

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

July 10, 2025

Company name: NOMURA Co., Ltd.
Name of representative: Kiyotaka Okumoto,
Representative Director,
President and CEO
(Securities code: 9716;
TSE Prime Market)
Inquiries: Takayuki Maejima,
Senior Executive Officer and
General Manager of Corporate
Operations Headquarters
(Telephone: +81-3-5962-1119)

Notice Concerning Action to Implement Management that is Conscious of Cost of Capital and Stock Price(Updates)

NOMURA Co., Ltd. (the “Company”) hereby announces that we have updated the progress and initiatives regarding the “Concerning Action to Implement Management That Is Conscious of Cost of Capital and Stock Price” originally disclosed on October 10, 2024.

For more details, please see the attached document “Concerning Action to Implement Management That Is Conscious of Cost of Capital and Stock Price(Updates)”

A background image showing a business meeting. Several people in dark suits are seated around a wooden table. One person is pointing at a document with a black pen. The document contains various charts, including a world map, pie charts, and bar graphs. A laptop is also visible on the table.

Concerning Action to Implement Management that is Conscious of Cost of Capital and Stock Price (Updates)

Updated : July 10, 2025
NOMURA Co., Ltd.

Translation

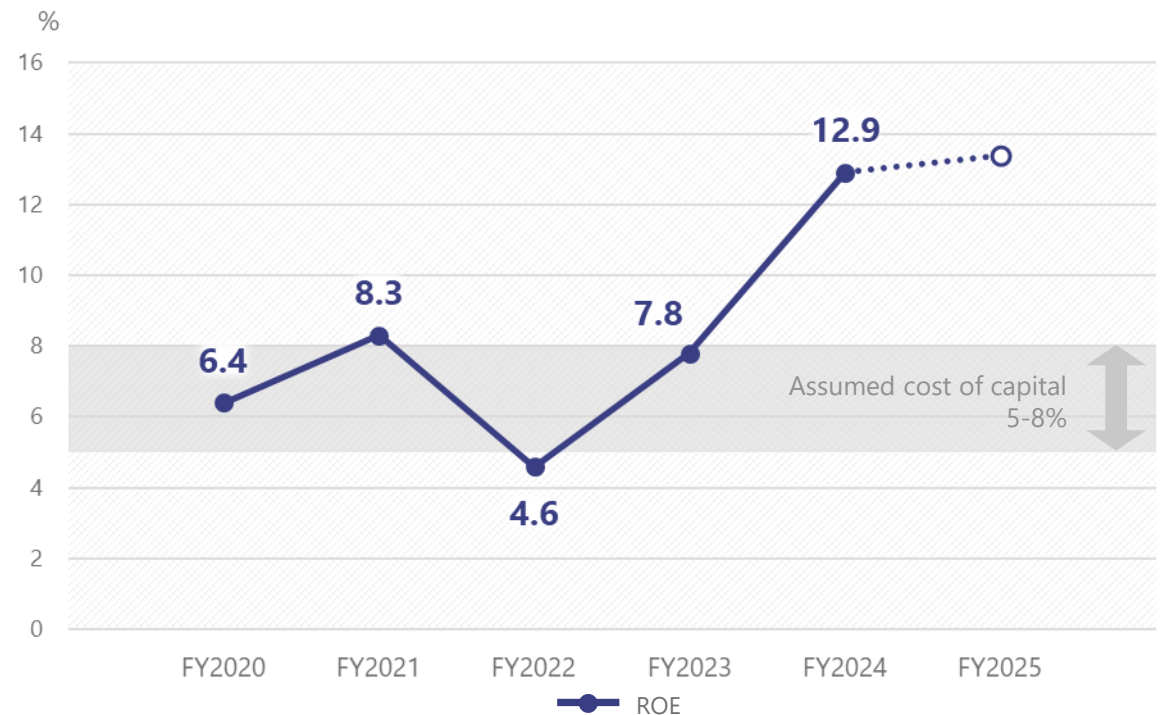
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Current Situation (Stock Price / Cost of Capital / ROE)

Stock Price



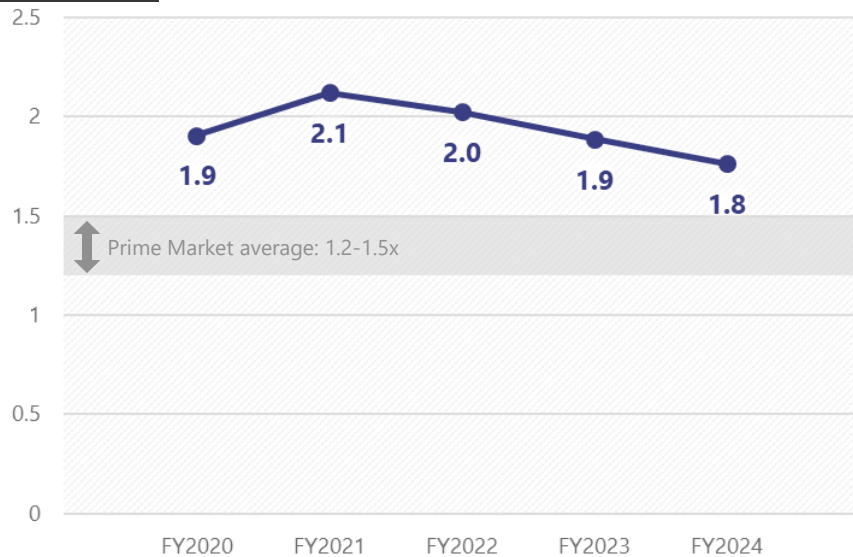
ROE / Cost of Capital



- Our stock price has lagged behind major indices since the COVID-19 pandemic.
- Our assumed cost of capital is approximately 5–8%.
- From FY2024 onward, profitability improved through strategic initiatives, raising ROE above the assumed cost of capital.
- We will continue efforts to improve profitability and aim to maintain a high level of ROE.

1 Current Situation (PBR Analysis)

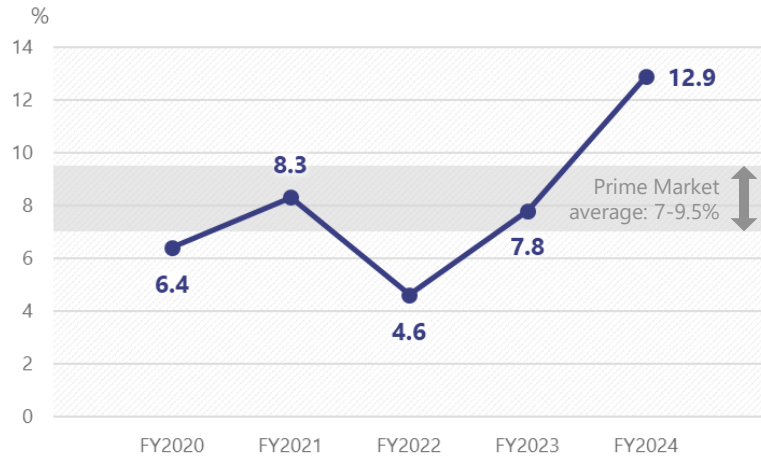
PBR



<Analysis>

- Over the past 5 years, the PBR has remained around 2x, above the Prime Market average.

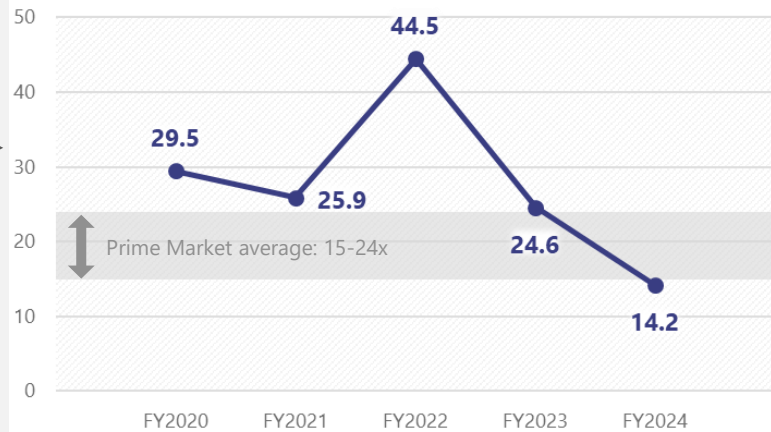
ROE



<Analysis>

- Due to sluggish net profit margins during the COVID-19 pandemic, our ROE remained below the Prime Market average. However, through profitability improvement initiatives, ROE exceeded the market average in FY2024. (See next page)

PER

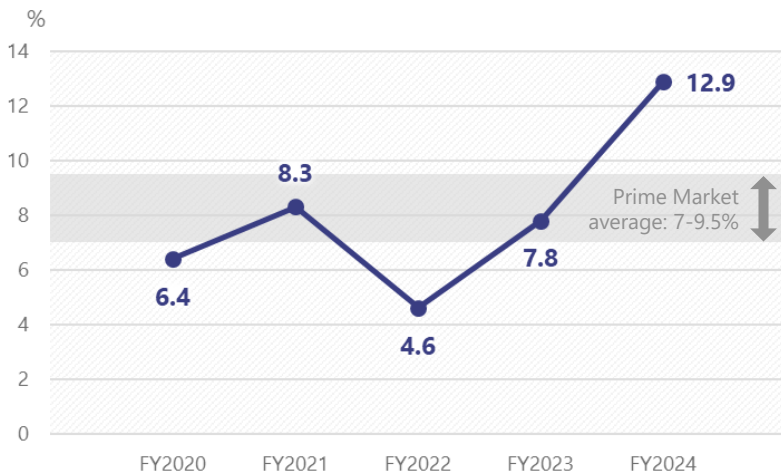


<Analysis>

- Although the PER had remained above the Prime Market average for an extended period, it fell below the average in FY2024.
- This appears to be due to uncertainties surrounding the display services after EXPO 2025 Osaka-Kansai and the outlook for our business performance.

1 Current Situation (ROE Analysis)

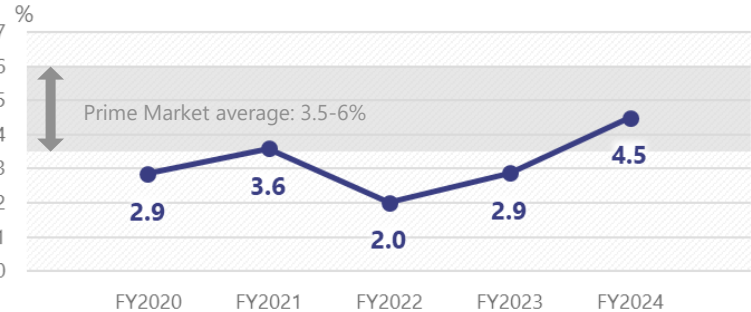
ROE



<Calculation formula>

ROE = Net profit margin x Total asset turnover x Financial leverage

Net Profit Margin

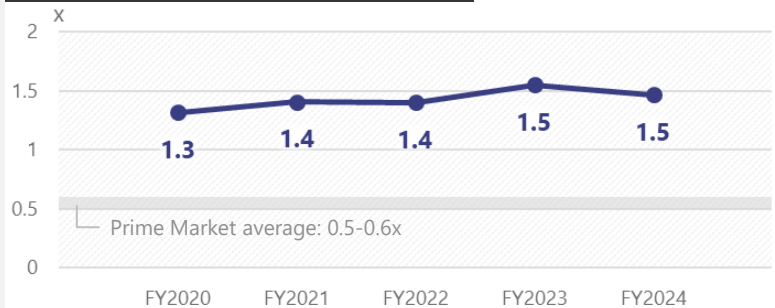


<Analysis>

(Profit attributable to owners of parent / Net sales)

- Since the COVID-19 pandemic, rising material costs and intensified price competition had continued to put pressure on profits, resulting in a decline in net profit margin.
- However, profitability improvement initiatives have gradually led to a recovery in margins.

Total Assets Turnover

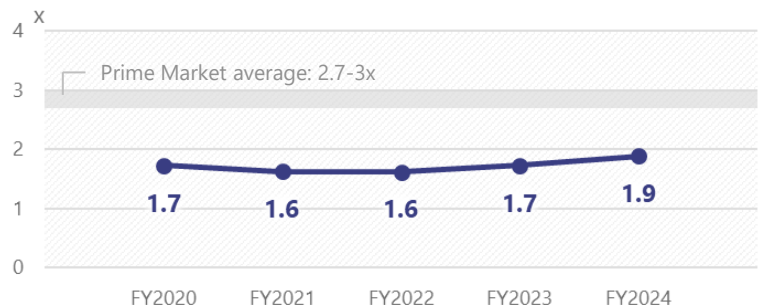


<Analysis>

(Net sales / Total assets)

- Total assets turnover has been generally favorable.

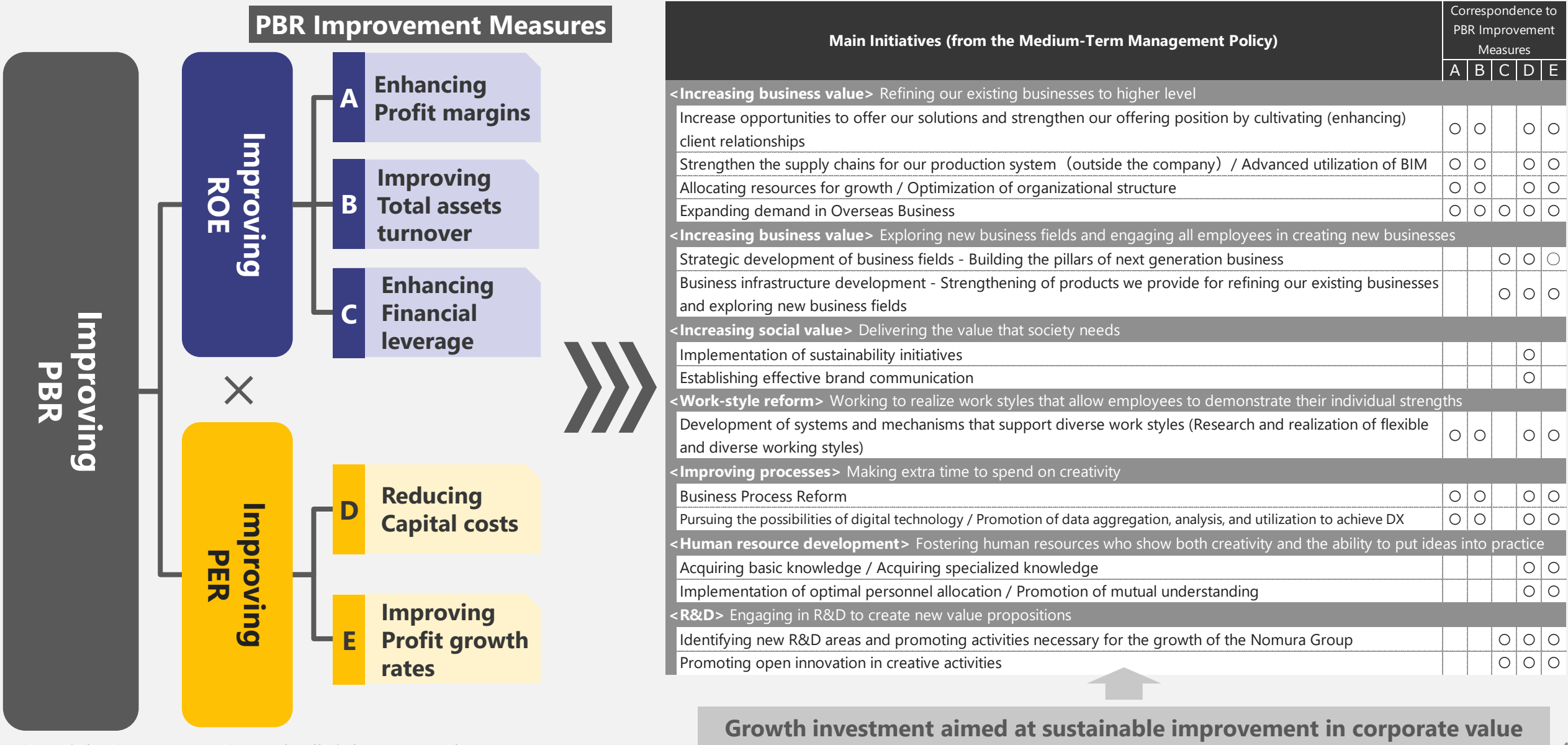
Financial Leverage



<Analysis>

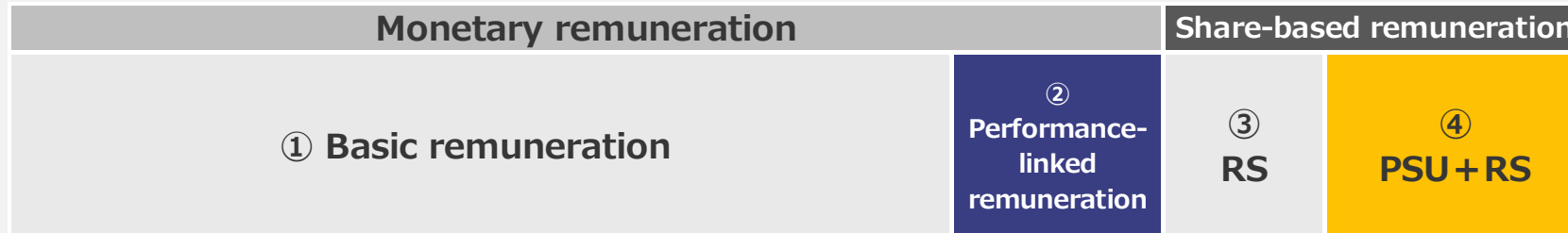
(Total assets / Net assets)

- As there are no ongoing loans at the end of each fiscal year, the financial leverage remains low.

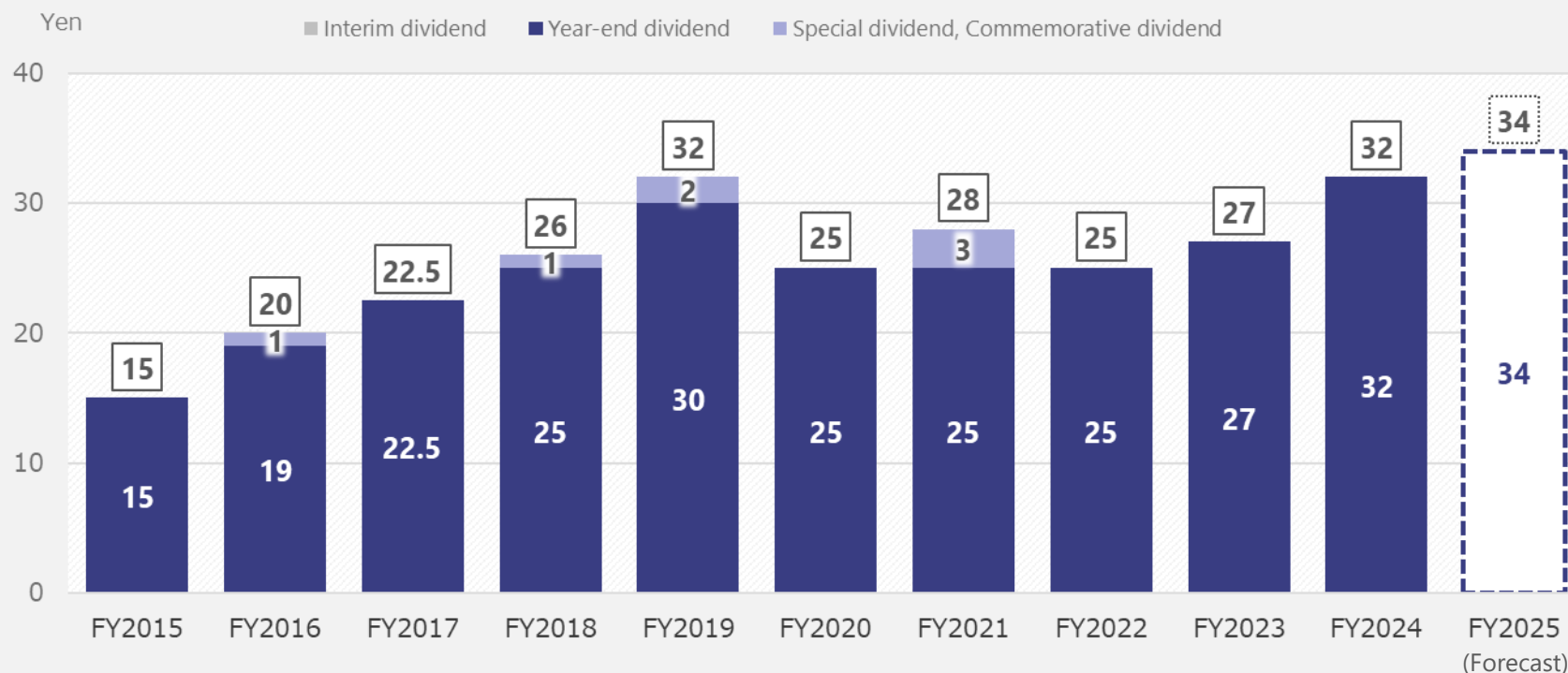


Executive Remuneration Structure

The remuneration structure for directors (excluding directors who are Audit and Supervisory Committee members and outside directors) is designed to serve as an incentive for enhancing medium- to long-term business performance and corporate value.



①	Basic remuneration Maximum total amount of JPY 370 million per year (including JPY 60 million for outside directors)			③	Restricted share-based remuneration (RS) Maximum total amount of JPY 60 million per year (up to 120,000 shares annually)																								
	Performance-linked remuneration as monetary remuneration Maximum total amount of JPY 80 million per year				Restricted share-based remuneration with performance conditions (PSU+RS) Maximum total amount of JPY 100 million per year (up to 200,000 shares annually)																								
②	<table><tr><th>Evaluation Metric</th><th>Weighting</th><th>Target Benchmark</th></tr><tr><td>Consolidated Order Volume</td><td>1/3</td><td rowspan="3">Year-on-year comparison</td></tr><tr><td>Consolidated Operating Profit</td><td>1/3</td></tr><tr><td>Consolidated Net Profit</td><td>1/3</td></tr></table>			Evaluation Metric	Weighting	Target Benchmark	Consolidated Order Volume	1/3	Year-on-year comparison	Consolidated Operating Profit	1/3	Consolidated Net Profit	1/3	④	<table><tr><th>Evaluation Metric</th><th>Weighting</th><th>Performance Benchmark</th><th>Remarks</th></tr><tr><td>TSR (Total Shareholder Return)</td><td>50%</td><td>Relative to TOPIX</td><td>Comparison between the 3-year growth rate of TOPIX (including dividends) and the Company's stock price growth rate over the most recent 3 months at the end of the Medium-term Management Policy period</td></tr><tr><td>ROE (Return on Equity)</td><td>50%</td><td>Against target plan</td><td>Degree of achievement against the ROE target during the evaluation period</td></tr></table>			Evaluation Metric	Weighting	Performance Benchmark	Remarks	TSR (Total Shareholder Return)	50%	Relative to TOPIX	Comparison between the 3-year growth rate of TOPIX (including dividends) and the Company's stock price growth rate over the most recent 3 months at the end of the Medium-term Management Policy period	ROE (Return on Equity)	50%	Against target plan	Degree of achievement against the ROE target during the evaluation period
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Payout ratio(%)	43.4	44.0	44.4	42.9	45.7	90.6	78.2	124.9	77.9	52.8	54.2
Stock price peak(Yen)	966	995	1,324	1,667.5	1,670	1,031	1,148	1,102	1,010	990	955
Stock price low(Yen)	551	664	901.5	1,017.5	961	642	787	831	819	738	704

* The dividend payout ratio for FY2025 is based on the earnings forecast announced on April 10, 2025. The highest and lowest stock prices are based on market prices up to June 30, 2025.

* A stock split at a ratio of 2-for-1 was implemented on June 1, 2019. The figures above for dividends and stock prices have been adjusted retroactively, assuming the split took effect at the beginning of FY2015.

Shareholder Returns

We considers the return of profits to shareholders to be one of management's top priorities. Accordingly, our basic policy is to stably share the results of its efforts in a manner that reflects the Company's performance while pursuing business growth.

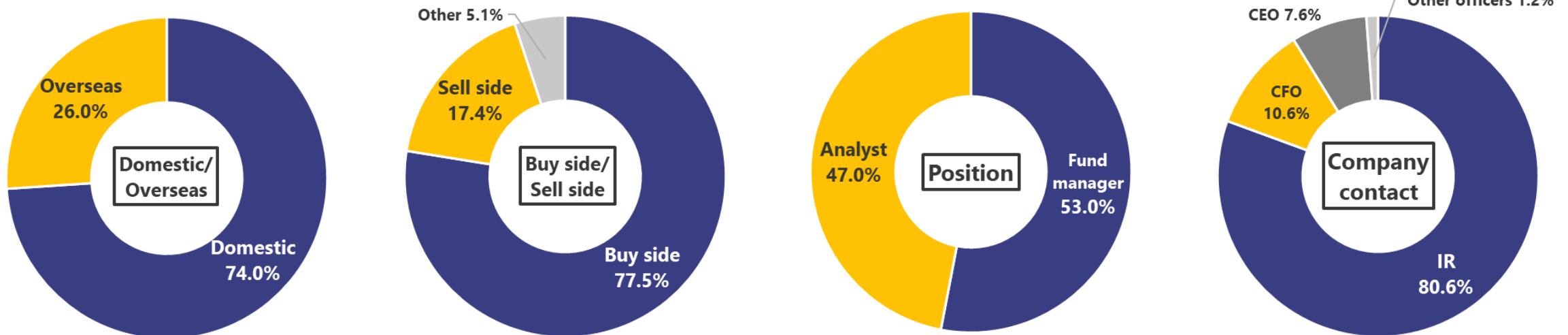
We aims to pay dividends of surplus at a dividend on equity (DOE) ratio of 6.0% or higher, taking into consideration factors such as profit attributable to owners of parent, strengthening of its business base and future business expansion.

Based on the above dividend policy, the year-end dividend for FY2025 is scheduled to be JPY 34 per share.

① Basic Framework for Promoting Dialogue

- CEO and CFO oversee and implement the Company's key dialogue activities.
- The IR Department serves as the administrative hub, facilitating information sharing and coordination with relevant headquarters and business divisions.
- Depending on the nature of the dialogue, reports are made to various management-level committees, where appropriate response measures are discussed.
- In accordance with the Fair Disclosure Rule and our IR Policy, we strive to disclose material information that may affect investment decisions in a fair, timely, and accurate manner. Additionally, we have established a Disclosure Committee to ensure strict management of insider information.

② Dialogue Participants and Company Contacts (FY2024)



③ IR Activity Overview (FY2024)

Timing	Activity	Content	Main Speakers
April / November	Earnings Briefings (Q2 / Full-year)	<ul style="list-style-type: none"> Financial results and forecasts Future outlook and initiatives to enhance corporate value 	CEO, CFO
After each quarter's results	One-on-One Meetings	<ul style="list-style-type: none"> 133 meetings conducted (88 domestic / 45 overseas) Period: Mar 2024 – Feb 2025 	CEO, CFO, IR Department
June / February	Small Meetings	<ul style="list-style-type: none"> Thematic discussions: (June / Buy-side) New business areas (February / Buy-side) EXPO 2025 Osaka-Kansai 	CEO, CFO, IR Department
February	Individual Investor Meeting (Osaka)	<ul style="list-style-type: none"> Enhancing awareness and understanding of the Company 	CFO

④ Dialogue Themes and Areas of Interest (FY2024)

Performance-Related Topics	Market Trends and Order Environment	Management Policy and Strategy	ESG and Sustainability	Shareholder Returns and Capital Policy
<ul style="list-style-type: none"> Measures to improve gross margin and operating margin (e.g., pricing strategies, order structure) Trends in outsourcing costs and personnel expenses, and profitability at the time of order intake Likelihood of achieving full-year results and medium-term financial targets (FY2025) 	<ul style="list-style-type: none"> Trends in each market segment and order outlook Competitive landscape and the Company's competitive advantages relative to peers Focus markets and initiatives related to EXPO 2025 Osaka-Kansai 	<ul style="list-style-type: none"> Medium- to long-term growth strategies and focus areas Progress in business restructuring, growth investments, and new business initiatives Cash utilization and allocation 	<ul style="list-style-type: none"> Human capital development and recruitment plans Current status of production systems Enhanced disclosure of non-financial and financial information 	<ul style="list-style-type: none"> Approach to shareholder returns and share buybacks Possibility of dividend increases and stock price evaluation Action to implement management that is conscious of cost of capital and stock price

⑤ Feedback Mechanism to Management

Content	Frequency	Reporting Method
Meetings with investors and analysts	As needed (immediate reporting for critical matters)	Directly or via email, etc.
Analyst reports	As needed	Directly or via email, etc.
Shareholder-related indicators and stock price information	As needed	Directly or via email, etc.
IR activity report	Annually	Through internal management meetings

⑥ Insights and Improvements Gained from Dialogue

- Present a compelling mid- to long-term strategy and vision, in addition to explaining the current situation and single-year performance.
- Demonstrate the Company's sustainability through the proper organization and disclosure of both financial and non-financial information.
→ Disclose sustainability KPIs and metrics; enhance disclosures in English.
- In terms of profit distribution, the Company uses a DOE (Dividend on Equity) of 6.0% or higher as a reference indicator, and aims to stably return results to shareholders based on earnings, while also considering retained earnings for strengthening the business foundation and future growth opportunities.
- Implement initiatives to increase feedback to management and expand dialogue opportunities.

NOMURA Co., Ltd.

(Securities code: 9716)

<https://www.nomurakougei.co.jp/en/>

Inquiries about IR and shares

Executive Management

(ir@nomura-g.jp)

Caution regarding forward-looking statements

The forward-looking statements, including earnings forecasts, contained in this document are based on information available to the Company as of the date of the document and are believed to be reasonable by the Company. Please note that actual results and performance may differ from the forecasts contained in this document due to potential risks and uncertainties.