural capital and biodiversity, and achieve a circular economy
Materiality	Social	Respect human rights, Promote human capital management
Materiality	Governance	Realize effective corporate governance

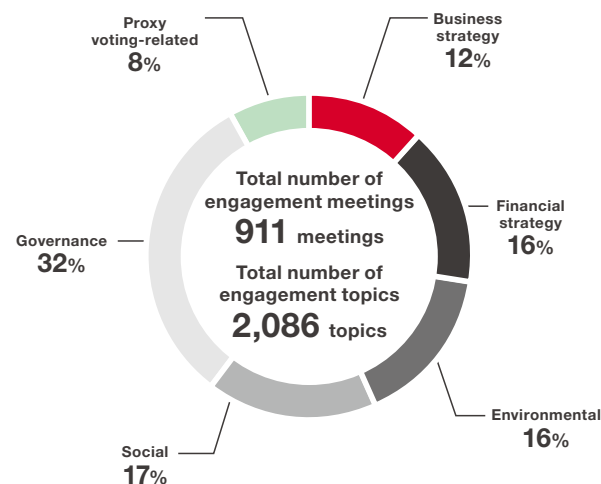
## Working with portfolio companies

## Engagement

The purpose of NAM's engagement with portfolio companies is to encourage companies to engage in desirable management, improve their corporate value, and achieve sustainable growth, all based on a deep understanding of the company in question. We believe that a deep understanding of the company, the environment and the future surrounding its business is important for constructive dialogue with a portfolio company. We also work with various initiatives to solve problems through collaborative engagement.

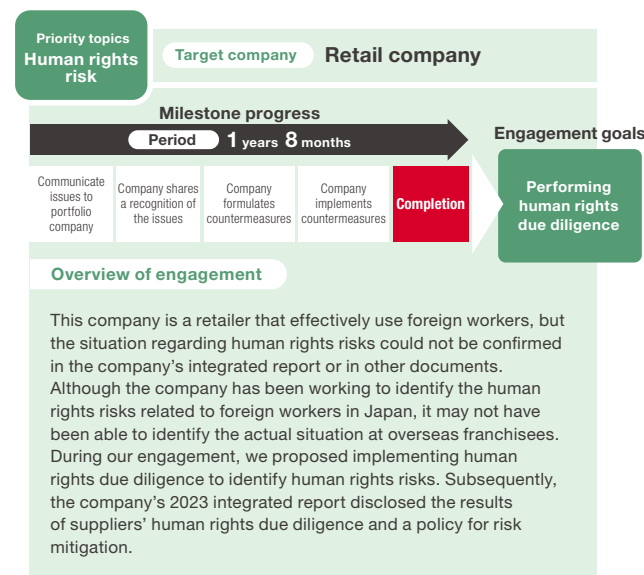
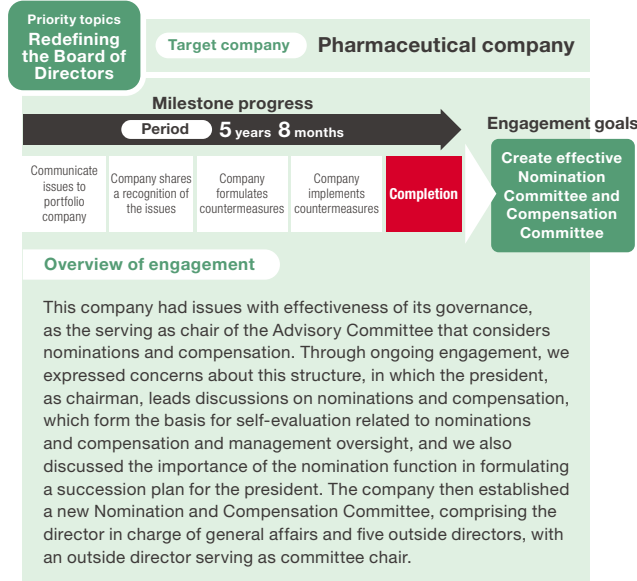
The themes for our engagement activities are decided every July through discussions at Responsible Investment Committee meetings. The themes range from ESG to business and financial strategies. We then set engagement activity strategies (engagement goals) that will contribute to enhancing the corporate value of portfolio companies. When it comes to engagement with individual companies, we adopt milestone management (1 communication of issues, 2 sharing of awareness, 3 formulation of countermeasures, 4 implementation of countermeasures, 5 completion) that establishes clear goals and aims to achieve them within three years. This allows us to constantly monitor the status of engagement.

## 2023 Engagement Meetings



## Priority engagement topics in 2023

Category	Topic
Business	1 Integrate Business Strategy and Sustainability
	2 Climate Change
Environment	3 Natural Capital
	4 Human Rights Risks
Social	5 Utilize Human Capital Possessing Diverse Values
	6 Realizing Well-Being within Society
Governance	7 Redefine the Board of Directors
	8 Strengthen commitment to capital efficiency
Financial	9 Rational explanation of financial strategy



Details on NAM's engagement can be found [here](#) ➡



## Working with portfolio companies

## Proxy Voting

We have established a Global Basic Policy on Proxy Voting in our Basic Policy for Responsible Investment Management. We view proxy voting as part of our engagement with portfolio companies, and make decisions on proposals for all portfolio companies in accordance with our own proxy voting guidelines.

The best way to judge the current state of corporate governance in Japan is to understand the proxy voting standards of institutional investors. Institutional investors generally revise their own proxy voting standards every year, taking into account the minimum standard of corporate governance required at that time and expectations for future improvements. It can be said that the corporate governance of Japanese companies has evolved year by year through such annual revisions of proxy voting standards.

The transparency and independence of Japanese companies' boards of directors have improved dramatically in recent years, which is also the history of revisions to the proxy voting standards by institutional investors. Please refer to the table below for specific examples of changes to our proxy voting standards.

### Timeline of NAM's proxy voting standards related to the number of outside directors

2010	New (minimum of one outside director if there are directors coming from parent company)
2015	New (minimum of one outside director, oppose if ROE is less than 8%)
2017	Raised minimum from one outside director to two outside directors
2018	Eliminated requirement related to ROE If controlling shareholder exists: Raised minimum from two outside directors to 1/3 of the number of directors
2019	If there is no controlling shareholder: Raised the minimum from two outside directors to 1/3 of the number of directors (except for companies with a board of corporate auditors) If controlling shareholder exists: Eliminated ROE-related requirement
2020	Raised the minimum from two outside directors to 1/3 of the number of directors for a company with a board of corporate auditors
2021	If controlling shareholder exists: Raised the minimum from 1/3 of the number of directors to a majority of directors

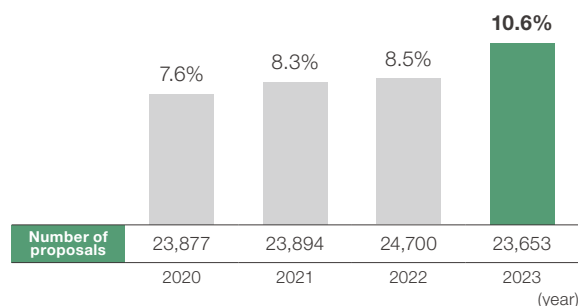
We place great importance on formulating our Basic Policy for Responsible Investment Management. This is because we believe it is important to determine our direction and goals in the basic policy before carrying out actual activities such as engagement and proxy voting. In particular, as the proxy voting standards are revised every year, they are always incomplete and not ideal. This is why it is important to determine our aims and work to get companies to achieve those aims.

We now use the concept of a monitoring board, and we are revising our standards every year to achieve this. A few years ago, our proxy voting standards required just one or two independent outside directors. However, now, with many companies having more than one-third of their directors as outside directors, we are seeking a majority in principle. We will continue to encourage portfolio companies to achieve this goal.



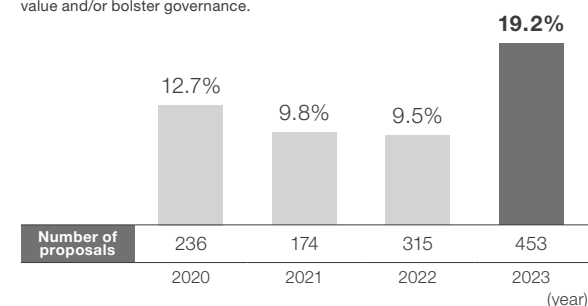
### Changes in results of exercise of voting rights for Japanese companies

#### Total Company proposals



#### Total Shareholders' proposals

Our ratio of votes supporting proposals increased in 2023. The number of proposals increased, centered on proposals related to articles of incorporation and the election and dismissal of directors, and we voted for proposals in cases where we confirmed that they would increase shareholder value and/or bolster governance.



Details on NAM's proxy voting can be found [here](#) ➡



## Working with portfolio companies

## Working with initiatives as a responsible institutional investor

## Initiatives on PRI

NAM actively supports PRI activities. Since 2022, we have been leading engagement with target companies as a co-lead investor in the collaborative initiative on human rights and social issues (Advance). In 2023, we expanded the scope of our activities by becoming a member of the PRI Japan Advisory Committee, which supports strengthening and raising the level of PRI's operations in Japan, and also by becoming a member of the Advisory Committee for PRI's stewardship initiative for nature (Spring).

At PRI in Person 2023 held in Tokyo in October 2023, PRI and NAM jointly planned a side event, titled "Investor-Company Forum," providing a venue to connect overseas investors and Japanese companies. In addition, members of our Responsible Investment Department participated in a panel discussion on natural capital and human rights as an official session of PRI in Person 2023, and engaged in lively discussions with other investors.



Left: NAM CIO Yuichi Murao (far right), who served as moderator for the first part of the side event  
Center: NAM Senior ESG Specialist Wakaba Kawai, who appeared on the human rights panel  
Right: NAM Senior ESG Investment Manager Dai Yamawaki (far left), who appeared on the natural capital panel



PRI (Principles for Responsible Investment) are a set of principles formulated in April 2006 and advocated for by Kofi Annan, who was Secretary-General of the United Nations at the time. The objective of the PRI is to have investors incorporate ESG into investment analysis and decision-making processes.

PRI Japan Advisory Committee member	Support for educating the public about and energizing PRI's activities in Japan (became committee member in 2023)
PPRI Advance Signatory Advisory Committee member	Collaborative engagement for human rights (started in 2022)
PRI Spring Signatory Advisory Committee member	Collaborative engagement for nature and biodiversity (started in 2023)

## Improvement in access to medicine in developing countries

Since 2019, we have been a signatory to the Access to Medicine Index (ATMI), which is conducted every two years by the Access to Medicine Foundation (ATMF), an independent non-profit research foundation funded by European government agencies and private foundations. The Foundation works with the pharmaceutical industry globally towards the goal of improving access to currently available medicines for people in low- and middle-income countries who are unable to benefit from modern medical advances. Currently, NAM plays a central role in collaborative engagement as a lead investor with two major pharmaceutical companies in Japan and the US. In 2023, our UK office co-hosted the launch event for the ATMF report on generic and biosimilar drug developers.



Panel members (from left): Nomura Asset Management UK Lead Portfolio Manager Alex Rowe, ATMF Engagement Manager Suzi van Es, Nomura Asset Management UK ESG Specialist Yoko Beesely



**Access to Medicine Index**  
(Access to Medicine Foundation)

Signature Timing  
July 2019

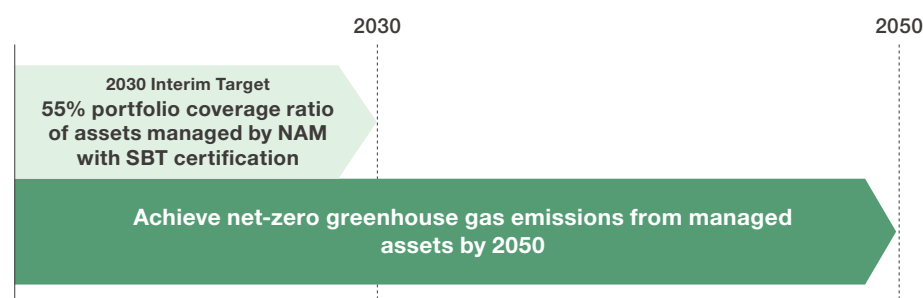
Founded in 2003 by Dutch entrepreneur Wim Leereveld. The organization encourages the pharmaceutical industry to do more to help low- and middle-income countries who have limited access to medicine.

## Working with portfolio companies

## Decarbonization of managed assets

Achieving a decarbonized society is a social issue worldwide. As a responsible institutional investor, NAM has established a 2050 Net Zero Goal with respect to greenhouse gas emissions from managed assets. Also, as a 2030 Interim Target, NAM has set a goal of having a 55% portfolio coverage ratio of assets managed by NAM with SBT certification, and is urging portfolio companies to acquire SBT certification as we support the realization of a decarbonized society.

## Roadmap towards decarbonizing managed assets



As a responsible institutional investor, NAM measures both the greenhouse gas emissions and absorption in our investment portfolio, and aims to achieve the 2050 Net Zero Goal by strategically working on initiatives including strengthening stewardship activities, collaborating with stakeholders, and developing financial products.

In terms of NAM's 2030 Interim Target, for stock and bond investment portfolios for which we currently measure and disclose emissions, taking into consideration the SBT\*1 commitments and certification status of portfolio companies, scenario analyses, temperature scores by Institutional Shareholder Services Inc.\*2, and policy goals of various countries, we have set the numerical target of 55% as of 2030, based on the accumulation of individual weightings of stocks among managed assets.

\*1 SBT stands for Science Based Targets, which are greenhouse gas reduction targets scientifically-consistent with Paris Agreement targets. There is an initiative to certify companies' SBTs, and participating companies express commitments related to establishing SBTs, and then obtain certification.

\*2 An ESG rating agency that provides services such as proxy voting advice, and also provides tools for institutional investors to analyze portfolio climate-related risks and opportunities.

We have established a target in order to reduce greenhouse gas emissions towards realizing a decarbonized society.

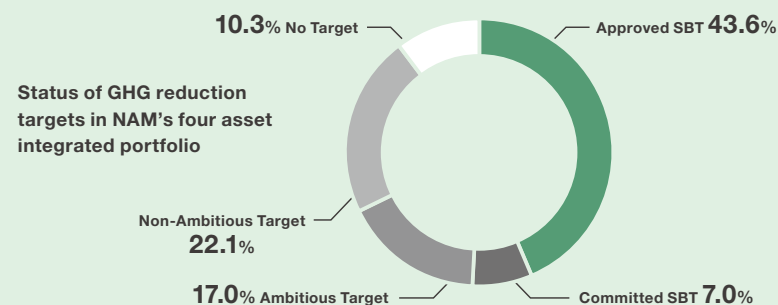
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## Achieve net zero greenhouse gas emissions from managed assets by 2050

2030 Interim Target ▶ 55% portfolio coverage ratio of assets managed by NAM with SBT certification

Results ▶ **43.6%** (as of December 31, 2023)

As of December 31, 2023, the SBT portfolio coverage ratio in NAM's four asset integrated portfolio was 43.6%, which was higher than the 36.4% at the end of 2022. The commitment to SBTs and the acquisition of SBT certification by a portfolio company demonstrates that the company has set science-based GHG reduction targets, and serves as objective proof of the decarbonization of our investment portfolio and is also an important stepping stone toward realizing a decarbonized society. Therefore, through engagement and other means, we intend to continue to encourage portfolio companies to proactively commit to SBTs and acquire SBT certification.



\*Japanese stocks, overseas stocks, Japanese bonds, overseas bonds

Details on decarbonization initiatives for NAM's managed assets can be found [here](#) ➞

## NAM's initiatives

# Environmental initiatives

NAM is proactively working to solve environmental issues based on Nomura Group's Environmental Policy. Aiming to realize a decarbonized society as quickly as possible, our offices have established net zero targets for greenhouse gas emissions, and are also endeavoring to engage in business in an eco-friendly manner, including with respect to preserving natural capital and realizing a circular economy.

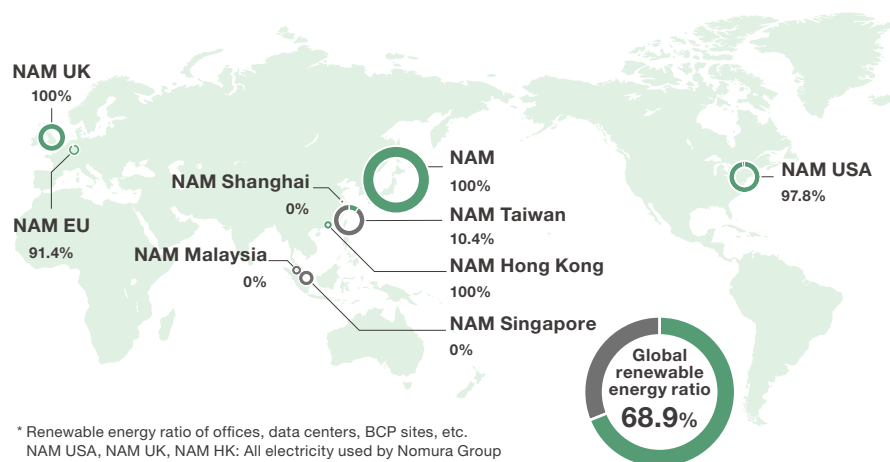
Aiming to realize a decarbonized society, we have set targets to reduce greenhouse gas emissions in our offices.

### KPI

Switch to renewable energy for **100%** of our electricity usage by 2030,  
and **achieve net zero** greenhouse gas emissions

Results ▶  
**68.9%** (FY2023/24)

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 FY2023/24, renewable power accounted for 68.9% of our global electricity consumption. Going forward, we will continue to work on energy conservation 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.



### Use of Green Power certificates

By using renewable energy via partnerships with the owners of the office buildings that our offices are located in, as well as through the use of Green Power certificates, 100% of the electricity used by our offices in Japan is derived from renewable energy.

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



### Saving energy by shutting down HVAC systems during non-working hours

Our Toyosu Office worked to reduce power consumption by, in principle, stopping the practice of operating the HVAC system for two hours a day before and after normal working hours.

## Reducing paper consumption

We are working to reduce the number of investment reports for products that we send to institutional investors. As we respond to the need to bolster our daily information sharing and quarterly disclosures, paper investment reports that are sent by mail several months after the closing of financial periods have become less useful to our customers over time. We believe that reducing these will lead to resource and cost savings, and with the understanding of our customers, from FY2023/24 we have been leading the industry in reducing the number of investment reports for existing investment trusts. We are already reducing paper usage by 150,000 sheets per year, and we expect this reduction to expand to using 340,000 fewer sheets of paper per year by FY2026/27.

## Use of recyclable paper water cartons

We provide visitors with HAVARY'S mineral water in paper cartons. HAVARY'S is an environmentally-friendly product that uses renewable paper resources, and the company donates one yen per bottle to environmental conservation efforts. In addition, the cartons are recycled after use and turned into toilet paper. We recycled 4,000 paper cartons in FY2023/24, and these were turned into approximately 800 rolls of toilet paper. By using sustainable products, we are contributing to the circular economy in small ways.





## NAM's initiatives

# DEI&B — Aiming for workplaces where diverse personnel can actively participate —

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 have established a DEI&B Policy and 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.

## Efforts to promote DEI&B

Our DEI&B Policy can be found [here](#) 

### Introduction of DEI&B issues

Starting in FY2024/25, we have newly added DEI&B issues as one of the criteria in our personnel evaluation. We have set specific targets and an action plan so that each employee understands the significance and necessity of DEI&B, and then translates this understanding into action as something they have a personal stake in. All employees are required to understand the DEI&B Policy and work to improve their own understanding and DEI&B promotion in their own work units. For example, among the DEI&B issues established by employees, there is the issue of “Covering for members who have left the workplace due to caregiving, childcare, or illness, and supporting them when they return to work.” In addition, for managers, issues that required leadership to solve as a manager are their mandatory challenges, such as supporting the career paths of female employees in their work unit and promoting childcare leave for male employees.

### Introduction of incentive system for taking childcare leave

In October 2023, we introduced a “Childcare Leave Incentive” to encourage employees to take childcare leave. This system provides an incentive of 10% of the annual standard salary to employees, regardless of gender, who return to work after taking childcare leave (including pre- and post-natal leave) for one consecutive month or more. We believe that the childcare leave system is not only a system for building important bonds with family members and supporting the growth of children, but also is important for fostering an organizational culture where everyone can work comfortably.

### Internal side job system

The internal side job system is one of the mechanisms for encouraging employees to aim to achieve our slogan of “Creating our own future through challenges to be encouraged” in the human resources system management. This system was introduced in 2024, incorporating ideas from an in-house project (Project G) in 2022 that made recommendations to management. This system gives employees opportunities for self-growth by working with different members and in new environments, and to expand their career options by experiencing different work.

### LGBTQ+ related initiatives

In November 2023, we introduced transgender guidelines. These guidelines explain the response and policy when an employee registers with the Company as transgender and requests to use the Company's employee benefits system, change their legal name, or receive special consideration in the workplace. In addition, one of Nomura Group's main LGBTQ+ activities is the “LGBTQ+ Ally” initiative. During Pride Month in June, we distribute ally stickers and pamphlets on office floors to encourage support.



### Events featuring outside experts

We want each and every employee to view materiality as something personal to them, translate that recognition into action, thereby realizing sustainability overall for NAM. Based on this, we continually invite experts and hold events.



The global diversity competence currently expected of us

-Key management points and mindset change for each person-

■ KEIDANREN Miko Oyama (left)

■ Chairperson of the Board of Directors Seichiro Yamamoto (right)



What is expected of NAM as an asset management firm

■ Chancellor, Seikei Gakuen Masako Egawa (left)

■ Professor, Department of Commerce, Meiji University Yumiko Miwa (right)

work with Pride



### PRIDE Index

NAM received the gold award (the highest rank) in the PRIDE Index 2023, an evaluation index in Japan for LGBTQ+ initiatives in the workplace.

## NAM's initiatives

## DEI&amp;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 both 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 1

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

Results

**37.2%** April 2024 class of new hires

Goal 2

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

Results

**26.3%** As of April 1, 2024

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

Goal 3

Set a target of at least **15** vacation days taken per person per year

Results

**82.8%** FY2023/24

Goal 4

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

Results

**100%** FY2023/24

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Ratio of women department heads by FY2030/31

At least **40%**Results ▶ **26.3%** (As of April 1, 2024)

Wage gap between men and women

**69.2%** FY2023/24

The low proportion of women in managerial positions is the main reason for the gap. 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.



## Kurumin

Recognizing the outcomes of NAM's continuous initiatives aimed at helping employees balance work and childraising, 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.

## Held the 3rd Asset Management Women's Forum as a special event for International Women's Day

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. The number of companies has increased since then, and 15 companies participated in FY2023/24. Prior to International Women's Day on March 8, we positioned February 2024 as Asset Management Women's Month and held a number of programs. We held seminars and workshops aimed at career development without gender and cross-industry network-building from the three perspectives of "working women," "managers in charge of human resource development," and "people responsible for gender diversity promotion."

Details can be found [here](#) \*Japanese website only

## Comments from attendees



With the possibility that anyone could become a member of a minority, I felt it is important to create a work environment where psychological safety is maintained so that people can freely express their thoughts and feelings.

During the group work, we were able to directly talk to one another about the various policies and implementation impacts by each company, which was very informative. This event gave me an opportunity to be empathetic and discover new things, so I think it would be good to have such events on a regular basis.



I agreed with the lecturer's message that the number one way to ensure diversity in Japan is to promote the active participation of women, and I was also impressed by the opinions of attendees, especially those with experience working overseas, who said that diverse backgrounds, such as race and age, are important.

## NAM's initiatives

# Initiatives to increase belonging

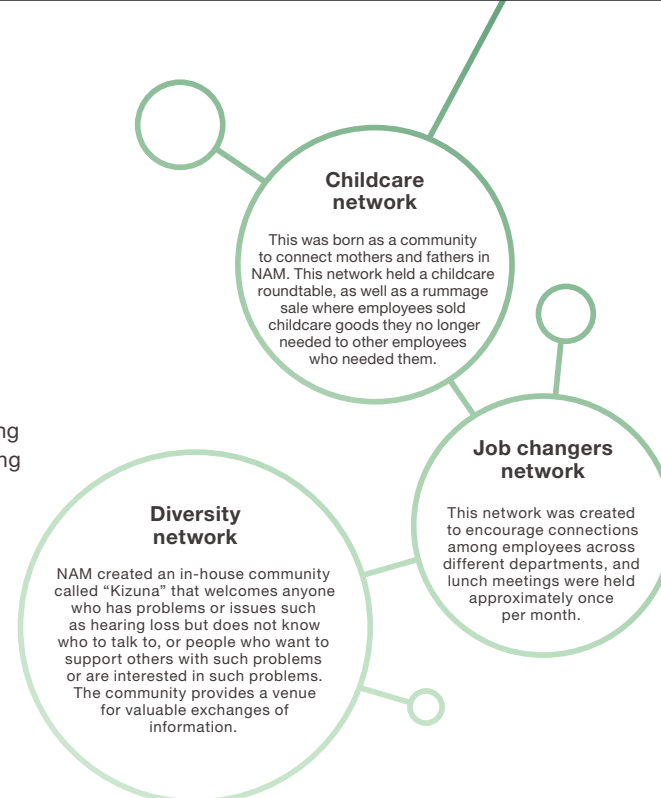
## Recognition ceremony

In December 2023, based on a suggestion from an employee, we held a recognition ceremony with the aim of creating a culture of praising others and being recognized by others, and fostering friendships among people who had not met before. By holding an awards ceremony for outstanding employees and playing a quiz game to learn more about NAM as a company, we increased the sense of unity among employees. More than 200 employees attended, and it was the first opportunity for face-to-face communication that was open to all employees since the COVID-19 pandemic.



## Employee networking activities

In response to employees' desire to interact with employees in other departments amid the current environment of remote work, mid-career and young employees took the lead in developing and carrying out networking activities.



## NAM's initiatives

# Respecting human rights

Nomura Group recognizes respect for human rights is an essential and important element in achieving a sustainable society. In May 2023, Nomura Group established the Nomura Group Human Rights Policy, which sets forth the Group's basic philosophy on respecting human rights. As a member of Nomura Group, NAM conducts business in line with this human rights policy.

## Introduction of initiatives

### For executives and employees

#### — Provision of various training —

We provide training to all executives and employees so that they can gain a proper understanding and awareness of human rights issues.

- Training on harassment, etc.

### For suppliers

#### — Nomura Group Supplier Code of Conduct —

Nomura Group strives to conduct procurement activities in a responsible manner and requests that suppliers who provide goods and services to the Company respect human rights.

In Japan, Nomura Group has established the Nomura Group Supplier Code of Conduct, which is a guideline for our suppliers and NAM to jointly implement CSR activities, and we strive to carry out responsible procurement.

### Grievance mechanisms, etc.

#### — Development of appropriate system —

We have an appropriate system to receive consultations and complaints regarding human rights, and if it is found that any business activities have caused or encouraged a negative impact on human rights, we respond appropriately and work to remedy the situation.

- Establishment of a harassment consultation desk staffed by internal and external experts, establishment of an internal whistleblowing system, etc.



## NAM's initiatives

# 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 FY2024/25, we will formulate and promote guidelines aimed at rectifying long working hours, diversifying working styles in line with changing ways of taking time off from work, 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, in addition to monitoring the status of achievement each month, department heads and the Human Resources Department hold monthly meetings and check the progress on KPIs.

## FY2024/25 Nomura Asset Management Well-Being Guidelines

### 1 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

K P I

All employees

Working time intervals At least **9** hours

K P I

Managers

Overtime work Less than **60** hours/month

K P I

Non-managers

Overtime work Less than **45** hours/month

### 2 Diversify working styles in line with changing ways of taking time off from work

#### Goal

We will promote the creation of a workplace environment that accepts diversity and provides a sense of psychological safety, enabling each employee to lead a lively and fulfilling life at work

K P I

Annual paid leave Take at least **15** days/year

K P I

5 consecutive business days of annual paid leave At least once

K P I

Men taking childcare leave (including pre- and post-natal leave) **100%**

### 3 Maintain and improve 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

K P I

Ratio of employees who undergo health exams **100%**  
(regular health exam/comprehensive medical exam)

K P I

Ratio of employees who receive secondary exam **100%**

K P I

Ratio of employees who attend mental health training **100%**

Please refer here for details including FY2023/24 data [here](#) \*Japanese website only



#### 2024 Certified Health & Productivity Management Outstanding Organization (White 500)

NAM was recognized as a "Health & Productivity Management Outstanding Organization 2024 ("White 500") (large corporation category)" by the Ministry of Economy, Trade and Industry (METI) and the Nippon Kenko Kaigi for the third year in a row and the fifth time overall. In the large corporation category, the top 500 companies are certified as the White 500, and NAM ranked among the top 100.



#### Gold Award in the Gan-Ally Award 2023

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. This was the second year in a row and the second time that NAM received this award. "Gan" means cancer in Japanese.

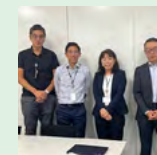
## Internal communication

We provide information to employees about the human resources system and DEI&B activities in a manner that is easy to understand

### Examples of internal communication

#### Holding a roundtable on childcare leave! (by management)

A roundtable discussion was held on childcare leave from the perspective of not only those involved but also management. We heard about organizational management and points to keep in mind when subordinates take childcare leave.



#### We held a roundtable discussion on men taking childcare leave!

We held a lunchtime roundtable discussion with men who have taken childcare leave and those who are planning to take childcare leave in the future. The participants exchanged information on assigning work duties, when to report that one will take childcare leave to superiors, the division of responsibilities at home, and other issues.



#### Sustainability Development and Human Resources Department collaborative event "About childcare flex-time"

At this event, we explained childcare flex-time which was introduced on April 1 and compared it to existing systems.



### Communication through "SUSTAIN MARCHE"



We set up a "SUSTAIN MARCHE" convenience store as a place to disseminate information about sustainability within the Company. It is a place where employees can learn about events and information related to sustainability while shopping.

We have also created a "Book Cycle Station" within "SUSTAIN MARCHE" with the aim of circulating knowledge and resources. Employees can bring in books they have finished reading and pick up new ones at their leisure. Any books that have been there for a certain amount of time are donated to the "Children's Future Used Book Fund."

## NAM's initiatives

## 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.

#### Bolstering independence

NAM appoints persons who are sufficiently independent from both NAM and 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 drawing 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.

### 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](#) 

\*Japanese website only

### Enhancing management independence and transparency

We appointed two people with experience being president of an asset management company as independent outside directors, appointing them as chairperson of the Board of Directors and chairperson of the Audit and Supervisory Committee, respectively.

#### Independent outside directors (As of April 1, 2024)



Seiichiro Yamamoto

Chairperson of the Board of Directors  
Member of the Audit and Supervisory Committee



Ryoji Maeda

Chairperson of the Audit and Supervisory Committee

Board of Directors

The chairperson is an independent outside director

Audit and Supervisory Committee

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





## For society

**NAM's vision** Widely contribute to advances in society through the asset management business

There are many issues facing society in which a wide range of citizens, including our customers and portfolio companies, coexist. By working to resolve these issues, we will contribute to the realization of a sustainable and prosperous society.

### Materiality

**Promote financial and economics education**

### Materiality

**Support regional revitalization**

### Materiality

**Partner and collaborate with various stakeholders**



## Promote financial and economics education

We are working to promote financial and economics education through the dissemination of information to a wide range of age groups in order to popularize and expand asset management. Working with Nomura Group, we are advancing various initiatives such as providing investment education opportunities for students and people in the workforce, disseminating information on asset management to a wider range of people, holding events, and publishing books.

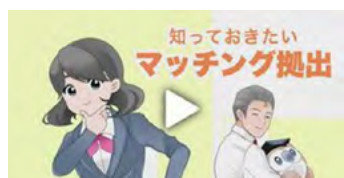
### Education for high schools and universities

Nomura Group believes that improving financial literacy helps people build wealth and improves living standards, leading to healthy financial capital markets and appropriate flows of funds. To this end, Nomura Group has been providing programs to improve financial literacy for a wide range of age groups since the 1990s. Since FY2005/06, we have sent employees as lecturers to more than 500 universities as part of these programs, with a cumulative total of more than 70,000 students taking the courses. We also provide on-site classes as well as work experience opportunities for high school students.



### Providing educational content through workplaces

An increasing number of companies are introducing defined contribution (DC) pension plans as a retirement benefit system. Through workplaces, we provide videos and other content aimed at promoting an understanding of DC plans and investment trusts.



### Money Growing Research Institute

We publish wide-ranging content on our website to help customers who are interested in investing but are unsure what to do, or do not know how to get started. The Money Growing Research Institute has content for a wide range of people, including those who want to learn about investing from the very first step, those who are searching for investment strategies that match their goals, and people who are designing an ideal retirement.



The Money Growing Research Institute's website can be found [here](#)

\*Japanese website only

### Tie-up with QuizKnock

Since appointing QuizKnock's Takushi Izawa in October 2022 to be our "asset building ambassador," we have been working with QuizKnock to disseminate videos on NAM's YouTube channel "Money Growing Institute" and holding events in order to help people learn about asset management in a fun manner.

#### Held "Money Growing Caravan – Let's Learn about NISA"

Following the expansion of NISA (tax-exempt small investment system) from January 2024, we have been holding events across Japan entitled "Money Growing Caravan - Learn about NISA," aimed primarily at young people aged 18 and over, where they can learn about NISA and asset management (growing money) in a fun way while taking part in quizzes and investment experience games.



#### Published a book related to investment trusts

Utilizing our asset management knowledge and know-how, in December 2023 we published Learn with QuizKnock! An Introduction to Investment Trusts with Quizzes and Manga as an introductory book that helps people thinking about starting investing learn about building wealth in a fun manner. The book provides basic knowledge about investment trusts, highlights key points to consider when selecting and buying investment trusts, as well as information about NISA and other systems.



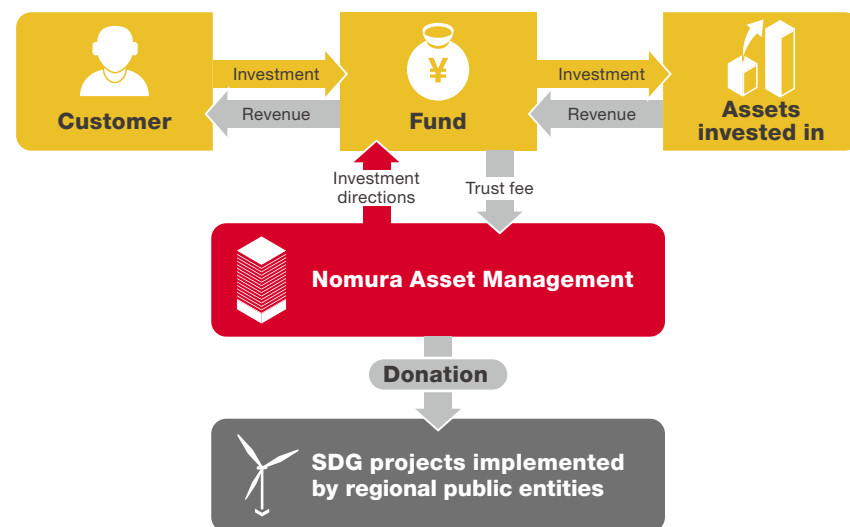
## Support for regional revitalization

### — Working with regional financial institutions to create momentum for regional revitalization —

Aiming to be an asset management firm that provides positive impact on society, we are working to realize regional revitalization and a sustainable society. Under the slogan of “Support regional revitalization through the power of investment,” in 2020 we established a donation scheme utilizing the corporate version of hometown tax, a tax system that supports regional revitalization. We are continually working with regional financial institutions to promote regional revitalization through the investment chain (virtuous cycle of investment), revitalize local economies, and improve the lives and economic foundations of people living in those areas. By using our method of “Solving social problems through asset management,” we will connect investors with Japan’s aspirations as a country, and contribute to solving issues targeting regional revitalization.

### 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

#### Kokorozashi Project

Working together with regional financial institutions to revitalize regional areas



Details can be found [here](#) →  
\*Japanese website only

#### TASUKI Project

Working together with Nomura Securities to revitalize regional areas



Details can be found [here](#) →  
\*Japanese website only

#### Minna de Todokeru Project

Working with Japan Post Bank and post offices offering investment trusts to revitalize regional areas



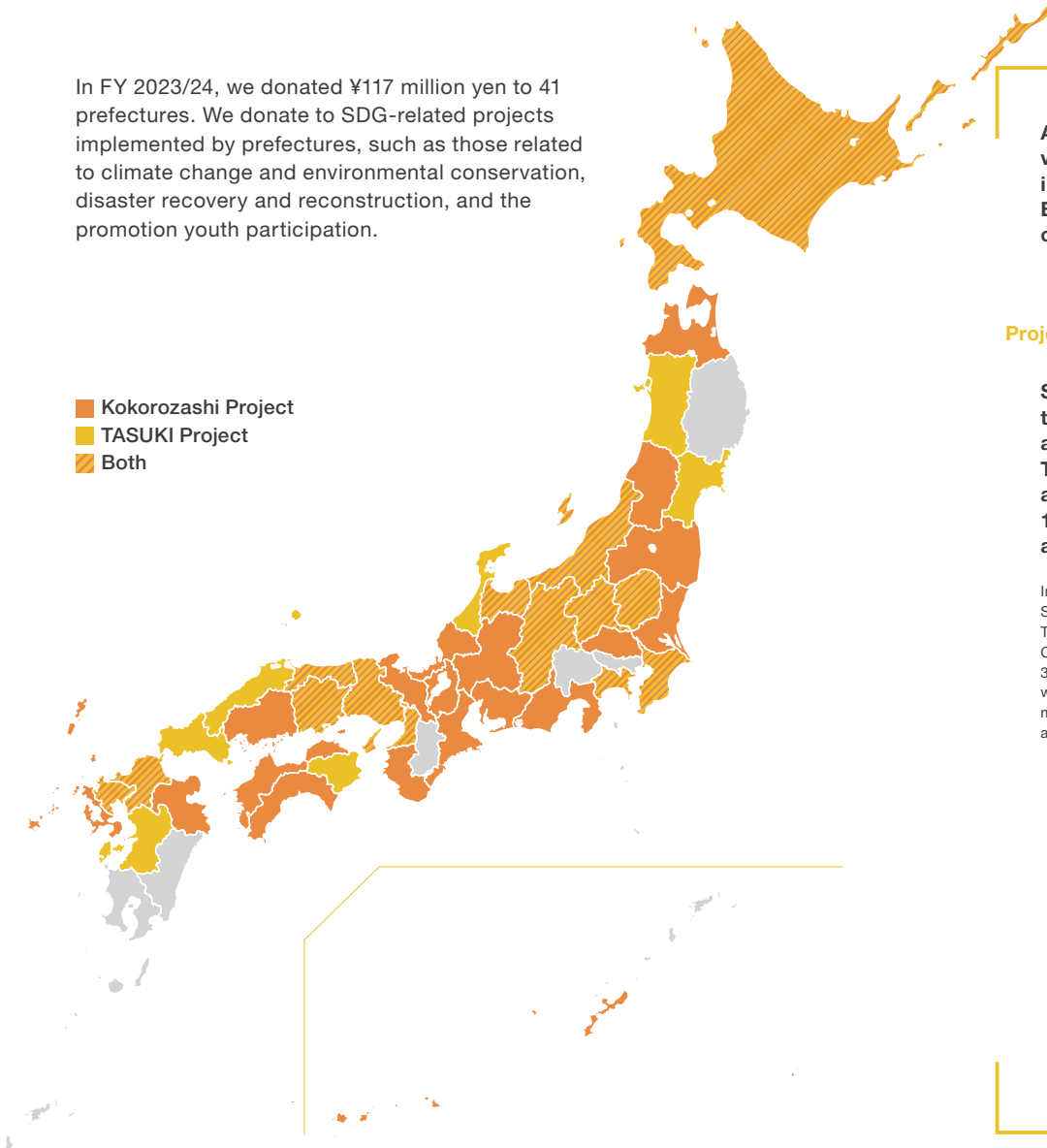
Cumulative total amount donated  
(FY2020/21 – FY2023/24)

¥312 mn

## List of prefectures to which donations were made in FY2023/24 from the Kokorozashi Project and the TASUKI Project

In FY 2023/24, we donated ¥117 million yen to 41 prefectures. We donate to SDG-related projects implemented by prefectures, such as those related to climate change and environmental conservation, disaster recovery and reconstruction, and the promotion youth participation.

■ Kokorozashi Project  
■ TASUKI Project  
■ Both



### Participation in event to experience a project receiving our donation

As an opportunity to experience how donations are being used, employees volunteered to participate in a project to revitalize the town, people and jobs in Fujinokuni Town, Shizuoka Prefecture through the “Shizuoka Prefecture Beautiful and Bountiful Sea Conservation Fund” run by Shizuoka Prefecture, one of the recipients of our donations.

#### Overview of project we donated to

#### Project to revitalize the town, people and jobs in Fujinokuni Town, Shizuoka Prefecture Shizuoka Prefecture Beautiful and Bountiful Sea Conservation Fund

Shizuoka Prefecture established this project in March 2022 to ensure that the beauty and bounty of Shizuoka’s world-renowned ocean areas, such as Suruga Bay and Lake Hamana, will be passed on to future generations. The organization is promoting efforts to conserve the marine environment and restore fishery resources in Shizuoka Prefecture through three pillars: 1) supporting the activities of private organizations, 2) bolstering practical activities, and 3) promoting research and development.

In October 2023, we participated in a volunteer clean-up event and dragnet fishing experience at Miho Beach in Shizuoka Prefecture.

This event was held by a private organization supported by the Shizuoka Prefecture Beautiful and Bountiful Sea Conservation Fund, and was attended by members of the public as well as sales companies we introduced, with 32 executives and employees from NAM participating in the event. In addition to being an opportunity to interact with people from outside the Company, one participating employee commented that they liked being able to mingle with people of different ages and people from departments they do not usually have contact with, while another employee said it was a fun way to contribute to society.





## Partner and collaborate with various stakeholders

### — Working with diverse stakeholders as an asset management firm to solve social issues —

Partnering with stakeholders with whom we can work together is an effective way to solve common social issues. As an asset management company, we will continue to work with a variety of stakeholders to solve social issues, including collaborating with governments, regulatory authorities, and other organizations and participating in various initiatives, aiming to realize a sustainable and prosperous society.

Please refer here for details on initiatives we participate in [here](#) ➡

### Examples of FY2023/24 initiatives



Principles established in April 2006 with the aim of incorporating ESG into investment analyses and decision-making processes.

- We became a signatory of the Finance Statement on Plastic Pollution ahead of the fourth session of the Intergovernmental Negotiating Committee to develop an international legally binding instrument on plastic pollution (INC-4) held in Ottawa, Canada, in April 2024. By becoming a signatory, we will further contribute to protecting and restoring biodiversity and ecosystems and achieving Goal 7 of the Kunming-Montreal Biodiversity Framework.
- As a PRI signatory, we participated in the Business and Human Rights Awareness Material Development Working Group, which is part of the International Labor Organization's (ILO) Skills Development and Responsible Business Conduct for Transition, and published educational materials on "Business and Human Rights" for institutional investors. These materials focus on what an investment environment that encourages responsible business conduct is from the perspective of business and human rights, and introduces how to translate them into action.



**TNFD Forum**

Signature Timing  
July 2023

Companies utilize natural capital such as forests and water resources to carry out their business activities while enjoying the benefits that biodiversity brings. The TNFD Forum is a collection of stakeholders supporting the discussions of the Taskforce on Nature-related Finance Disclosures (TNFD), an international organization that builds a framework for appropriately assessing and disclosing risks and opportunities related to natural capital and biodiversity. Through the TNFD Forum, it is possible to raise awareness of the discussions about the TNFD framework and the risks and opportunities related to natural capital and biodiversity.

- On May 22, 2023 (International Day for Biological Diversity), we announced the implementation of a bioacoustic study sponsored by a solutions provider for nature conservation. The study used bioacoustic technology to measure biodiversity levels within palm oil plantations. This allows access to real-time data, which is the first step towards building a reliable tool to measure progress towards biodiversity conservation goals.



**Triple I for GH**  
(Impact Investment Initiative for Global Health)

Signature Timing  
September 2023

This organization aims to encourage public and private funding to be directed towards the field of global health, and to contribute primarily to achieving universal health coverage\* and the SDGs in developing countries.

\*A situation in which all people can receive proper health and medical services, such as prevention, treatment, and rehabilitation, at an affordable cost.

- We joined this initiative in September 2023. By joining, we will work with participating partners to verify the outcomes of impact investments in the global health field and share best practices, thereby contributing to solving international social issues and promoting the Japanese government's strategies. In addition, by sharing global insights, we aim to further enhance our impact investment methods in the global health field and build our network.



**FAIRR**

(Farm Animal Investment Risk and Return)

Signature Timing  
June 2019

A livestock industry-related institutional investor initiative launched in 2015 by Jeremy Collier, the founder of Collier Capital (U.K.). The initiative educates people about livestock industry risks, including the impact on the environment, as well as food safety (antibiotics) issues.

- We have signed letters such as a letter to the presidents of seven veterinary pharmaceutical companies calling for disclosure and dialogue regarding antimicrobial resistance risk management and development of alternatives, and a letter to the presidents of six livestock companies calling for disclosure and dialogue regarding employee safety and health, as well as fair working conditions, including for contractors, as we are urging efforts to minimize risks within the food system.

## Sustainability initiatives at overseas offices

We are a global asset management company with operations in more than 10 countries and regions. By promoting sustainability activities globally, we aim to meet the expectations placed on us for solving social issues, and realize a sustainable and prosperous society.



### NOMURA ASSET MANAGEMENT U.K. LIMITED — Donating through investment —

In December 2023, as the second year of a three-year project, Nomura Asset Management U.K. Limited donated \$50,000 to charity: water, a charity organization working to promote safe drinking water. This donation was funded by a portion of the management fees received by Nomura Funds Ireland plc, an Irish UCITS fund. The donation will be used in schools in Bangladesh and Mali.



### NOMURA ASSET MANAGEMENT TAIWAN LTD. — Promoting DEI&B —

To foster an awareness of inclusion in which diversity among employees is recognized and teamwork is bolstered, Nomura Asset Management Taiwan Ltd. held events that involved group work while wearing blindfolds and using dominoes.



### NOMURA ASSET MANAGEMENT EUROPE KVG mbH — Reducing greenhouse gas emissions —

NAM has set a target of achieving net-zero greenhouse gas emissions at our offices by 2030 (see Page 24) and we are promoting the use of renewable electricity globally.

To lower greenhouse gas emissions, Nomura Asset Management Europe KVG mbH sources 100% of the energy used in its offices from renewable energy and also contracts for a bicycle leasing service for employees.



### NOMURA ASSET MANAGEMENT MALAYSIA Sdn. Bhd. — Social contribution activities —

Nomura Asset Management Malaysia Sdn.Bhd. participates in tree planting programs in forest reserves and conducts coastal cleanup activities. According to the United Nations Environment Programme World Conservation Monitoring Centre (UNEPWCMC), Malaysia is recognized as having one of the most diverse natural environments in the world.

Working to protect ecosystems will contribute to the sustainability of many nature-dependent economic activities in Malaysia.



## Company outline

Nomura Asset Management by the numbers  
(As of March 31, 2024)

Established

**1959**

Assets under management

**¥91.0 trillion**

In the ¥227 trillion Japan public investment trust market



Share of Japan ETF market



Balance of UCITS\* funds under management

\* Acronym for funds satisfying the standards of the EU directive

**¥1.7 trillion**

Average number of years of experience of investment professionals

**13.2 years**

Established Japan's first fund seeking investment in foreign securities

Established Japan's first exchange traded fund, the Nikkei 300 Index ETF

Established Japan's first department dedicated to responsible investing

First merger of publicly-offered equity investment trusts in Japan

Global network



Company name  
Nomura Asset Management Co., Ltd.  
<https://global.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