

Editorial Policy

In FY2012/13, we began publishing the Nomura Report, an integrated version of our annual report and our citizenship report, which detailed our CSR initiatives. We hope that this integrated report helps readers gain a broader understanding of our activities to support sustainable development and aim to grow and develop together with our stakeholders, including our shareholders and customers, as Asia's global investment bank.

**Report Period** April 1, 2014 to March 31, 2015  
(Some content may be outside this time frame.)

**Previous Report** August 2014

**Next Report** July 2016

**Entities Covered**  
Nomura Holdings, Inc. and its major subsidiaries and affiliates  
<http://www.nomuraholdings.com/company/group>  
Numerical data are presented alongside information on the scope of companies covered.

**Reference Guidelines**

- Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI)  
This report contains information regarding the standard disclosure items contained in the fourth edition of the GRI Sustainability Reporting Guidelines. Please access the following URL on our corporate website for our GRI Guidelines Index.  
<http://www.nomuraholdings.com/csr/gri/>
- Environmental Reporting Guidelines (2012 Version) of Japan's Ministry of the Environment
- Charter of Corporate Behavior of Keidanren

External Recognition

Nomura's CSR initiatives and its ESG (Environment, Social, and Governance) information disclosure practices have been widely recognized outside the Company. Nomura Holdings has been selected for inclusion in the Dow Jones Sustainability Indices, the FTSE4Good Index, and, as of January 2015, the Morningstar Socially Responsible Investment Index (MS-SRI), all of which are socially responsible investment (SRI) indexes.



Involvement in External ESG Initiatives

- The United Nations Global Compact
- Principles for Responsible Investment (UN PRI)
- CDP
- Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century)
- Climate Bonds Initiative
- Green Bond Principles
- CSR Asia



Contents

**Nomura at 90 Years. The Road Ahead**

- The 90-Year History of Nomura Group..... 2
- Nomura Group's Business Model ..... 4
- Nomura Today in Figures..... 5
- Financial and Non-Financial Highlights (US GAAP) ..... 6

**Nomura's Ideas: Looking to the Coming 100th Anniversary**

- Message from the CEO ..... 8
- Special Feature** COO and Regional CEO Roundtable..... 13
- Message from the CFO ..... 18

**Nomura's Ability to Get Things Done**

- Review of Operations ..... 20
- Company Segments..... 20
- Retail ..... 22
- Asset Management ..... 26
- Wholesale..... 30
- Special Feature** Global Research..... 34

**System for Supporting Corporate Value**

- Corporate Governance..... 36
- Outside Director's Interview ..... 40
- Directors..... 42
- Executive Officers and Senior Managing Directors..... 44
- Compliance ..... 45
- Risk Management ..... 48
- CSR Management ..... 52
- Contributing to Sound and Sustainable Capital Markets ..... 54
- Nurturing Human Resources with a Respect for Diversity..... 56
- Special Feature** Nurturing Human Resources Taking on Global Challenges ..... 59
- Our Community: Dialogue with Stakeholders ..... 60
- Our Environment ..... 62

**Data Section**

- Seven-Year Financial Summary (US GAAP) ..... 64
- CSR Key Facts ..... 66
- Independent Assurance ..... 71
- Global Network..... 72
- Nomura Securities Domestic Network ..... 73
- Corporate Data..... 74
- Website Information ..... 75

# Nomura at 90 Years. The Road Ahead

## The Founder's Principle: "Putting the Customer First"

This year, Nomura Group will mark the 90th year since its establishment. Starting business in 1925 with less than 90 employees, Nomura Group today has grown to become the largest securities company in Japan with a total of about 29,000 executives and employees in Japan and the rest of the world and about ¥109 trillion in client assets. Over the years, Nomura has remained faithful to the principle of its founder. One of the tenets of this philosophy "Putting the Customer First" evolved to become "Prospering Together with Our Clients" and finally to today's "Placing Our Clients at the Heart of Everything We Do." With this principle, Nomura will continue to respond to changes in the operating environment and take up the challenge of reforming itself.



Founder's Tokushichi Nomura



Our research-oriented culture— "Osaka Nomura Business News"

# The 90-Year History of Nomura Group

The driving force for Nomura Group's growth has been our continued devotion to responding to society's needs, which, in turn, is founded on a basic belief we have held since our establishment, "Placing Our Clients at the Heart of Everything We Do."

At present, Nomura is taking initiatives to create new value and services to share with its stakeholders, drawing on core skills in finance and its network covering more than 30 countries. Nomura is also continuing to innovate and take up new challenges to consolidate its position as Asia's global investment bank.

## 1925—

Supported Japan's securities market at the dawn of its development



1925 The head office of Nomura Securities at about the time of its founding



1927 Staff of the new representative office in New York

- 1925 The Securities Department of Osaka Nomura Bank split off into a separate company: Nomura Securities Co., Ltd.
- 1927 Representative office in New York
- 1949 Became a full member of the Tokyo Stock Exchange
- 1953 Head office moved to the Nihonbashi Nomura Building
- 1959 Founded the Nomura Securities Investment Trust Co., Ltd.

### Major Issue of New Companies' Stocks Marks the First Step toward Recovery

Nomura Securities was established in 1925, and, following World War II, developed as the leading presence in Japan's securities transactions. The opportunity for this development came from 1947 to 1948 when Japan's electric power distribution companies (today's electric power generation companies), banks, and textile companies made stock issues to raise funds. At that time, Nomura exerted its efforts in underwriting and selling these issues. This provided a foothold for Nomura to build its present position as it contributed to the first steps toward Japan's postwar recovery.

## 1960—

Provided fund-raising support for the era of high economic growth in Japan



1969 U.S. subsidiary Nomura Securities International (NSI)



1972 Nomura Europe N.V. in the Netherlands

- 1961 Nomura Securities listed its shares on the Tokyo Stock Exchange, Osaka Securities Exchange, and Nagoya Stock Exchange
- 1967 Established Nomura International (Hong Kong) Limited
- 1969 Established U.S. subsidiary Nomura Securities International, Inc. (NSI)
- 1972 Established its first subsidiary in Europe, Nomura Europe N.V., in the Netherlands

### Nomura Expands Globally, Opening a Series of Overseas Subsidiaries

Nomura's overseas business activities date back to the opening of a representative office in New York in 1927, only two years after its founding. In the postwar period, Nomura's international business activities recommenced in 1953, and it was active as a partner to Japanese companies that were raising funds overseas. In 1969, Nomura Securities International, Inc. (NSI) was established in the United States. Subsequently, Nomura has grown to become one of the world's leading securities companies.

## 1980—

Offering products and services in response to Japan's "financial Big Bang"



1980 Pamphlets advertising "Medium-Term Japanese Government Bond Fund"



1985 Tokyo Stock Exchange

- 1980 Began sales of the "Medium-Term Japanese Government Bond Fund"
- 1981 Established Nomura Investment Management Co., Ltd.
- Established U.K. subsidiary Nomura International Limited (NIL)
- 1993 Established The Nomura Trust and Banking Co., Ltd.
- 1997 The Nomura Securities Investment Trust and Nomura Investment Management merged to form Nomura Asset Management Co., Ltd.

### Moving toward Comprehensive Financial Business Operations

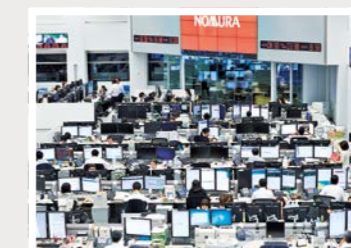
Nomura has expanded its portfolio of activities to become a comprehensive financial services company. This has included the establishment of Nomura Investment Management Co., Ltd., The Nomura Trust and Banking Co., Ltd., and other companies. Nomura has also expanded its offerings of products and services in response to Japan's financial Big Bang. Also, to contribute to the globalization of its corporate customers, Nomura has established overseas subsidiaries. In all of these activities, Nomura Group has always been quick to respond to the increasingly diverse financial needs of its customers.

## 2000—

Promoting the transition from deposits to investments



2001 Nomura Holdings listed its shares on the New York Stock Exchange



2012 Nomura Securities trading floor

- 2001 Separation of roles of Nomura Holdings and Nomura Securities with the transition to a holding company structure
- Nomura Holdings listed its shares on the New York Stock Exchange
- 2008 Absorbed the personnel of Lehman Brothers Asia Pacific and Lehman's European and Middle Eastern divisions
- 2009 Two public offerings by Nomura Holdings
- 2014 Client assets reached ¥100 trillion

### Transitioning to a Holding Company Structure and Strengthening Corporate Governance

Nomura Holdings, Inc., the holding company for Nomura Group of companies, was formed in 2001, and on this occasion, Nomura introduced a system of appointing Outside Directors. Beginning in 2003, Nomura adopted a corporate governance system separating the oversight of management from the conduct of business operations and became a "Company with Three Committees." Under this system, Nomura has substantially strengthened the function of supervising management and increasing management transparency.

From Asia to the world: Moving together with our customers and the market

#### Principal Economic and Social Developments

##### ● 1920 Early development of Japan's securities transactions

- 1920 Japanese Government Bond (JGB) market began operations separately from the Tokyo Stock Exchange
- 1944 Operation of the fixed exchange rate system began
- 1952 Japan joins the IMF

##### ● 1960 Period of rapid economic growth

- 1964 Tokyo Olympics
- 1965 First issues of deficit finance bonds by the Japanese government in the postwar period

##### ● 1970 Period of stable economic growth

- 1970 Osaka Expo '70
- 1973 Transition to floating exchange rates
- First oil crisis
- 1979 Second oil crisis

##### ● 1980 Bubble era

- 1985 Plaza Accord
- 1989 Berlin Wall torn down
- Nikkei stock price average peaking at ¥38,915.87

##### ● 1990 Post-bubble era

- 1995 Great Hanshin-Awaji Earthquake
- 1997 Asian currency crisis
- Hong Kong returned to China
- 1999 Bank of Japan's zero interest rate policy

##### ● 2000 Era of structural reforms

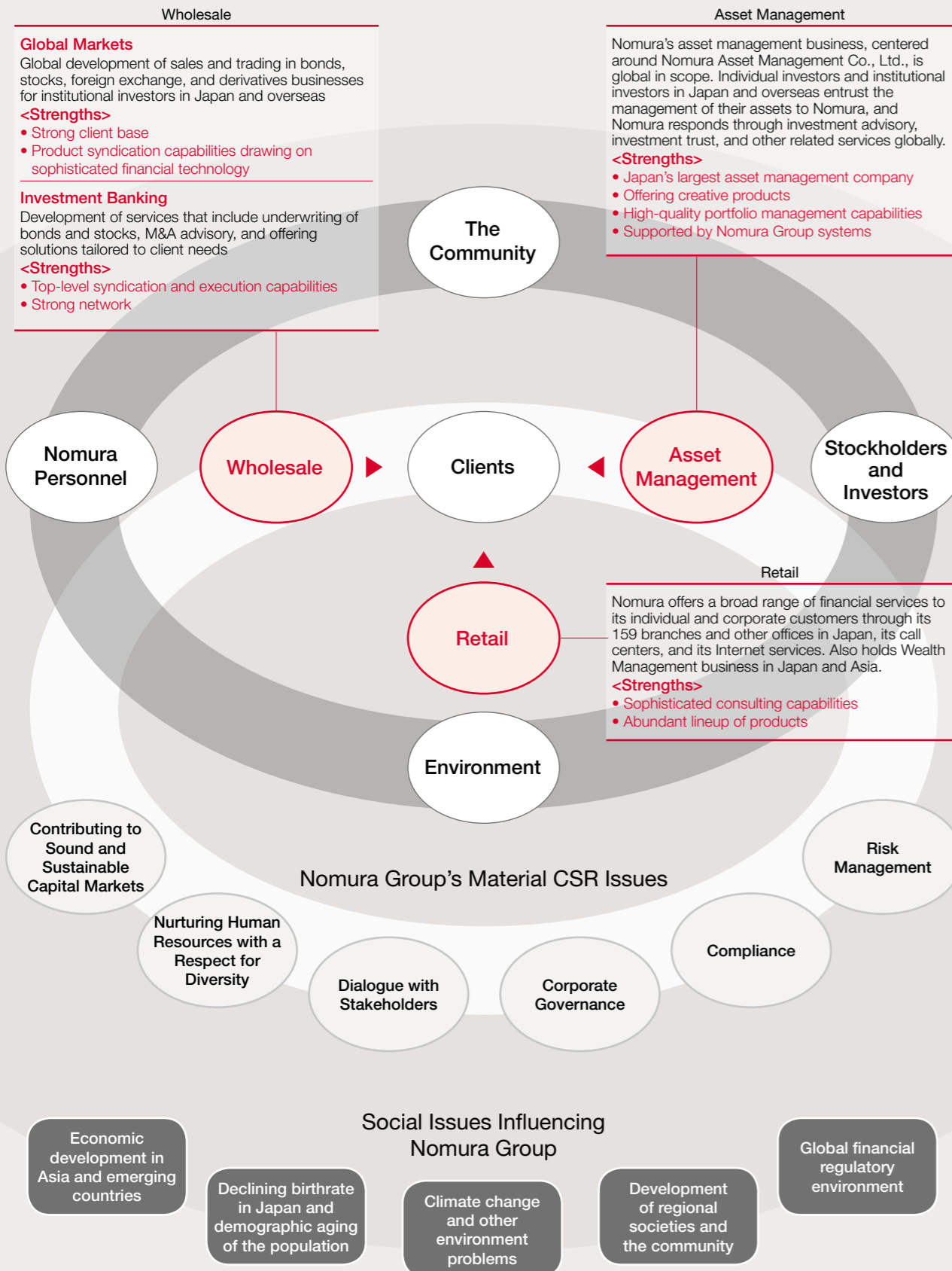
- 2001 September 11 attacks
- 2002 Euro notes and coins began to circulate
- 2007 World financial crisis

##### ● 2010 Era of revitalization in Japan

- 2011 Great East Japan Earthquake
- 2013 Monetary easing policy adopted under "Abenomics"

# Nomura Group's Business Model

The mother market of Nomura Group is in Asia, including Japan, and it offers financial services through its global network. With three main segments—Retail, Asset Management, and Wholesale—Nomura Group offers high-value-added services to its clients in Japan and the rest of the world through an international network that covers more than 30 countries.



# Nomura Today in Figures



From **84** Employees to  
**28,672**

Nomura Securities spun off from the Osaka Nomura Bank in 1925 with 84 employees. Now approaching the 90th anniversary of its founding, Nomura Group in Japan and the rest of the world has 28,672 (as of March 31, 2015) personnel.

Total Client Assets:  
**¥109** trillion

One of Nomura's missions is to promote the proper flow of funds and contribute to economic growth. As of March 31, 2015, Nomura's total client assets amounted to ¥109.5 trillion. This was twice the size of the balance of client assets of ¥54.6 trillion of the next largest company.



Nomura Group Executives and Employees Are

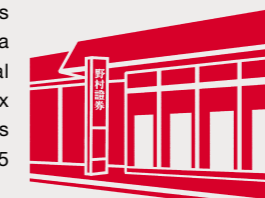
Citizens of **70** Countries

Nomura Securities opened its first overseas office in New York in March 1927. Today, executives and employees working in Nomura Group are citizens of more than 70 countries. The goal of the Group is to create a corporate culture where staff with diversified backgrounds can mutually respect each other's values and work together.



Number of Nomura Securities Branches in Japan: **159**

Nomura Securities has 159 branches nationwide in Japan. In FY2014/15, Nomura held 3,233 seminars on Nippon Individual Savings Accounts (NISA), which provide tax exemption on investments by individuals. As of April 30, 2015, Nomura held 1,595 thousand NISA accounts.



**680,000** Persons

Nomura Group has worked to spread knowledge and understanding of finance and economics since the 1990s. The number of persons who have attended educational programs, including sponsored lectures at universities, off-site lectures by Nomura staff for primary, junior, and high school students, and seminars for instructors and adult members, numbered 680,000 as of March 31, 2015. Thus far, about 23,000 Nomura management and staff served as guest lecturers.

**44%** of Nomura Executives and Employees Work outside Japan

In recent years, the number of Nomura personnel working outside Japan has increased sharply, and, as of March 31, 2015, of 28,672 executives and employees at that time, 44% were in positions overseas (9% in the Americas, 12% in Europe, and 23% in Asia-Pacific). Nomura is molding this organization to be a company where a diversity of values is respected, and staff can collaborate across divisions and geographical regions.

