

Nomura Launches Research on Determination of SDG Bonds by Natural Language Processing Technology

Tokyo, August 11, 2021—Nomura Securities Co., Ltd. (NSC), a wholly owned subsidiary of Nomura Holdings, Inc., today announced that it has started research on determining SDG bonds using natural language processing (NLP) technology with the support of Sony Computer Science Laboratories, Inc. (Sony CSL).

In November 2019, NSC and Nomura Research Institute, Ltd. (NRI) launched NOMURA-BPI SDGs¹, a sub-index to the Nomura Bond Performance Index, which consists of green bonds, social bonds and sustainability bonds (SDG bonds). NRI determines the eligibility of SDG bonds using certain internal rules and taking into account third party assessments.

The research will quantitatively evaluate the relevance of how funds are used to achieve SDGs by using NLP to analyze issuers' prospectuses and sustainability reports. By evaluating corporate bonds not classified as SDG bonds to determine the extent to which they possess characteristics of green, social or sustainability bonds, the research aims to expand the investment target universe while quantifying and refining SDG bond determination.

Nomura and NRI will provide their knowledge of NOMURA-BPI SDGs to the research, while Sony CSL will develop the technology. Details regarding the technology used and results of the research will be announced later through seminars.

As part of its aim to "Drive Sustainability," Nomura actively engages in ESG and SDG activities to help resolve social issues and create a more sustainable future.

By providing data from the research and developing indices, Nomura aims to contribute to the sustainable development of the economy and society, and support the growth of the SDG bond market in Japan.

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

¹ NOMURA-BPI SDGs selects SDG bonds from a universe of NOMURA-BPI constituents, calculating the index values and risk indicators.