

Nomura would like to take this opportunity to once again apologize to its many stakeholders for any trouble or concern it may have caused in relation to the series of insider trading incidents in 2012 related to public offerings for which Japan's Securities and Exchange Surveillance Commission has recommended administrative penalties.

Overview

On June 29, 2012, Nomura Securities announced a series of business improvement measures to address these incidents that have now been fully implemented. While we believe that all the improvement measures are functioning effectively, we recognize the importance of maintaining consistent implementation of the measures to ensure the new organizational structure and systems

put in place remain effective. To this end, the status of implementation of the improvement measures will be monitored by the Improvement Measures Implementation Committee under the direct control of the Representative Executive Officer and President of Nomura Securities.

By thoroughly implementing the improvement measures, we will work to prevent such incidents from occurring again and strive to regain the public's trust while continuing to reinforce our internal controls.

Improvement Measures

The following represents the main improvement measures implemented for this series of insider trading incidents related to public offerings.

Summary of Implemented Improvement Measures

1. Enhancement of the Control System for Corporate-Related Information

Company rules were revised and the departments in charge of institutional equity sales are now prohibited from requesting corporate-related information from analysts or departments that are likely to be in contact with corporate-related information for business reasons, such as the Syndicate Department. Rules are now more rigorously enforced to ensure that both corporate-related information and information that is indicative of corporate-related information is no longer transmitted by the departments in charge of institutional equity sales.

2. New Establishment of Equity Administration Department (Currently GM Sales Administration Department)

In July 2012, the Equity Administration Department was established. Since then, this department has been monitoring call recordings, use of e-mails and online chats, and use of entertainment expenses by employees in the departments in charge of institutional equity sales. In April 2013, the name of this department was changed to the GM Sales Administration Department and its scope of monitoring was expanded to departments in charge of bond sales. At the same time, a framework for monitoring the sales activities of all departments in charge of sales targeting institutional investors was also set up. In order to monitor exchanges with clients, employees of departments in charge of institutional equity sales have been issued mobile phones with a call recording function that must be used at all times. The results of monitoring activities are

reported to related departments and the relevant executive officers in charge.

3. Improvement of Personnel System and Implementation of Training

Changes were made to the personnel system and performance appraisals now emphasize "Business Ethics/Compliance" as an important assessment criterion that is equally ranked with "Achievements and Results" and "Potential." Changes were also made to the compensation scheme and new guidelines created to give qualitative assessment of business ethics more weight in promotion criteria, to reflect the qualitative assessment in the year-end assessment/compensation (bonus), and to prepare guidelines concerning the reduction or clawback of deferred compensation on the grounds of receiving a disciplinary action in connection with a breach of compliance rules and policies.

In addition, all officers and employees must now participate in an annual training session to raise greater awareness about business ethics. Furthermore, employees of departments in charge of sales targeting institutional investors must take part in these training sessions biannually.

In order to rationalize the use of entertainment expenses, company rules have been put in place to regulate gifts and business entertainment expenses outside of the Company as well as to prohibit the excessive concentration of gifts and business entertainment expenses on particular clients.



Shoichi Nagamatsu
Executive Managing Director
Chief of Staff
Nomura Holdings, Inc.

Re-Imbuing Compliance and Business Ethics

Nomura has reinforced and made changes to its compliance system as well as initiated various measures to foster greater compliance awareness and business ethics among all its executive officers and employees in order to prevent insider trading scandals from ever happening again.

Specifically, these efforts can be broken down into three points. First, Nomura changed the way it manages corporate-related information and established a system for properly managing this information between departments that have such information, departments without such information, and clients. Second, Nomura newly established the Equity Administration Department to reinforce its monitoring functions of departments in charge

of institutional equity sales. The name of this department was changed to the GM Sales Administration Department as of April 1, 2013, and its scope was expanded to departments in charge of bond sales. Third, Nomura has made improvements to its personnel management system and training programs. Greater weight has been given to business ethics and compliance for performance appraisals and promotions, and business ethics training sessions are now held regularly for all executive officers and employees.

Going forward, the most important action we can take is to ensure that our efforts are maintained and sustained. To that end, each and every executive officer and employee must be fully prepared to remake the company from the ground up and maintain the same high level of business ethics demanded from professionals in the financial services industry. Such business ethics are formed through training as well as daily communication between supervisors, junior staff and fellow colleagues as well as clients. Nomura will continue to implement these compounding, company-wide efforts that are essential to restoring our trust and credibility and to making market growth possible.



Hisato Miyashita
Senior Managing Director
Group Compliance Head
Nomura Holdings, Inc.
Representative Executive Officer
Compliance Division, Internal Control
Supervisory Manager
Nomura Securities Co., Ltd.

Living up to the Trust Our Clients Place in Us

In April 2013, I was appointed as Representative Executive Officer of Nomura Securities Co., Ltd., Compliance Division, Internal Control Supervisory Manager, to complement my current posting of Senior Managing Director of Nomura Holdings and Group Compliance Head.

In 2012, Nomura Securities drew up preventive measures for the series of insider trading incidents related to public offerings for which Japan's Securities and Exchange Surveillance Commission recommended administrative penalties. Each and every one of these preventive measures is now being fully implemented, and we are currently monitoring the implementation process, making further changes and taking steps to further enhance

and reinforce our internal control framework. I am committed to ensure the continuity and sustained functionality of these preventive measures and to make further improvements going forward.

I believe that the essence of compliance can be found in professionalism underpinned by business ethics and social conventions. In this sense, compliance forms a vital element that determines the true value of the many services we provide clients. Each and every one of our employees needs to abide by the rules, which includes the laws and regulations that form a vital part of their duties, to understand the essence and act according to these rules, and constantly be aware of their own role in society as someone working in the financial services industry. That is, it is critical for Nomura to foster a corporate culture where employees perform their duties with a strong sense of business ethics and commitment to compliance. I am convinced that such a corporate culture will enable us to regain the trust of our clients and make further contributions to the sound development of capital markets. Going forward, we will continue to build up our compliance framework with an even greater commitment than before.