

Corporate Governance

Approach to Corporate Governance

Nomura Holdings recognizes that the enhancement of corporate governance is one of the most important issues in terms of achieving the management's goal of enhancing corporate value by deepening society's trust in the firm and increasing the satisfaction, beginning with clients, of stakeholders. The basic thinking concerning the governance of Nomura Holdings is as set forth below.

- Nomura Holdings has strengthened the supervisory function by separating management's supervisory and executive functions and has adopted the "Company with Committees" structure, a highly transparent governance structure, which has the following three committees: the nomination, compensation, and audit committees, each made up of a majority of Outside Directors.
- The Board of Directors will have a sufficient number of members/composition that enables active discussion from diverse perspectives and will supervise effectively. A Director who does not concurrently serve as an Executive Officer will serve as the chairman, and, as a general rule, the majority of the Board of Directors will be Outside Directors meeting the "Independence Criteria for Outside Directors" established by the Company. Business execution decisions will be made flexibly and efficiently by Executive Officers to whom authority has been delegated by the Board of Directors.
- The Nomination Committee will, referencing the opinions of external evaluation institutions and others, strive to assess talented individuals and will decide on candidates for the office of Director based on certain election standards. For the election of candidates for the office of Outside Director, in addition to corporate management experience and expertise in law and accounting, diversity, including nationality and gender, will be considered.
- The Compensation Committee, in deciding the compensation of Directors and Executive Officers, will, on the basis of the general rule of paying compensation commensurate with business performance, seek to enhance objectivity and transparency based on analysis performed by external evaluation institutions and others. Moreover, by utilizing deferred compensation, such as equity-related compensation with a certain exercise limitation period, the interests of the Directors and Executive Officers will be matched with the interests of shareholders, and long-term incentives will be increased. However, business performance-based bonuses and equity-based compensation will not be provided to Outside Directors.
- The Audit Committee will include at least one member who is a financial expert and transparency will be increased by having an Outside Director serve as chairman. To raise the effectiveness of legality/adequacy audits performed by the Audit Committee, a full-time Director who does not concurrently serve as an Executive Officer from within the Company, who is well-versed in the affairs of the Company, will be a member of the Audit Committee or an Audit Mission Director, and a full-time support organization will be put in place.
- Regarding the internal control system, it will be developed based on resolutions adopted by the Board of Directors, and the effectiveness/adequacy of the system will be secured through activities such as audits by the Audit Committee and activities of the Internal Audit Department that is independent from business execution. With a focus on the Internal Controls Committee in which both Audit Committee members and business execution managers participate, Nomura Holdings will strive to strengthen/enhance the internal control system.
- Regarding risk management, high standards are constantly pursued, and the Group Integrated Risk Management Committee has been put in place to heighten management effectiveness and will appropriately submit reports/recommendations to the Board of Directors.
- Regarding matters concerning a company's social responsibility beginning with compliance, the Code of Ethics of Nomura Group has been established as the rules of conduct that all Directors, officers, and employees of the Nomura Group must comply with, and the Nomura Group will strive to carry out its responsibilities to all stakeholders.

Measures for Reinforcing Governance

When we adopted a holding company structure and listed on the New York Stock Exchange (NYSE) in 2001, we installed Outside Directors and established an Internal Controls Committee, a Compensation Committee (the majority of the members are Outside Directors), and an Advisory Board of distinguished persons from outside the Company, and further improved our information disclosure system, as part of our commitment to ensure management transparency.

In addition, in 2003, we further strengthened and increased the transparency of our oversight

functions and expedited the Nomura Group's decision-making process by adopting the Committee System, a system in which management oversight and business execution functions are clearly separated.

In 2004, we established the "Code of Ethics of Nomura Group," which specifies matters to be observed by each Director, officer, and employee of the Nomura Group with respect to corporate governance and corporate social responsibility, and are making a thoroughgoing effort in this regard. Moreover, our Code of Ethics is in line with the Universal Declaration of Human Rights and the OECD Guidelines for Multinational Enterprises. For

further information on the Code of Ethics of Nomura Group.

Please refer to the Code of Ethics of Nomura Group. <http://www.nomuraholdings.com/company/basic/ethics.html>

Board of Directors

In order to achieve effective oversight of business execution functions from multiple perspectives, we place importance on diversity within the Board of Directors. Each Director has a diverse background in terms of nationality, gender, professional experience, etc., and by utilizing their extensive experience in their respective fields, such as business manager, legal/accounting professional, and public servant, the Directors assist with the determination of important managerial matters and oversee business execution.

Additionally, six of the eleven Directors making up our Board of Directors are Outside Directors, and based on supervision with an emphasis on the external perspective, we are aspiring to put in practice management with a high level of

transparency. We emphasize the independence of Outside Directors from the Nomura Group, and in order to maintain such independence, we have established the "Independence Criteria for Outside Directors." As none of the Outside Directors fall under the categories for which independence is considered suspect, and since none of the Outside Directors have any conflicts of interests with the shareholders, we have reported that each of the six Outside Directors are independent Directors in our submission to the Tokyo Stock Exchange.

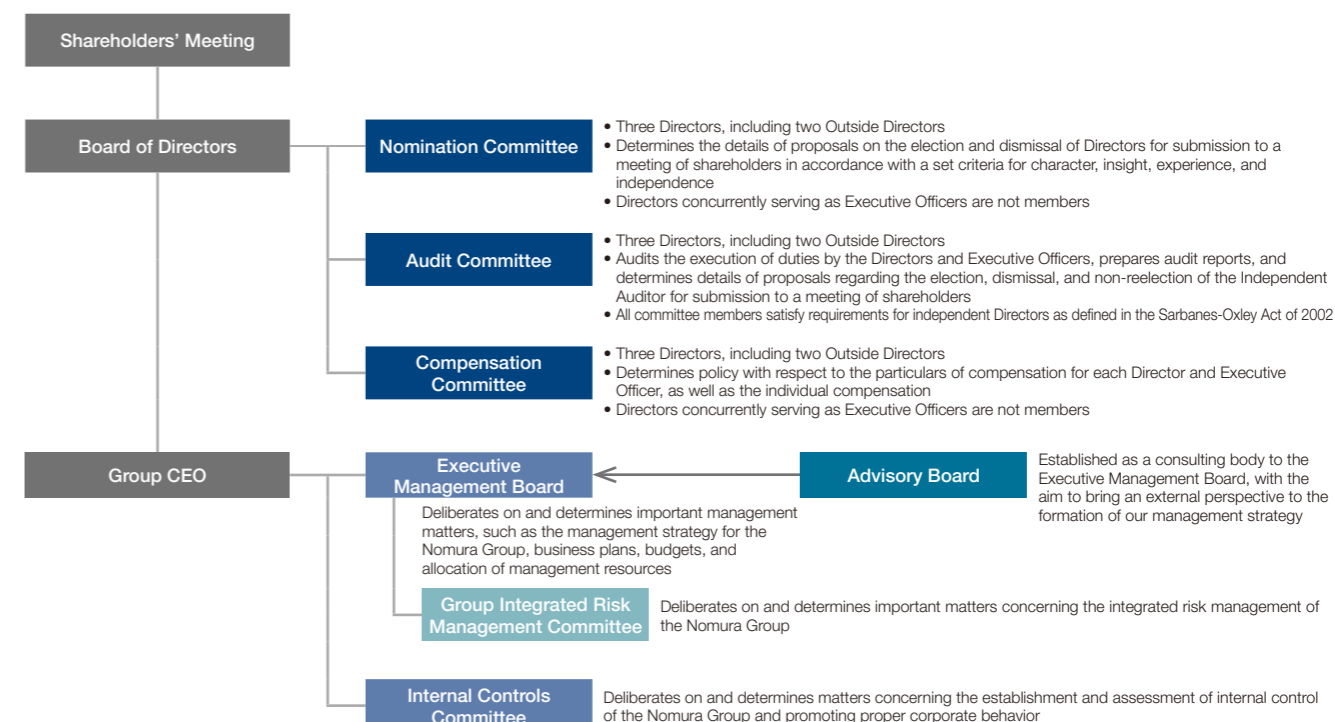
Please see our Annual Securities Report for more information on the Independence Criteria for Outside Directors.

Please refer to 6-k. <http://www.nomuraholdings.com/investor/library/sec>

Board of Directors (As of June 25, 2014)

Outside Directors	54% (6 of 11)
Non-Japanese Directors	27% (3 of 11)
Female Directors	9% (1 of 11)

Management Structure



Corporate Governance

Business Execution

The Board of Directors has broadly delegated decision making authority for business execution functions to the Executive Officers to ensure that they can execute the Company's business with speed and efficiency. Among the matters delegated to the Executive Officers by resolutions adopted by the Board of Directors, the most important matters of business must be deliberated and decided by specific management bodies within the Company, including the Executive Management Board, the Group Integrated Risk Management Committee, and the Internal Controls Committee. These management bodies are required to report to the Board of Directors on the status of their deliberations at least once every three months.

In order to further bolster our business execution framework for financial operations that are becoming increasingly sophisticated and specialized, we utilize a system whereby the Executive Officers delegate a part of their authority for business execution decisions to Senior Managing Directors (SMDs), who focus on individual business line activities.

Internal Controls

We are committed to strengthening and improving our internal controls system to promote proper corporate behavior throughout the Nomura Group, from the viewpoints of ensuring management transparency and efficiency, complying with laws and regulations, controlling risks, ensuring the reliability of business and financial reports and fostering the timely and appropriate disclosure of information.

Furthermore, in order to ensure effective and adequate internal controls, the Group Internal Audit Department, which is independent from the business execution functions, and other similar audit sections placed in major subsidiaries, conduct internal audits of the Company and its subsidiaries. The implementation status of internal audits is also reported to the Board of Directors and the Audit Committee.

In addition, to strengthen the independence of the internal audit sections from the business execution functions, implementation plans and the formulation of the budget of the Internal Audit Divisions, as well as the election and dismissal of

the Head of the Internal Audit Division require the consent of the Audit Committee. Audit Committee members may recommend changes to the implementation plan, etc., to Executive Officers.

Compensation for Directors and Executive Officers

As Nomura has adopted a committee system for corporate governance, the Compensation Committee has prepared and approved the Compensation Policy of Nomura Group and Compensation Policy for Directors and Officers of Nomura Holdings, Inc.

Compensation Policy of Nomura Group

To enable us to achieve sustainable growth, realize a long-term increase in shareholder value, deliver added value to our clients, compete in the global market and enhance our reputation, Nomura has developed the Compensation Policy of Nomura Group applicable to regular employees, including senior management. The policy is broadly divided into six key themes.

1. Align with Nomura values and strategies
2. Reflect firm, division, and individual performance
3. Establish appropriate performance measurement with a focus on risk
4. Align employee and shareholder interests
5. Establish appropriate compensation structures
6. Ensure robust governance and control processes

Please refer to our corporate website. <http://www.nomuraholdings.com/investor/cg/compensation.html>

Compensation Policy for Directors and Executive Officers of Nomura Holdings, Inc.

The compensation of Directors and Executive Officers comprises base salary, an annual bonus, and a long-term incentive plan. The Compensation Committee has approved the following matters related to compensation of Directors and Executive Officers:

1. Base Salary

Base salary is determined based on factors such as professional background, career history, responsibilities, and compensation standards of related business fields. A portion of base salary may be paid in the form of equity-based compensation with a certain non-exercise period to ensure that the interests of Directors and Executive Officers are closely aligned with those of shareholders.

2. Annual Bonus

Annual Bonuses of Directors and Executive Officers are determined by taking into account both quantitative and qualitative factors. Quantitative factors include performance of the Group and the division results, while qualitative factors include achievement of individual goals and subjective assessment of individual contributions. Depending on the level of bonus payment, a portion of payment in cash may be deferred. In addition, a portion of deferred bonus may be paid in equity-based compensation with a certain non-exercise period in lieu of cash. Such deferred bonus may be unpaid or forfeited under specific circumstances.

3. Long-Term Incentive Plans

Long-term incentive plans may be awarded to Directors and Executive Officers, depending on their individual responsibilities and performance. Payments under long-term incentive plans are made when a certain degree of achievements is accomplished. Payments are made in equity-linked awards with appropriate vesting periods to ensure that medium- to long-term interests of Directors and Executive Officers are closely aligned with those of shareholders.

Please refer to Form 20-F. <http://www.nomuraholdings.com/investor/library/sec/>

Nomura Internal Controls

