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.

October 8, 2026

Company name: NOMURA Co., Ltd.
Name of representative: Kiyotaka Okumoto, Representative Director, President and CEO (Securities code: 9716; TSE Prime Market)
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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".
For more details, please see the attached document "Concerning Action to Implement Management that is Conscious of Cost of Capital and Stock Price(Updates)"



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

Updated : October 8, 2026

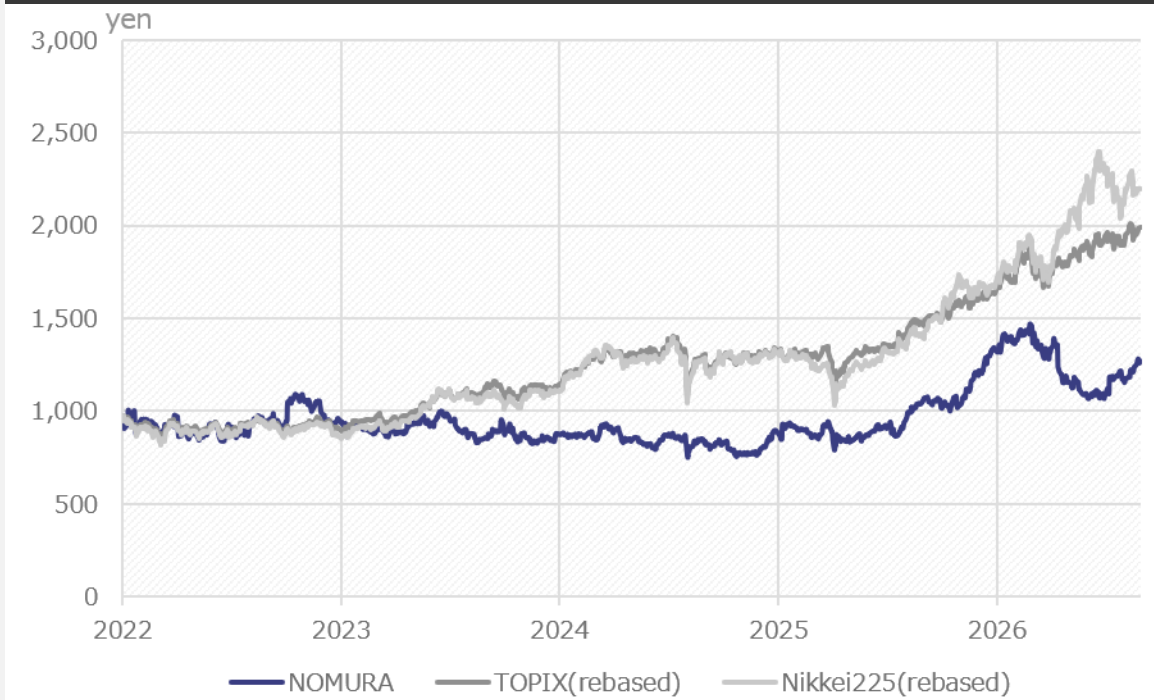
NOMURA Co., Ltd.

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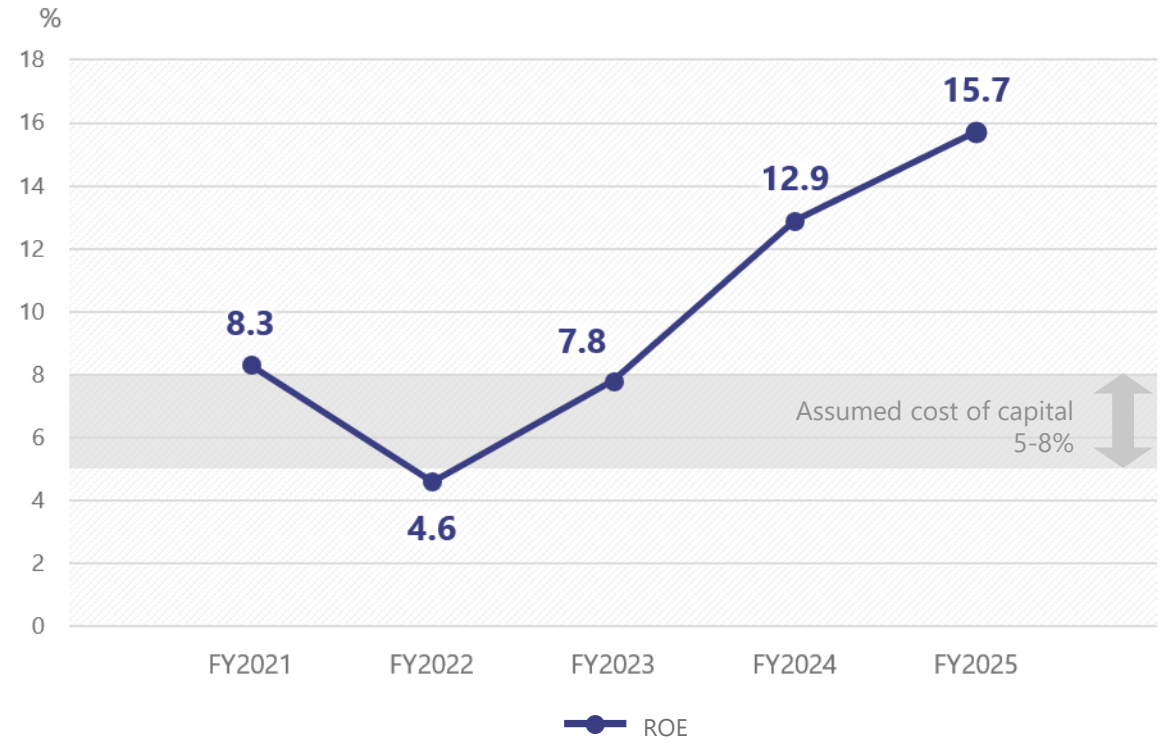
1 Current Situation (Stock Price / Cost of Capital / ROE)

Stock Price



Note: TOPIX and Nikkei 225 figures have been rebased so that their values as of January 4, 2022, equal the Company's stock price.

ROE / Cost of Capital

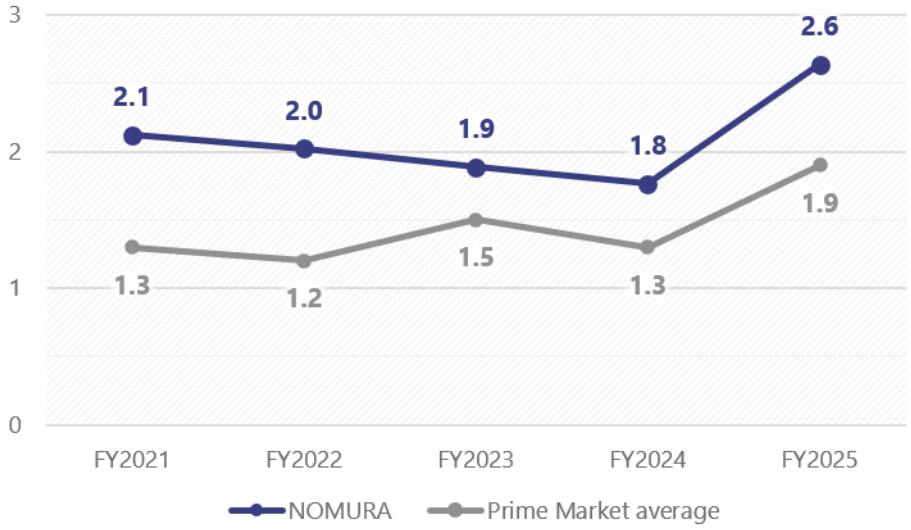


- The Japanese equity market has followed an upward trend since 2023.
- Although the Company's stock price had underperformed the overall market, it began to rise in the second half of 2025. Following a temporary correction amid market concerns over the Company's post-Expo performance, the stock price has recovered, supported by strong order intake and other factors. Nevertheless, it continues to diverge from TOPIX and the Nikkei 225.
- Based on dialogue with shareholders and investors, the Company estimates its cost of capital to be approximately 5–8%.
- Since FY2024, improved profitability has enabled ROE to remain above the Company's cost of capital.
- The Company will continue its initiatives to improve profitability, with the aim of maintaining ROE at a high level.

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1 Current Situation (PBR Analysis)

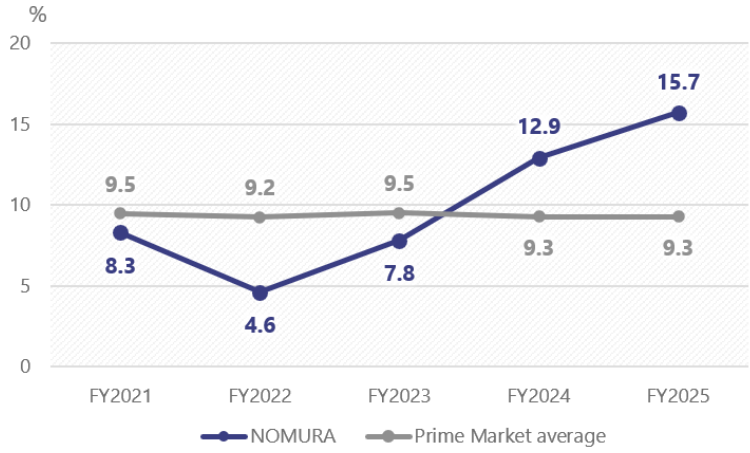
PBR



<Analysis>

- PBR remained above the Prime Market average throughout the past five years and rose to 2.6x in FY2025, driven by higher ROE and a recovery in PER. (As of the end of the first half of FY2026: 2.4x)
- Meanwhile, PER remains below the Prime Market average. The Company recognizes that, in addition to maintaining and improving profitability, enhancing the market's assessment of its sustainable growth is a key issue.

ROE

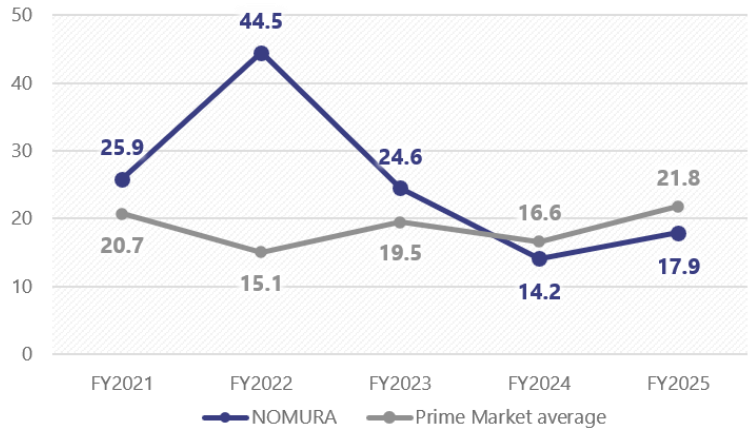


<Analysis>

- ROE has increased since FY2024, reflecting the absorption of SG&A expenses through net sales growth and the results of initiatives to improve profitability. (See the following page.)

×

PER



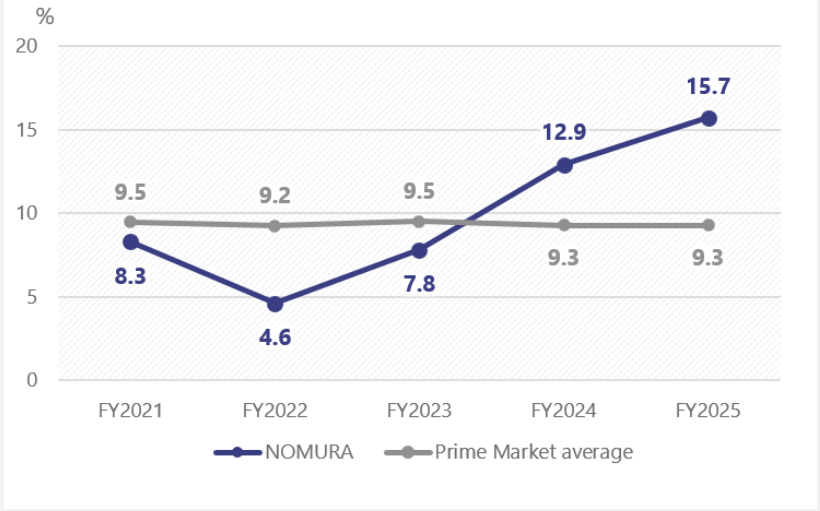
<Analysis>

- In FY2024, PER fell below the Prime Market average, reflecting market concerns regarding the Company's post-Expo performance.
- In FY2025, PER recovered, supported by strong order intake and other factors, but remained below the Prime Market average.

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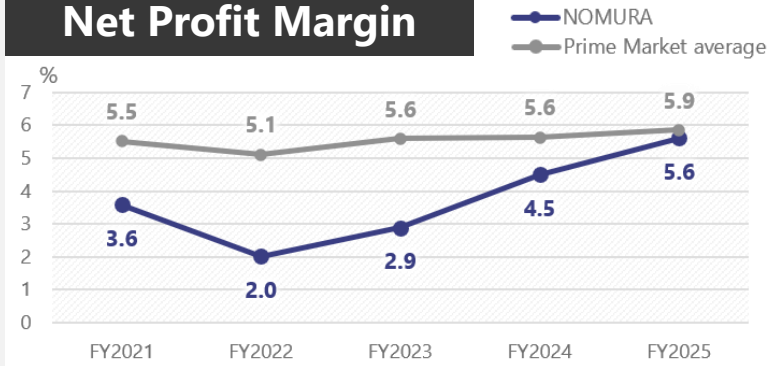
1 Current Situation (ROE Analysis)

ROE



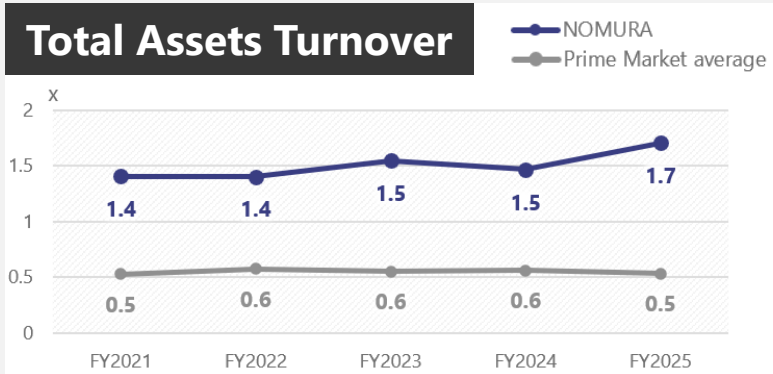
<Calculation formula>
ROE = Net profit margin x Total asset turnover x Financial leverage

Net Profit Margin



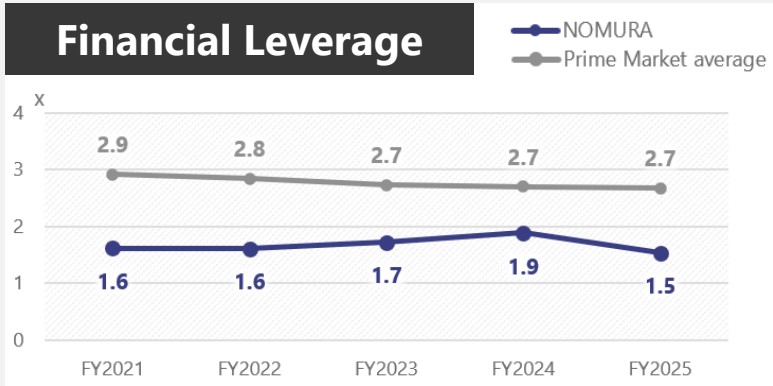
<Analysis>
(Profit attributable to owners of parent / Net sales)
- Since the COVID-19 pandemic, rising material prices and intensifying price competition had put pressure on the profit margin.
- Profitability initiatives subsequently lifted the margin to near the Prime Market average in FY2025.

Total Assets Turnover



<Analysis>
(Net sales / Total assets)
- Total assets turnover has been generally favorable.

Financial Leverage



<Analysis>
(Total assets / Net assets)
- Financial leverage has remained below the Prime Market average, reflecting the Company's continued financial management without reliance on borrowings.

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2 Main Initiatives to Improve PBR
(Based on the Medium-Term Management Plan)



[Human Capital Enhancement]
- Develop highly skilled professionals through the NOMURA Training Program
- Enhance competitiveness and employee engagement by supporting self-directed career development, promoting diverse talent, advancing health and productivity management, and reforming workstyles

[Business Infrastructure Investment and R&D]
- Expand business domains and enhance productivity through M&A, office-related and other investments.
- Invest in and utilize digital technologies across all stages of spatial creation

[Shareholder Return Policy]
- Annual dividends based on the higher of a dividend on equity ratio (DOE) of at least 7.0% or a payout ratio of at least 50%
- Interim dividends and planned shareholder returns of approximately ¥18.0 billion over the three years from 2026 to 2028

[Enhancing Corporate Value through Sustainability Management]
- Environment: Creating products and experiences that enrich the global environment, natural environment, and human environment, among other initiatives
- Society: Enhancing the reliability of products and services through supply chain management, among other initiatives
- Governance: Ensuring compliance and achieving flexible, agile management responsive to change, among other initiatives

[IR Activities: Dialogue with Investors and Shareholders]
- Explain the capital policy and Medium-Term Management Plan through small meetings and one-on-one meetings
- Conduct meetings between management and investors
- Provide feedback to the Board of Directors on investor dialogue twice a year

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2 Main Initiatives to Improve PBR (Capital Allocation)

Enhancing shareholder returns while steadily advancing growth investment

Medium-Term Management Policy 2023–2025

Sources

Operating CF, etc.
¥34.5 billion
Approximate level before allocation to expensed growth investments such as R&D and human capital investment, and to improved payment terms for partner companies

Allocation

Shareholder returns
¥9.5 billion

Growth investment, etc.
¥10.0 billion

¥7.0 billion
Improved payment terms for partner companies (approx.)

¥8.0 billion
Increase in cash and deposits on hand

Human capital Business expansion R&D Operational efficiency, etc.	¥7.0 billion
Maintenance and renewal investment, etc.	¥3.0 billion
Total	**¥10.0 billion**

Medium-Term Management Plan 2026–2028

Sources

Operating CF, etc.
¥37.0 billion
Approximate level before allocation to expensed growth investments such as R&D and human capital investment

¥6.0 billion
Use of cash and deposits on hand

Allocation

Shareholder returns
¥18.0 billion
Reflects the impact of introducing interim dividends

Growth investment, etc.
¥25.0 billion

¥43.0 billion allocated to shareholder returns and growth investment over three years

Human capital Business expansion R&D Operational efficiency, etc.	¥7.0 billion
Business infrastructure investment capacity	¥15.0 billion
Maintenance and renewal investment, etc.	¥3.0 billion
Total	**¥25.0 billion**

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3 Executive Remuneration Structure

NOMURA GROUP

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.

Monetary remuneration		Share-based remuneration	
① Basic remuneration	② Performance-linked remuneration	③ RS	④ PSU＋RS

① Basic remuneration
Maximum total amount of JPY 370 million per year

② Performance-linked remuneration as monetary remuneration
Maximum total amount of JPY 80 million per year

Evaluation Metric	Weighting	Target Benchmark
Consolidated Order Volume	1/3	Year-on-year comparison
Consolidated Operating Profit Margin	1/3	
Consolidated Net Profit	1/3	

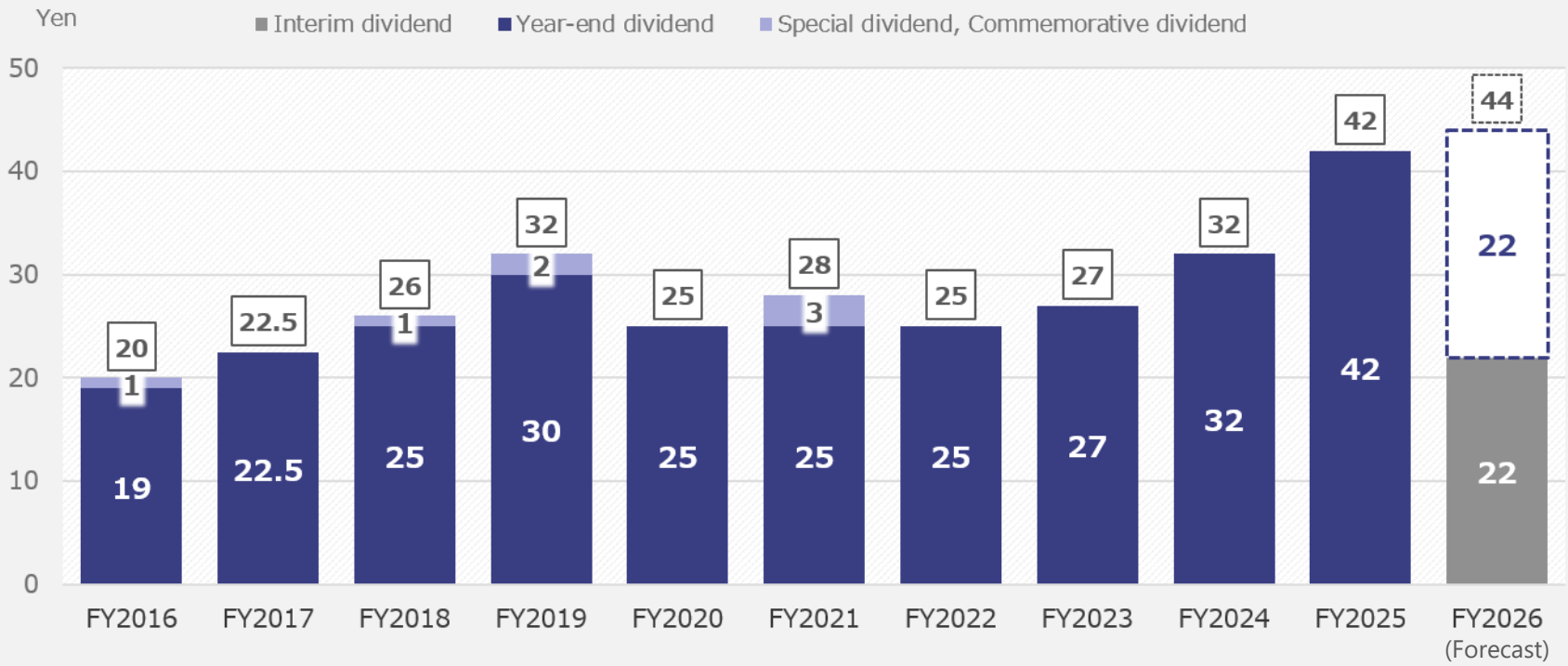
③ Restricted share-based remuneration (RS)
Maximum total amount of JPY 60 million per year (up to 120,000 shares annually)

④ Restricted share-based remuneration with performance conditions (PSU＋RS)
Maximum total amount of JPY 100 million per year (up to 200,000 shares annually)

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 Plan period
ROE (Return on Equity)	50%	Against target plan	Degree of achievement against the ROE target during the evaluation period

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4 Shareholder Returns and Dividend Trends



	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026 (Forecast)
Payout ratio(%)	44.0	44.4	42.9	45.7	90.6	78.2	124.9	77.9	52.8	51.3	53.1
DOE（%）	6.7	6.7	7.0	7.8	5.8	6.5	5.7	6.1	6.8	8.1	-
Stock price peak(Yen)	995	1,324	1,667.5	1,670	1,031	1,148	1,102	1,010	990	1,466	1,458
Stock price low(Yen)	664	901.5	1,017.5	961	642	787	831	819	738	704	1,067

* The dividend payout ratio for FY2026 is based on the earnings forecast announced on April 14, 2026. The highest and lowest stock prices are based on market prices up to August 31, 2026.
* 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.**

Under the above basic policy, for the period covered by the Medium-Term Management Plan 2026–2028, **the Company will pay interim dividends** to further enhance opportunities to return profits to shareholders. Annual dividends will be based on **the higher of a dividend on equity ratio (DOE) of at least 7.0% or a dividend payout ratio of at least 50%.**

Based on this dividend policy, the Company plans to pay an annual dividend of ¥44 per share for FY2026, comprising an interim dividend of ¥22 and a year-end dividend of ¥22.

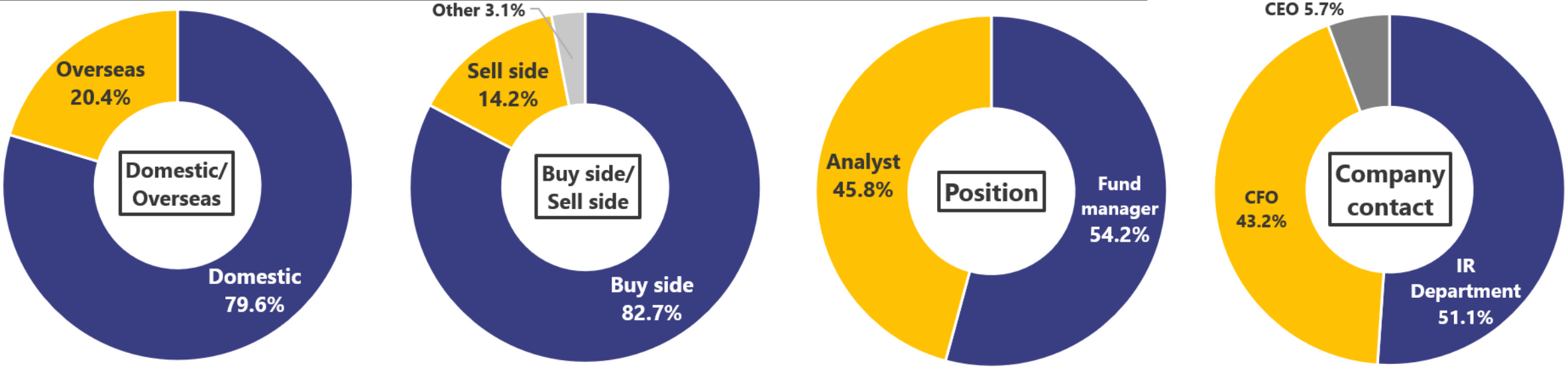
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5 Dialogue with Shareholders and Investors

① Basic Framework for Promoting Dialogue

- In accordance with the General Principles of the Corporate Governance Code, the Company promotes constructive dialogue with shareholders, investors, and other stakeholders, with the aim of achieving effective corporate governance that supports sustainable growth and enhances corporate value over the medium to long term.
- The Representative Director and CFO oversee and conduct the principal engagement activities.
- The IR Department serves as the secretariat and shares information and coordinates with relevant Head Office and business divisions.
- Matters raised through dialogue are reported to the relevant management bodies, depending on their nature, for consideration of appropriate responses.
- In accordance with the Fair Disclosure Rules and the Company's IR Policy, the Company discloses material information that may affect investment decisions in a fair, timely, and appropriate manner. The Company has also established a Disclosure Committee to ensure rigorous management of insider information.

② Dialogue Participants and Company Representatives (First Half of FY2026)



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③ IR Activities in the First Half of FY2026

Activity	Target Audience	Principal Company Representatives	Details
Financial Results Briefing	• Buy-side analysts • Sell-side analysts • Securities analysts	• CEO • CFO	One financial results briefing for FY2025 (April, online)
One-on-One Meetings	• Buy-side analysts • Sell-side analysts	• CEO • CFO • IR Department	A total of 80 meetings in the first half of FY2026 (April–May and July–August) • Domestic buy-side: 36 • Domestic sell-side: 17 • Overseas buy-side: 27 Analyst reports: 10
Small Meetings	• Buy-side analysts	• CEO • CFO • Executive responsible for business operations • IR Department	A total of five meetings in the first half of FY2026 (April–May and July–August)
Briefing for Individual Investors	• Individual investors	• CFO	One briefing in the first half of FY2026 (July, Kumamoto)
Event for Individual Investors	• Individual investors	• CFO	One event in the first half of FY2026 (August, Tokyo) • Company presentation at an exhibition booth at the seminar venue

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④ Key Topics Discussed with Shareholders and Investors

Business Performance / Profitability

- Confidence in achieving the FY2026 earnings forecast
- Sustainability of the gross profit margin
- Progress and sustainability of price pass-through and improved profitability at the time of order intake
- Scope for further margin improvement in light of higher fixed costs

Market Trends / Order Environment

- Drivers and sustainability of order growth
- Levels of orders and order backlog
- Trends in the leisure facility market
- Growth potential of new business domains

Medium- to Long-Term Growth Strategy

- Order status and timing of earnings contributions from GREEN×EXPO 2027
- Progress in participating in Osaka IR-related projects
- Medium- to long-term market opportunities, including urban redevelopment projects
- Progress in expanding involvement from the project conception stage and growing operational businesses

Human Resources / Production Structure

- Recruitment, development, and retention of talent
- Availability of production and project management personnel
- Supply capacity, including partner companies
- Capacity to respond to an increase in large-scale projects

Capital Policy / Shareholder Returns

- Approach to the shareholder return policy
- Specific uses of investment capacity
- Balance between growth investment and shareholder returns
- Approach to additional shareholder returns, including share buybacks

Risks / External Environment

- Geopolitical tensions in the Middle East and raw material procurement risks
- Impact of larger projects on construction schedules and the timing of revenue recognition
- Response to rising raw material and labor costs
- Supply-side risks involving talent and partner companies

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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	Four times a year (quarterly)	Through internal management meetings

⑥ Insights and Improvements Gained from Dialogue

- **Providing More Specific Explanations of the Medium- to Long-Term Growth Strategy**
  → Investors place importance not only on the currently favorable order environment, but also on whether the growth is structural and sustainable.
- **Enhancing Explanations of Profitability Improvement**
  → Investors focus on the sustainability of the gross profit margin and the repeatability of profitability improvements achieved at the time of order intake, as well as the potential for further margin improvement despite rising personnel and outsourcing costs.
- **Providing More Specific Explanations of Capital Policy and Capital Allocation**
  → Investors show strong interest in the specific uses and expected returns of the investment capacity, the balance between growth investment and shareholder returns, and the capital allocation policy.
- **Expanding Opportunities for Dialogue with Management**
  → Investors place importance on management communicating its views on the medium- to long-term strategy and corporate value enhancement, as well as on expanding opportunities for dialogue.

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(Securities code: 9716)

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

Inquiries about IR and shares

Corporate Management Office
(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.