NOMURA

Notice of Convocation of the 108th Annual Meeting of Shareholders

Nomura Holdings, Inc.

To Our Shareholders

I am pleased to present you with our business report for the fiscal year ended March 31, 2012 (April 1, 2011 – March 31, 2012, "fiscal year 2011").

In the fiscal year 2011, the global economic situation remained unstable. Factors behind this include the lingering effects of the Great East Japan Earthquake on the Japanese economy, economic and financial dislocation in Europe, slower economic growth in emerging countries, and the yen at record highs versus the US dollar.

Amid this environment, we continued to expand our client base both in Japan and overseas, enhanced our products and services, and reduced costs. For the fiscal year 2011, net revenue totaled 1,535.9 billion yen, income before income taxes was 85.0 billion yen, and net income was 11.6 billion yen.

Although we experienced a challenging fiscal year, our Retail business maintains a strong business base, and we are seeing results from our efforts to expand earnings as our international market-related businesses recover and we played key roles in large equity underwritings and M&A deals. In light of global financial and economic conditions and regulatory trends, the Company's annual dividend will be 6 yen per share.

As Asia's global investment bank, we will leverage our preeminent position in Japan to expand our business throughout Asia. As part of an effort to realize further business growth in China, India, and Southeast Asia, this April we created dedicated committees and offices for each area to more effectively utilize Group-wide resources.

Also in April, Nomura Holdings, Inc. and Nomura Securities Co., Ltd. separated their management execution structures, enabling each entity to focus more on overall Group management and our growth strategy in Japan, respectively. Economic instability in Europe and the rest of the world will likely continue in the near term. Based on our client-centric approach, we will continue to provide our clients with world-class products and services, while redoubling our efforts with respect to compliance and maintaining high standards of business ethics. In addition, we will continue our efforts to enhance shareholder value by increasing our earnings capacity through focusing on our core competencies and reducing costs.

Thank you and we look forward to your continued support.

May 2012

Kenichi Watanabe Director Representative Executive Officer Group CEO Nomura Holdings, Inc.

(Code: 8604) May 31, 2012

To: The Shareholders of Nomura Holdings, Inc.

Kenichi Watanabe Director and Representative Executive Officer Group CEO Nomura Holdings, Inc. 1-9-1 Nihonbashi, Chuo-ku, Tokyo, JAPAN

Notice of Convocation of the Annual Meeting of Shareholders

Dear Shareholder,

I would like to take this opportunity to thank you, our shareholder, for your support of Nomura Holdings, Inc. (the "Company"). You are hereby invited to attend the 108^{th} Annual Meeting of Shareholders to be held in accordance with the following details. You are respectfully requested to attend the meeting with the enclosed proxy card in your possession.

Details

1. Date and Time: 10:00 a.m. on Wednesday, June 27, 2012

2. Place: Hotel Okura Tokyo, Heian Room (Main Building, first floor)

2-10-4 Toranomon, Minato-ku, Tokyo, JAPAN

3. Agenda for the Meeting:

Matters to be Reported:

- 1. Business report, report on the consolidated financial statements and report on the results of audits of the consolidated financial statements by the independent auditors and the Audit Committee for the fiscal year ended March 31, 2012 (covering the period from April 1, 2011 to March 31, 2012).
- 2. Report on the financial statements for the fiscal year ended March 31, 2012 (covering the period from April 1, 2011 to March 31, 2012).

Matters to be Resolved:

Company Proposal (Proposal 1)

Proposal 1. Election of Thirteen Directors

Shareholder Proposals (Proposal 2 through 19)

- Proposal 2. Amendment to the Articles of Incorporation (Regarding the pronunciation of the trade name in English and registration procedures)
- Proposal 3. Amendment to the Articles of Incorporation (Regarding the short title of the trade name in the domestic market and the introductory remark to be used by sales persons)
- Proposal 4. Amendment to the Articles of Incorporation (Regarding limitations on Compensation Committee determined executive compensation)
- Proposal 5. Amendment to the Articles of Incorporation (Regarding limit on the ratio of personnel expense to income and giving three *banzai* cheers)
- Proposal 6. Amendment to the Articles of Incorporation (Regarding the limitation of liabilities of directors)
- Proposal 7. Amendment to the Articles of Incorporation (Regarding addition of purpose to the Articles of Incorporation)
- Proposal 8. Amendment to the Articles of Incorporation (Regarding stock option plans as executive compensation)
- Proposal 9. Amendment to the Articles of Incorporation (Regarding method of capital increase)
- Proposal 10. Amendment to the Articles of Incorporation (Regarding information disclosure)
- Proposal 11. Amendment to the Articles of Incorporation (Regarding restriction on investee)
- Proposal 12. Amendment to the Articles of Incorporation (Regarding overhaul of basic daily movements)
- Proposal 13. Amendment to the Articles of Incorporation (Regarding the name of the director's position)
- Proposal 14. Amendment to the Articles of Incorporation (Regarding outsourcing of account opening businesses)
- Proposal 15. Amendment to the Articles of Incorporation (Regarding the number of shares authorized to be issued)
- Proposal 16. Amendment to the Articles of Incorporation (Regarding partial amendment to the Articles of Incorporation)
- Proposal 17. Amendment to the Articles of Incorporation (Regarding calendar style)
- Proposal 18. Amendment to the Articles of Incorporation (Regarding a Group Head)
- Proposal 19. Amendment to the Articles of Incorporation (Regarding the supplementary provision of the Articles of Incorporation)

Matters regarding exercise of voting rights: If you exercise your voting rights through proxy, only one proxy per shareholder will be permitted, and such proxy must be a shareholder who holds voting rights at this Annual Meeting of Shareholders. Please submit a written power of attorney along with the proxy card.

Notes: The following matters are available on the Company's website (http://www.nomuraholdings.com/investor/shm/) and are therefore omitted from the materials annexed to this Notice of Convocation pursuant to relevant laws and Article 25 of the Company's Articles of Incorporation:

- 1. The following section of the business report: VII. Fundamental Policies Regarding the Status of Persons Governing Decisions on the Company's Financial and Business Policies;
- 2. The notes to the consolidated financial statements; and
- 3. The notes to the financial statements.

Any subsequent revisions to this Notice of Convocation, the business report, the consolidated financial statements, the financial statements or other materials annexed to this Notice of Convocation shall also be posted on the Company's website.

Reference Materials for the Annual Meeting of Shareholders

Proposals and Reference Matters

Company Proposal (Proposal 1)

Proposal 1: Election of Thirteen Directors

As all of the fourteen Directors will have finished their term of office at the conclusion of this Annual Meeting of Shareholders, the Company proposes the election of thirteen Directors in accordance with a resolution of the Nomination Committee. Of the thirteen nominees, two Director nominees, Kenichi Watanabe and Takumi Shibata, will concurrently serve as Executive Officers, and the other eleven are Non-Executive Director nominees (with seven Outside Director nominees).

The nominees are as follows.

Name (Date of Birth)	Brief Personal	History and Significant Concurrent Positions	of the Company
1.	Apr. 1974	Joined the Company	129,953
	Jun. 1995	Director of the Company	
	Apr. 1999	Managing Director of the Company	
12.50	Jun. 2000	Deputy President of the Company	
1-	Oct. 2001	Deputy President of the Company (concurrently Director and	
(2)		Deputy President of Nomura Securities Co., Ltd.)	
	Apr. 2003	Director and President of the Company (concurrently Director and	
61 -/ /-		President of Nomura Securities Co., Ltd.)	
Nobuyuki Koga	Jun. 2003	Director, President & CEO of the Company (concurrently Director	
(Aug. 22, 1950)		and Executive Officer and President of Nomura Securities Co.,	
		Ltd.)	
	Apr. 2008	Director and Representative Executive Officer of the Company	
	-	(concurrently Director and Chairman of Nomura Securities	
		Co., Ltd.)	
	Jun. 2008	Director and Chairman of Nomura Securities Co., Ltd.	
	Jun. 2011	Director and Chairman of the Company (concurrently Director	
		and Chairman of Nomura Securities Co., Ltd.) (Current)	

Sharahaldinga

(Responsibilities)

Chairman of the Board of Directors Chairman of the Nomination Committee Chairman of the Compensation Committee

 Mr. Koga does not concurrently serve as Executive Officer, and is a Non-Executive Director.

Name (Date of Birth)	Brief Personal	History and Significant Concurrent Positions	of the Company
2.	Apr. 1975	Joined the Company	172,866
	Jun. 1998	Director of the Company	,
	Jun. 2000	Managing Director of the Company	
135	Oct. 2001	Director of the Company (concurrently Managing Director of	
1-0		Nomura Securities Co., Ltd.)	
	Apr. 2002	Director of the Company (concurrently Executive Managing	
	11/11/2002	Director of Nomura Securities Co., Ltd.)	
	Jun. 2003	Senior Managing Director of the Company (concurrently Director	
Kenichi Watanabe	Jun. 2003	and Executive Vice President of Nomura Securities Co., Ltd.)	
(Oct. 28, 1952)	Apr. 2004	Senior Managing Director of the Company (concurrently	
	11p1. 200 i	Executive Vice President of Nomura Securities Co., Ltd.)	
	Apr. 2006	Deputy President of Nomura Securities Co., Ltd.	
	Apr. 2008	President & CEO of the Company (concurrently Director and	
	71pr. 2000	President & CEO of Nomura Securities Co., Ltd.)	
	Jun. 2008	Director and President & CEO of the Company (concurrently	
	Jun. 2000	Director and President & CEO of Nomura Securities Co., Ltd.)	
	Jun. 2011	Director and Representative Executive Officer & Group CEO	
	Juli. 2011		
		(concurrently Director and President & CEO of Nomura Securities	
	Amm 2012	Co., Ltd.) Director and Representative Evecutive Officer & Crown CEO of	
	Apr. 2012	Director and Representative Executive Officer & Group CEO of	
		the Company (Current)	
	(Responsib		
	Representat	tive Executive Officer & Group CEO	
3.	Apr. 1976	Joined the Company	157,202
	Jun. 1998	Director of the Company	
	Jun. 2000	Managing Director of the Company	
20	Oct. 2001	Managing Director of Nomura Securities Co., Ltd.	
17.33	Apr. 2003	Executive Managing Director of Nomura Securities Co., Ltd.	
(3)	Jun. 2003	Senior Managing Director of the Company (concurrently	
		Executive Vice President of Nomura Securities Co., Ltd.)	
	Apr. 2004	Senior Managing Director of the Company (concurrently Director	
Takumi Shibata	-	and Executive Vice President of Nomura Securities Co., Ltd.)	
(Jan. 8, 1953)	Apr. 2005	Senior Managing Director of the Company (concurrently Director	
	-	and President & CEO of Nomura Asset Management Co., Ltd.)	
	Apr. 2006	Director and President & CEO of Nomura Asset Management	
	•	Co., Ltd.	
	Apr. 2008	Deputy President & COO of the Company (concurrently Director	
	•	and Deputy President of Nomura Securities Co., Ltd.)	
	Jun. 2008	Director and Deputy President & COO of the Company	
		(concurrently Director and Deputy President of Nomura Securities	
		Co., Ltd.)	
	Jun. 2011	Director and Representative Executive Officer & Group COO of	
	00111	the Company (concurrently Director and Deputy President of	
		Nomura Securities Co., Ltd.)	
	Apr. 2012	Director and Representative Executive Officer & Group COO of	
	r-·	the Company (Current)	
	(Recnancib	uilitias)	

Shareholdings

(Responsibilities)
Representative Executive Officer & Group COO

Name (Date of Birth)	Brief Personal	History and Significant Concurrent Positions	Shareholdings of the Company
4.	Apr. 1976	Joined the Company	125,922
	Jun. 1998	Director of the Company, responsible for Corporate	
F-100		Communications and Investor Relations	
723	Jun. 2000	Director of the Company, responsible for Corporate Planning and Communications	
	Oct. 2001	Director of the Company, responsible for General Affairs	
1	Jun. 2003	Senior Managing Director of the Company, responsible for Global Corporate Communications, General Affairs and Secretariat	
Masanori Itatani (Oct. 13, 1953)	Apr. 2004	Senior Managing Director of the Company, responsible for Internal Audit	
	Apr. 2006	Executive Managing Director of the Company, responsible for Internal Audit	
	Jun. 2007	Director of the Company (Current)	
	• Mr.	the Audit Committee Itatani does not concurrently serve as Executive Officer, and is a-Executive Director.	
5.	Apr. 1980	Joined the Company	86,800
	Apr. 2003	Director of Nomura Securities Co., Ltd., responsible for retail branch supervision, Tokyo suburbs	
35	Jun. 2003	Senior Managing Director of Nomura Securities Co., Ltd., responsible for retail branch supervision, Tokyo suburbs	
	Apr. 2006	Senior Managing Director of Nomura Securities Co., Ltd., responsible for retail branch supervision, Tokyo	
Masanori Nishimatsu	Apr. 2007	Executive Managing Director of Nomura Securities Co., Ltd., responsible for retail branch supervision, Tokyo	
(Feb. 3, 1958)	Apr. 2008	Executive Managing Director of Nomura Securities Co., Ltd., Nagoya	
	Oct. 2008	Senior Corporate Managing Director of Nomura Securities Co., Ltd., Nagoya	
	Apr. 2010	Advisor of the Company	
	Jun. 2010	Director of the Company (Current)	
	(Responsibi Audit Missio • Mr. N is a No		

- Note 1: The Company adopted a holding company structure by way of a demerger and changed its corporate name, "The Nomura Securities Co., Ltd." to "Nomura Holdings, Inc." in October 2001 and devolved financial company businesses to Nomura Securities Co., Ltd. References to the Company prior to October 2001 in the personal histories above refer to responsibilities at The Nomura Securities Co., Ltd.
- Note 2: In June 2003, the Company changed from a company with accounting auditors to a newly adopted corporate governance system of company with committees, which separates management oversight functions of the Directors from the day-to-day execution of business by the Executive Officers.

Name (Date of Birth)	Brief Personal	History and Significant Concurrent Positions	Shareholdings of the Company
6.	Feb. 1997	Joined Nomura International plc	_
	Jul. 1999	Head of Risk Management, Nomura International plc	
	Mar. 2005	COO of Nomura International plc	
1-50 E	Aug. 2007	Resigned from Nomura International plc	
0 2	Nov. 2008	Chief Risk Officer ("CRO"), Senior Managing Director of the	
		Company	
	Jan. 2011	Vice Chairman of the Company (Senior Managing Director) Risk and Regulatory Affairs	
David Benson	Apr. 2011	Vice Chairman of the Company (Senior Managing Director)	
(Feb. 9, 1951)	Jun. 2011	Director of the Company (Current)	
		tenson does not concurrently serve as Executive Officer, and is a Executive Director.	

Nominees for Outside Directors (Numbers 7 to 13)

Name (Date of Birth)	Brief Personal	History and Significant Concurrent Positions	Shareholdings of the Company
7.	Apr. 1963	Joined Komatsu Ltd.	30,000
	Jun. 2001	President of Komatsu Ltd.	
	Jun. 2003	President & CEO of Komatsu Ltd.	
173	Jun. 2007	Representative Director and Chairman of Komatsu Ltd.	
12.00	Jun. 2008	Outside Director of Tokyo Electron Limited (Current)	
	Jun. 2008	Outside Director of the Company (Current)	
	Jun. 2010	Director and Chairman of Komatsu Ltd. (Current)	
Masahiro Sakane	Mar. 2011	Outside Director of ASAHI GLASS Co., Ltd. (Current)	

Masahiro Sakane (Jan. 7, 1941)

(Responsibilities)

Member of the Nomination Committee Member of the Compensation Committee

- Nominee for Outside Director (Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act)
- Acknowledged as Independent Director (An outside director who is acknowledged not to have conflicts of interest with general investors in accordance with the rules of Tokyo Stock Exchange, Inc. ("the Exchange"))

Mr. Sakane has rich managerial experience as the Director and Chairman of Komatsu Ltd. and has held important roles such as Vice Chairman of Nippon Keidanren (Japan Business Federation). His achievements and insights have been widely acknowledged both within and outside the Company.

Mr. Sakane is not considered to be in any situations where the degree of independence required by the Exchanges is called in doubt, and hence he is unlikely to have conflicts of interest with general investors.

Mr. Sakane has attended 9 of the 10 meetings of the Board of Directors, all 2 meetings of the Nomination Committee and all 4 meetings of the Compensation Committee held during the 108th fiscal year. The Company would like to request his reappointment as an Outside Director, expecting him to continue to play an exemplary role in determining important managerial matters and oversight of the business execution of the Company by applying his rich experience and high degree of independence.

Mr. Sakane will have been in office as an Outside Director for 4 years at the conclusion of this Annual Meeting of Shareholders.

Brief Personal History and Significant Concurrent Positions



Toshinori Kanemoto (Aug. 24, 1945)

Apr. 1968	Joined National Police Agency
Apr. 1992	Kumamoto Prefecture Police Headquarters, Director-General
Aug. 1995	Director General of the International Affairs Department, National
	Police Agency
Oct. 1996	President of ICPO-INTERPOL
Aug. 2000	President, National Police Academy
Apr. 2001	Director of Cabinet Intelligence, Cabinet Secretariat, Government
	of Japan
Jan. 2007	Registered as Attorney-at-Law (Dai-ichi Tokyo Bar Association)
Feb. 2007	Of-Counsel, City-Yuwa Partners (Current)
Jun. 2008	Outside Statutory Auditor of Kameda Seika Co., Ltd. (Current)
Jun. 2011	Outside Director of the Company (Current)

(Responsibilities)

Member of the Nomination Committee Member of the Compensation Committee

- Nominee for Outside Director (Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act)
- Acknowledged as Independent Director (An outside director who is acknowledged not to have conflicts of interest with general investors in accordance with the rules of the Exchange)

Following his experiences such as Director General of International Affairs in National Police Agency, as President of ICPO-INTERPOL and as Director of Cabinet Intelligence in Japan, Mr. Kanemoto is currently active as an attorney with sophisticated expertise in his field. His achievements and insights have been widely acknowledged both within and outside the Company.

Mr. Kanemoto is not considered to be in any situations where the degree of independence required by the Exchanges is called in doubt, and hence he is unlikely to have conflicts of interest with general investors.

Mr. Kanemoto has attended all 8 meetings of the Board of Directors, 1 meeting of the Nomination Committee and 2 meetings of Compensation Committee held during the 108th fiscal year since his appointment to office and the Company would like to request his reappointment as an Outside Director, expecting him to continue to play an exemplary role in determining important managerial matters and oversight of the business execution of the Company by applying his rich experience, advanced expertise as well as his high degree of independence.

Mr. Kanemoto will have been in office as Outside Director for 1 year at the conclusion of this Annual Meeting of Shareholders.

Name



		e empe
Mar. 1955	Joined Hayakawa Electric Industry Co., Ltd. (currently, Sharp Corporation)	14,000
Jun. 1986	President of Sharp Corporation	
Jun. 1998	Corporate Advisor of Sharp Corporation (Current)	
Jun. 2001	Outside Statutory Auditor of the Company	
Jun. 2003	Outside Director of the Company (Current)	
Jun. 2008	Outside Director of Kobayashi Pharmaceutical Co., Ltd. (Current)	
Jun. 2010	Outside Director of SEIREN Co., Ltd. (Current)	

(Responsibilities)

Chairman of the Audit Committee

- Nominee for Outside Director (Article 2, Paragraph 3, Item 7 of the Ordinance for **Enforcement of the Companies Act)**
- Acknowledged as Independent Director (An outside director who is acknowledged not to have conflicts of interest with general investors in accordance with the rules of the Exchange)

Mr. Tsuji has rich managerial experience and held important positions including President of Sharp Corporation. His achievements and insights have been widely acknowledged within and outside the Company.

Mr. Tsuji is not considered to be in any situations where the degree of independence required by the Exchanges is called in doubt, and hence he is unlikely to have conflicts of interest with general investors.

Mr. Tsuji has attended all 10 meetings of the Board of Directors and all 24 meetings of the Audit Committee held during the 108th fiscal year. The Company would like to request his reappointment as an Outside Director, expecting him to continue to play an exemplary role in determining important managerial matters and supervising the business execution of the Company by applying his rich experience and high degree of independence.

Mr. Tsuji will have been in office as Outside Director of the Company as a company with committees for 9 years at the conclusion of this Annual Meeting of Shareholders (he had been in office as Statutory Auditor for 2 years when the Company was a company with auditors before the Company transformed into a company with committees).



Tsuguoki Fujinuma (Nov. 21, 1944)

	į č	
Apr. 1969	Joined Horie Morita Accounting Firm	17,400
Jun. 1970	Joined Arthur & Young Accounting Firm	
Nov. 1974	Registered as a certified public accountant	
May 1991	Managing Partner of Asahi Shinwa Accounting Firm	
Jun. 1993	Managing Partner of Ota Showa & Co. (Ernst & Young	
	ShinNihon (currently, Ernst & Young ShinNihon LLC))	
May 2000	President of the International Federation of Accountants	
Jul. 2004	Chairman and President of the Japanese Institute of Certified	
	Public Accountants	
Jun. 2007	Retired from Ernst & Young ShinNihon	
Jul. 2007	Advisor of the Japanese Institute of Certified Public Accountants	
	(Current)	
Aug. 2007	Outside Director of Tokyo Stock Exchange Group, Inc. (Current)	
Oct. 2007	Governor of Tokyo Stock Exchange Regulation (Current)	
Apr. 2008	Specially-appointed Professor of Chuo Graduate School of	
	Strategic Management (Current)	
Jun. 2008	Outside Statutory Auditor of Sumitomo Corporation (Current)	
Jun. 2008	Outside Statutory Auditor of Takeda Pharmaceutical Company	
	Limited (Current)	
Jun. 2008	Outside Director of the Company (Current)	
Jul. 2008	Outside Director of Sumitomo Life Insurance Company (Current)	
May 2010	Outside Statutory Auditor of Seven & i Holdings Co., Ltd.	
	(Current)	

(Responsibilities)

Member of the Audit Committee

- Nominee for Outside Director (Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act)
- Acknowledged as Independent Director (An outside director who is acknowledged not to have conflicts of interest with general investors in accordance with the rules of the Exchange)

Mr. Fujinuma has thorough knowledge of international accounting standards, exhibited high professionalism as financial expert under Sarbanes-Oxley Act of 2002, and held important positions including the President of the International Federation of Accountants, the Chairman and President of the Japanese Institute of Certified Public Accountants and Trustee of the International Accounting Standards Committee Foundation. His achievements and insights have been widely acknowledged both within and outside the Company.

Mr. Fujinuma is not considered to be in any situations where the degree of independence required by the Exchanges is called in doubt, and hence he is unlikely to have conflicts of interest with general investors.

Mr. Fujinuma has attended all 10 meetings of the Board of Directors and all 24 meetings of the Audit Committee held during the 108th fiscal year. The Company would like to request his reappointment as an Outside Director, expecting him to continue to play an exemplary role in determining important managerial matters and oversight of the business execution of the Company through applying his advanced expertise and high degree of independence.

Mr. Fujinuma will have been in office as Outside Director for 4 years at the conclusion of this Annual Meeting of Shareholders.

Although Mr. Fujinuma was, until June 2007, a partner of Ernst & Young ShinNihon LLC, the current corporate auditor of the Company, he was never involved in an accounting audit of the Company. Further, 5 years has passed since his departure from that auditing firm, and he has had no involvement whatsoever in the management or the financial policy of that firm since then. With respect to his role with the Tokyo Stock Exchange Group, Inc., Nomura Securities Co., Ltd. (a subsidiary of the Company) is merely one of many trading participants at the Exchange and the portion of the Company's shareholdings of the Exchange is minimal. Accordingly, it is concluded that Mr. Fujinuma's past and current positions do not compromise his independence.

Dame Clara Furse (Sept. 16, 1957)

Feb. 1983	Joined Phillips & Drew/UBS	_
Jun. 1990	Non-Executive Director of LIFFE (London International Financial	
	Futures Exchange)	
Jun. 1997	Deputy Chairman of LIFFE	
May 1998	Group Chief Executive of Credit Lyonnais Rouse	
Jan. 2001	Chief Executive of London Stock Exchange Group	
Jun. 2009	Non-Executive Director of Legal & General Group plc (Current)	
Dec. 2009	Non-Executive Director of Nomura International plc (Current)	
	Non-Executive Director of Nomura Europe Holdings plc	
	(Current)	
Apr. 2010	Non-Executive Director of Amadeus IT Holding SA (Current)	
Jun. 2010	Outside Director of the Company (Current)	
Jun. 2011	Non-Executive Director of UK Department for Work and	
	Pensions (Current)	

- Nominee for Outside Director (Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act)
- Acknowledged as an Independent Director (An outside director who is acknowledged not to have conflicts of interest with general investors in accordance with the rules of the Exchange)

Dame Clara was Chief Executive of the London Stock Exchange Group from 2001 to 2009 and was made a Dame Commander of the British Empire in 2008. She has rich experience in financial markets, and her achievements and insights have been highly evaluated within and outside the Company.

Dame Clara is not considered to be in any situations where the degree of independence required by the Exchanges is called into doubt, and hence she is unlikely to have conflicts of interest with general investors.

Dame Clara has attended all 10 meetings of the Board of Directors of the Company held in the 108th fiscal year and the Company would like to request her reappointment as Outside Director, expecting her to continue to play an exemplary role in determining important managerial matters and oversight of the business execution of the Company with her extensive relevant global financial markets experience and high level of independence.

Dame Clara will have been in office as Outside Director for 2 years at the conclusion of this Annual Meeting of Shareholders.





Takao Kusakari (Mar. 13, 1940)

Apr. 1964	Joined Nippon Yusen Kabushiki Kaisha (NYK Line) —
Aug. 1999	President of NYK Line
Apr. 2002	President, Corporate Officer of NYK Line
Apr. 2004	Chairman, Corporate Officer of NYK Line
Apr. 2006	Chairman, Chairman Corporate Officer of NYK Line
Apr. 2009	Director and Corporate Advisor of NYK Line
Jun. 2009	Outside Statutory Auditor of Nippon Steel Corporation (Current)
Jun. 2010	Corporate Advisor of NYK Line (Current)
Jun. 2011	Outside Director of the Company (Current)

- Nominee for Outside Director (Article 2, Paragraph 3, Item 7 of the Ordinance for **Enforcement of the Companies Act)**
- Acknowledged as Independent Director (An outside director who is acknowledged not to have conflicts of interest with general investors in accordance with the rules of the Exchange)

Mr. Kusakari has rich managerial experience as the Chairman of NYK Line and has held important roles as Vice Chairman of Nippon Keidanren (Japan Business Federation) and President of Council for Regulatory Reform. His achievements and insights have been widely acknowledged both within and outside the Company.

Mr. Kusakari is not considered to be in any situations where the degree of independence required by the Exchanges is called in doubt, and hence he is unlikely to have conflicts of interest with general investors.

Mr. Kusakari has attended all 8 meetings of the Board of Directors of the Company held in the 108th fiscal year since his appointment to office and the Company would like to request his reappointment as Outside Director, expecting him to continue to play an exemplary role in determining important managerial matters and oversight of the business execution of the Company by applying his rich experience as well as his high degree of independence.

Mr. Kusakari will have been in office as Outside Director for 1 year at the conclusion of this Annual Meeting of Shareholders.

13.



Michael Lim Choo San (Sept. 10, 1946)

Aug. 1972	Joined Price Waterhouse, Singapore
Jan. 1992	Managing Partner of Price Waterhouse, Singapore
Oct. 1998	Member of The Singapore Public Service Commission (Current)
Jul. 1999	Executive Chairman of PricewaterhouseCoopers, Singapore
Sept. 2002	Chairman of the Land Transport Authority of Singapore (Current)
Jul. 2006	Non-Executive Chairman of Nomura Singapore Ltd. (Current)
Nov. 2007	Member of the Legal Service Commission, Singapore (Current)
Feb. 2009	Non-Executive Director of Nomura Asia Holding N.V.
Jun. 2011	Outside Director of the Company (Current)
Oct. 2011	Chairman of Pro-Tem Singapore Accountancy Council (Current)
Nov. 2011	Chairman of Accounting Standards Council, Singapore (Current)
Apr. 2012	Non-Executive Chairman of Nomura Asia Holding N.V. (Current)

- Nominee for Outside Director (Article 2, Paragraph 3, Item 7 of the **Ordinance for Enforcement of the Companies Act)**
- Acknowledged as Independent Director (An outside director who is acknowledged not to have conflicts of interest with general investors in accordance with the rules of the Exchange)

Mr. Lim has held a number of significant positions including the Executive Chairman of PricewaterhouseCoopers, Singapore and has extensive knowledge of international accounting standards. He has also served in a number of public service related roles, and was awarded with national honors by the government of Singapore three times during the period between 1998 and 2010. His achievements and insights have been widely acknowledged both within and outside the Company.

Mr. Lim is not considered to be in any situations where the degree of independence required by the Exchanges would be called into doubt, and hence he is unlikely to have conflicts of interest with general investors.

Mr. Lim has attended all 8 meetings of the Board of Directors of the Company held in the 108th fiscal year since his appointment to the office and the Company would like to request his reappointment as Outside Director, expecting him to continue to play an exemplary role in determining important managerial matters and oversight of the business execution of the Company by applying his rich and global experience, as well as his high degree of independence.

Mr. Lim will have been in office as Outside Director for 1 year at the conclusion of this Annual Meeting of Shareholders.

Note 3: There are no particular conflicts of interest between the Company and the above-mentioned nominees.

Note 4: The Company has respectively entered into a limitation of liability agreement with each nominee currently serving as an Outside Director, Mr. Masahiro Sakane, Mr. Toshinori Kanemoto, Mr. Haruo Tsuji, Mr. Tsuguoki Fujinuma, Dame Clara Furse, Mr. Takao Kusakari, and Mr. Michael Lim Choo San which limit his/her liabilities for damages to the Company pursuant to the provisions of Article 423, Paragraph 1 of the Companies Act. The liability under the agreement is limited to the higher of 20 million yen or the amount prescribed by laws and ordinances. If their reelections are approved, the Company shall continue said limitation of liability agreements.

Reference

Directors to be appointed to the Nomination Committee, Compensation Committee and Audit Committee:

Nomination Committee: Nobuyuki Koga (chairman), Masahiro Sakane and Toshinori Kanemoto

Compensation Committee: Nobuyuki Koga (chairman), Masahiro Sakane and Toshinori Kanemoto

Audit Committee: Haruo Tsuji (chairman), Tsuguoki Fujinuma and Masanori Itatani

Shareholder Proposals (Proposals 2 through 19)

Shareholder Proposals 2 through 19 have been submitted by one shareholder. This shareholder has submitted 100 proposals such as to change of the Company's trade name to "*Yasai* Holdings" [In English, literally: "Vegetable Holdings"]; however, only Proposals 2 through 19 satisfy the requirements to be submitted to a meeting of the shareholders.

The details of and reasons for these proposals are provided below and, except for the omission of individual's name are set forth below in the same order as, and verbatim from the original text.

• Opinion of the Board of Directors on Proposals 2 through 19

The Board of Directors is opposed to all Proposals 2 through 19. This is because the Board of Directors of the Company unanimously agrees that these proposals do not contribute to the common benefit of shareholders or to the enhancement of corporate value. (These reasons commonly apply to all the proposals for which only "Opinion of the Board of Directors: The Board is opposed to this proposal" is stated, and therefore are not repeated in each individual opinion statement.)

Proposal 2: Amendment to the Articles of Incorporation (Regarding the pronunciation of the trade name in English and registration procedures)

Details of Proposal: The term "in Japanese" should be inserted after "the Company" in Article 1 of the Articles of Incorporation and the phrase "shall be expressed" in the same article should be replaced with "shall be expressed and pronounced as such in English." In addition, it should be ensured that the new trade name is registered in multiple languages (e.g., "蔬菜投資公司"[shucai touzi gonsi] in Chinese), if it is necessary in the applicable procedure in other countries in which the Company has trade relationships in order to avoid any trouble about trademark rights.

Reasons for Proposal: This is proposed in pursuit of "corporate-wide mindset reform."

If the current provision of the Articles of Incorporation is interpreted literally, the name of the Company must be pronounced in Japanese even when it is written in English. This should be corrected as it may become a hindrance in various transactions when the Company extends its business to the U.S. market.

In addition, the Company is required to take flexible measures with regard to the written indication and pronunciation of the name of the Company in Islamic banking and finance transactions and transactions in the Chinese market.

Opinion of the Board of Directors: The Board is opposed to this proposal.

Proposal 3: Amendment to the Articles of Incorporation (Regarding the short title of the trade name in the domestic market and the introductory remark to be used by sales persons)

Details of Proposal: The short title of the Company's name should be written as "YHD" and pronounced as "wai-eichi-dei" in the Japanese market. It should be stipulated in the Articles of Incorporation that a sales person must always state that "please remember as vegetables, healthy, diet" as an introductory remark when he/she introduces himself/herself to another person for the first time.

Reasons for Proposal: This is proposed in pursuit of "corporate-wide mindset reform."

The current trade name of the Company is too long and significantly detrimental to operating efficiency. With 17 morae, one can compose a haiku. If the Company should become a company under the control of the Bank of Tokyo-Mitsubishi UFJ, the name of *Yasai* Securities could become Mitsubishi UFJ Morgan Stanley *Yasai* Securities. I am already worried about this possibility.

However, with the proposed change, the Company can save personnel expenses by an amount that is equivalent to 1,000 mandays per year for the time being.

• Opinion of the Board of Directors: The Board is opposed to this proposal.

Proposal 4: Amendment to the Articles of Incorporation (Regarding limitations on Compensation Committee determined executive compensation)

Details of Proposal: The total amount of executives' compensation determined by the Compensation Committee should be subject to a maximum amount determined by "Stock price at the end of the fiscal year X Work hours X Number of executives." However, it should be stipulated in the Articles of Incorporation that if the amount of compensation for a full-time executive calculated by the Compensation Committee is lower than the minimum wage prescribed by the Ministry of Health, Labor and Welfare, such executive shall be subject to disciplinary punishment but shall be paid the amount calculated as the minimum wage, and such evaluation by the Compensation Committee shall be respected and said director shall be regarded as "disqualified," and be dismissed on disciplinary grounds.

Reasons for Proposal: This is proposed for the purpose of "making compensation and performance evaluation fair."

Under the current procedure, executive compensation is determined by the Compensation Committee. However, it is unfair to pay sky high compensation regardless of the operating results. The total amount should be subject to a certain upper limit and such upper limit should be prescribed in the Articles of Incorporation. It is a compensation system linked to stock price that realizes true risk sharing with shareholders. The self-benefiting high compensation is the cause of the slipshod management. I really hope that the Compensation Committee members will be conscious of their own responsibility for the faltering stock price. In addition, hardship allowance based on nationality should not be provided as it will lead to discrimination.

• Opinion of the Board of Directors: The Board is opposed to this proposal.

The Company has already since 2002, implemented a compensation system under which a part of compensation is linked to the Company's stock price (stock options), and not all compensation is paid in cash, thereby aligning compensation with the medium to long-term interests of shareholders.

The Company's "Compensation Policy of Nomura Group" and "Compensation Policy for Directors and Executive Officers of Nomura Holdings, Inc." (please refer to p. 38 of this Notice of Convocation) strongly emphasize the principles that executive compensation should reflect performance and be aligned with the interests of shareholders, and executive compensation is appropriately determined by the Compensation Committee, which is composed of a majority of outside directors.

Proposal 5: Amendment to the Articles of Incorporation (Regarding limit on the ratio of personnel expense to income and giving three *banzai* cheers)

Details of Proposal: It should be stipulated in the Articles of Incorporation that the ratio of personnel expense to income of the Company shall be restricted to 20% or less and the practice of giving three *banzai* cheers at the shareholders meeting shall be abolished.

Reasons for Proposal: This is proposed for the purpose of "making compensation and performance evaluation fair."

According to the principle of "pay for performance," negative performance should be rewarded with negative compensation.

Well, the current situation of the Company in which personnel expenses are rising while the financial performance is declining ought to be given the evaluation that "the internal control system of the Company has collapsed" for the time being.

By ensuring appropriate control of compensation versus income, this weird corporate entity will be able to show that it is still breathing and that it is willing to hold its own just before being driven to mental distraction and to regain market confidence. In the first place, with a ratio of personnel expense to income hovering over 40%, it is impossible to hope for high dividends to shareholders. In addition, I hope that the Company will refrain from the usual practice of giving three *banzai* cheers as the venue is small and there are many shareholders with strong armpit odor.

• Opinion of the Board of Directors: The Board is opposed to this proposal.

Proposal 6: Amendment to the Articles of Incorporation (Regarding the limitation of liabilities of directors)

Details of Proposal: Chapter V, Article 33 of the Articles of Incorporation that provides for the limitation of liabilities of directors should be deleted.

Reasons for Proposal: This is proposed for the purpose of "making compensation and performance evaluation fair."

Even after the Nomura Shock caused by the dilution of value per share due to two major public stock offerings within one year, which was also called "violation of the unwritten law," none of the directors of the Company clearly took responsibility for such a result.

A position such as "Chief Irresponsible Executive Officer" is unnecessary.

Shareholders are stakeholders of the Company; however, the irresponsible corporate culture of the Company that nobody takes any responsibility for the clear damage to them is one of the causes of the current decline in stock price. As the Company is currently in a crisis, negligence of the directors means a bankruptcy. While in office, directors should cut off their own path of retreat and be ready for personal bankruptcy at any time.

• Opinion of the Board of Directors: The Board is opposed to this proposal.

The purpose of the system for limiting the liabilities of directors as provided under the law is to prevent directors from unduly shrinking back from performing their duties as directors, and by addressing apprehensions concerning exposure to damage liability, limit barriers to securing qualified candidates.

The provisions regarding limitation of liabilities of directors in the Company's Articles of Incorporation were approved and adopted at the 99th Annual Meeting of Shareholders. The Company's Articles of Incorporation, in accordance with the law, provides that liabilities of directors for acts taken in good faith and without gross negligence can be limited only to a certain scope, and does not to release directors from liabilities in their entirety.

Proposal 7: Amendment to the Articles of Incorporation (Regarding addition of purpose to the Articles of Incorporation)

Details of Proposal: Item 4 of Chapter I, Article 2, of the Articles of Incorporation, which provides for the purpose of the Company, should be changed to Item 12 and following items shall be added: "holding, leasing, and management of real estate" as Item 4, "purchase and sale, brokerage, consulting and appraisal of real estate" as Item 5 "development, creation and sales of land for residential, commercial, industrial and other uses" as Item 6, "agency business for real estate sales" as Item 7, "research and consulting services concerning real estate investment" as Item 8, "business related to liability insurance agency services and solicitation of life insurance" as Item 9, "acceptance of deposit or term deposit, lending of funds, or notes discounting and exchange transactions" as Item 10 and "lottery sales, trustee business of making payment of lottery prize awards" as Items 11.

Reasons for Proposal: This is proposed for the purpose of "strengthening corporate governance."

The Company executed a transaction in which Nomura Land and Building Co., Ltd. became its wholly-owned subsidiary and Nomura Real Estate Holdings, Inc. became its consolidated subsidiary. Under these circumstances, "stronger group-wide coordination" for the Company as a holding company should have the same meaning as stronger corporate governance. Given the specialized nature of the business of these subsidiaries, if the Company abandons control and management, it means "lack of governance" and violates the purpose of the Articles of Incorporation.

Therefore, the purpose of the Articles of Incorporation should be reorganized and the Company should strengthen the system to directly control and manage subsidiaries and consolidated subsidiaries.

• Opinion of the Board of Directors: The Board is opposed to this proposal.

The Company appropriately manages and administers the business activities of its subsidiaries through ownership of shares and exercise of shareholder rights, and related provisions have already been set forth in the purposes described in the Company's Articles of Incorporation.

The Board of Directors believes that the operations of its consolidated subsidiaries have been sufficiently covered in the Company's Articles of Incorporation.

Proposal 8: Amendment to the Articles of Incorporation (Regarding stock option plans as executive compensation)

Details of Proposal: It should be set forth in the Articles of Incorporation that plans that grant stock acquisition rights to directors as part of their compensation shall be abolished.

Reasons for Proposal: What is pleasure?

Isn't it to receive for 1 yen a receivable with an exchange value of just above 100 yen? The Company continues to have plans that grant directors rights to buy a new share at 1 yen as part of directors' compensation. These plans should immediately be abolished as they only have the effect of bringing the stock price closer to 1 yen. Directors would not desire any increase in the stock price until they can sell the new shares they bought. If the Company intends to "share risks with shareholders," directors should "be given the obligation to buy shares at the price of 5,000 yen per share."

• Opinion of the Board of Directors: The Board is opposed to this proposal.

As mentioned in the opinion of the Board of Directors against Proposal 4, the Board believes that the stock option plans, by linking compensation to the Company's stock price, allows alignment with the medium to long-term interests of shareholders. Moreover, the Financial Stability Board, an organization comprised of representatives of financial regulators in countries throughout the world, has particularly endorsed the use of stock-based compensation.

The Company's executive compensation consists of a cash component and a stock option component. By granting stock options, the cash portion of compensation is reduced, and, in regard to bonuses in particular, the deferred portion of compensation linked to stock price is increased, thereby limiting the payments to be made in the short term.

Proposal 9: Amendment to the Articles of Incorporation (Regarding method of capital increase)

Details of Proposal: It should be set forth in the Articles of Incorporation that in future, capital increase shall be carried out only by rights issue and not by public stock offering and that any decision on a public stock offering shall be subject to a resolution of the shareholders meeting.

Reasons for Proposal: This is proposed for the protection of shareholders' rights.

The two previous capital increases through public stock offerings were carried out by lottery and existing general shareholders were not even allowed to resort to averaging. As a result, general shareholders, although they are important stakeholders, became one-sided victims of dilution of value per share.

As currently evaluated, such capital increases through public stock offering made no sense other than dilution of value per share, although they were useful as a funding source for directors' bonuses. It is clear that they had no positive implications whatsoever to the shareholders. In future, any capital increase through public stock offering should be subject to a resolution of the shareholders meeting in order not to let the board of directors run wild.

• Opinion of the Board of Directors: The Board is opposed to this proposal.

The Company will be subject to the capital adequacy requirements (Basel III) agreed upon by the Basel Committee on Banking Supervision, an institution comprised of financial regulators from various major industrialized countries. The ability to procure capital nimbly in response to possible developments such as the increase in risk following a sudden downturn in market conditions is therefore, critical for the continuation of business activities.

Consequently, limiting the means for capital procurement to only rights offerings implemented by resolutions of the Board of Directors, and requiring approval at the meetings of shareholders for public offerings could hamper the continuation of the Company's business activities.

Proposal 10: Amendment to the Articles of Incorporation (Regarding information disclosure)

Details of Proposal: It should be stipulated in the Articles of Incorporation that the details of the scenario for the shareholders meeting and rehearsals by employee shareholders shall be disclosed at least 8 weeks before the date of the shareholders meeting.

Reasons for Proposal: It is clear that the Company is hostile to general shareholders and has an intention to thoroughly control them although the shareholders should be the main body of the shareholders meeting and I wonder if the Company should do something like that in the first place. Doesn't this mean management misappropriates the Company for its own use? I think the idea that "the superior should not be allowed to make a judgment because he/she would make a mistake" is bad. If the Company insists on doing it, I want the Company to clearly write, we're going with this scenario, in the convocation notice to shareholders.

Opinion of the Board of Directors: The Board is opposed to this proposal.

Proposal 11: Amendment to the Articles of Incorporation (Regarding restriction on investee)

Details of Proposal: It should be stipulated in the Articles of Incorporation that the Company is prohibited from lending to or investing in Tokyo Electric Power Company and Kansai Electric Power Co., Inc.

Reasons for Proposal: By putting on a pretense of agreeing with Hashism in this way, the Company could impress the world that it is a serious company, and thereby earn loads in commercial transactions. Even if the Company opposes and rejects this proposal, this proposal may be publicly broadcasted as an example of proposals that support Hashism. I think I also have about 300 units of shares in Mizuho Financial Group, but they are currently loaned to a securities company. Therefore, I make this proposal only to you this year.

• Opinion of the Board of Directors: The Board is opposed to this proposal.

Proposal 12: Amendment to the Articles of Incorporation (Regarding overhaul of basic daily movements)

Details of Proposal: It should be stipulated in the Articles of Incorporation that all toilets within the Company's offices shall be Japanese-style toilets, thereby toughening the legs and loins and hunkering down on a daily basis, aiming at achieving 4-digit stock prices.

Reasons for Proposal: The Company is on the verge of bankruptcy. In other words, it is the time to hunker down. The Company cannot avoid bankruptcy if it merely adopts a spiritual approach such as encouraging sales persons to speak in a loud voice, but the Company can surely avoid failure if they straddle over a Japanese-style toilet every day and strengthen their lower body. If it cannot, it can only be accepted as a bad luck.

• Opinion of the Board of Directors: The Board is opposed to this proposal.

Proposal 13: Amendment to the Articles of Incorporation (Regarding the name of the director position)

Details of Proposal: It should be stipulated in the Articles of Incorporation that the director position shall internally be called "crystal role" and the Representative Director and President shall be called the Representative Crystal Role and President.

Reasons for Proposal: The word "director" sounds formal. In addition, I noticed during the shareholders meeting last year that the board of directors does not appear at all to be directing the performance of the subsidiaries under its control. If it is reported that tomato growing is not profitable, the board of directors should discuss "why it is not profitable" and "how to make it profitable." Just settling with "it is not very profitable" with no further deliberation is not the way the board of directors should be conducted. Therefore, it suffices to call the director position by a slipshod name.

Opinion of the Board of Directors: The Board is opposed to this proposal.

Proposal 14: Amendment to the Articles of Incorporation (Regarding outsourcing of account opening businesses)

Details of Proposal: It should be set forth in the Articles of Incorporation that the Company shall entrust certain businesses including opening of new accounts and the provision of advice on the use of the website to a company specialized in these businesses.

Reasons for Proposal: This is proposed because a certain Internet securities company has already implemented this strategy and certain positive effects on new customer development can be expected. It is indispensable for the Company to cut expenses through this kind of streamlining in order to conduct aggressive sales activities targeted at the younger generation, which has relatively limited financial resources.

• Opinion of the Board of Directors: The Board is opposed to this proposal.

Proposal 15: Amendment to the Articles of Incorporation (Regarding the number of shares authorized to be issued)

Details of Proposal: The number of shares of common stock authorized to be issued stipulated in Article 6 of the Article of Incorporation should be changed from "60,000,000,000 shares" to "5,966,290,435 shares."

Reasons for Proposal: Treasury shares should be cancelled as the current number of issued shares is too large as compared with earnings. The current number, 6 billion, is a vaguely large number or a number corresponding to the total world population during the period in which [name of individual omitted] was worshiped as the strongest MMA fighter. The stock price would fall if too many shares are scattered about haphazardly just because the Company no longer needs to print individual share certificates. Moderation is the key to everything.

• Opinion of the Board of Directors: The Board is opposed to this proposal.

Proposal 16: Amendment to the Articles of Incorporation (Regarding partial amendment to the Articles of Incorporation)

Details of Proposal: In Article 3 of the Articles of Incorporation, the part of the sentence reading "The Company shall have its head office..." should be changed to "The Company shall have its head office in the country of Japan...".

Reasons for Proposal: This is proposed because "Chuo-ku, Tokyo" has already been registered as a trademark in China.

• Opinion of the Board of Directors: The Board is opposed to this proposal.

Proposal 17: Amendment to the Articles of Incorporation (Regarding calendar style)

Details of Proposal: The phrase "An annual meeting of shareholders shall be convened within three (3) months from April 1 each year" in Article 21 of the Articles of Incorporation should be replaced with "An annual meeting of shareholders shall be convened within three (3) months from April 1 and October 1 each year based on coordinated universal time under the Gregorian calendar."

Reasons for Proposal: This is proposed to prevent an accident in which employees of the Company take a paid leave based on the lunar calendar and Greenwich Mean Time.

• Opinion of the Board of Directors: The Board is opposed to this proposal.

Proposal 18: Amendment to the Articles of Incorporation (Regarding a Group Head)

Details of Proposal: The title of Chairman of the Board of Directors should be changed to Group Head and this change should be set forth in the Articles of Incorporation.

Reasons for Proposal: The title of Chairman strongly conjures up the image that he misappropriates the enterprise for his own benefit. Personnel expenses are bound to increase if the number of big shots increases as unnecessary allowances are paid to them. The position of Chairman should be for a person merely in charge of coordination across the Group so as to prevent the Chairman from misappropriating the enterprise for his own benefit.

• Opinion of the Board of Directors: The Board is opposed to this proposal.

Proposal 19: Amendment to the Articles of Incorporation (Regarding the supplementary provision of the Articles of Incorporation)

Details of Proposal: The supplementary provision of the Articles of Incorporation should be deleted.

Reasons for Proposal: The supplementary provision of the Articles of Incorporation is too irresponsible. One who does not accept responsibility should not have any power. The organization is disorganized and unprofitable because it is irresponsible. Ex-Lehman Brothers employees who had been recruited by the Company by paying a large sum of money will eventually abandon and leave the Company together with their network. The stock price will fall. So will the dividend. In order to reverse this trend, the resolve of top management is needed. They say "persons of talent may abound, but one is hard-pressed to find persons capable of finding them". The top management is required to have the strong will power to become a person with a good eye for talent.

• Opinion of the Board of Directors: The Board is opposed to this proposal.

The supplementary provision of the Articles of Incorporation was included pursuant to the transitional statute in effect at the time the Companies Act was enacted and was set forth to limit the liabilities of directors and officers before the Companies Act came into effect. The intent of the supplementary provision is the same as that described in the opinion of the Board of Directors against Proposal 6.

[English Translation]

(Attachments to Notice of Convocation of the Annual Meeting of Shareholders)

Report for the 108th Fiscal Year

From April 1, 2011 to March 31, 2012

I. Current State of Nomura Group

1. Fundamental Management Policy and Structure of Business Operations

Fundamental Management Policy

Nomura Group is committed to a management vision of firmly establishing ourselves as a globally competitive financial services group. We will seek to realize this vision and increase shareholder value by strengthening our business franchise in Japan, developing world-class businesses in other regions, and consolidating our comprehensive global strength.

We will establish our new growth model by working with our clients, serving them with the best solutions, and becoming a lead in new business segments. Our management target is to maintain an average consolidated return on shareholders' equity (ROE) of 10% to 15% over the medium to long term. However, we cannot deny that changes in business environment surrounding financial institutions, including the unstable global economy and the tightening regulation by the Basel Committee on Banking Supervision or other financial regulators, may impact us.

Nomura Group will continue to put a high priority on compliance with applicable laws, regulations and proper corporate behavior, and we build compliance into our daily business operations.

Structure of Business Operations

Nomura Group is organized around globally-linked divisions under a unified strategy, rather than individual legal entities. We are organized into three divisions (Retail Division, Wholesale Division, and Asset Management Division). We will strive to maximize the collective strength of Nomura Group by achieving a higher level of specialization and business development in each division, and enhancing cross-divisional collaboration.

2. Progress and Results of the Nomura Group's Business Activities

(1) Summary

In the fiscal year ended March 31, 2012, the global economic recovery trend weakened in association with multiple factors, including international financial market turmoil stemming from sovereign debt problems in Europe, weak consumption in industrialized nations, concerns about an economic slowdown in China and other emerging countries, political instability in the Middle East, as well as rising crude oil prices. There was a dramatic increase in economic uncertainty, and on a global basis accelerated risk-adverse sentiment towards risk assets like stocks.

Meanwhile, the Japanese economy lost speed as the East Japan Earthquake caused a decline in exports due to disruptions in product supply networks, the rapid and significant appreciation of the yen, which hit the 75 yen per dollar range at one point, along with the impact of the flooding in Thailand. Since the end of last year, there has been a bit of a recovery in economic sentiment attributable to momentary easing concerns about the European debt problem, an improvement in US economic indicators, the emergence of restoration-related demand and a recovery in automobile production, but recurring profits by key listed companies (excluding financial institutions) are expected to have declined roughly 20 percent versus the previous fiscal year.

The Tokyo Stock Price Index (TOPIX) began the fiscal year at 862 points. After temporarily rising, the index then fell to 706 points in November. The TOPIX recovered to close the fiscal year at 854 points. With the market decline and uncertainty about future prospects for share prices, there was a large downturn in the amount of funds raised by Japanese companies in the capital markets, both in Japan and overseas. Throughout the year there was a low level of investor activity in financial and securities markets.

Meanwhile, as evidenced by Basel III (new capital requirement regulations for financial institutions) and the Dodd-Frank Act in the U.S., regulations on and oversight of financial institutions continues to become more stringent on a global basis.

Amid this environment, in order to quickly adapt to the difficult business environment, Nomura Group decided to implement a 1.2 billion US dollar cost reduction program, and worked to improve cost efficiencies by making the scale of business operations in Europe more appropriate, and reviewing the regional allocation of resources.

Based on its client-focused strategy, the Retail division promoted investment consultation services and diversified its product offering, while the Asset Management division worked to increase assets under management on a global basis and enhance investment performance. The Wholesale division implemented the "narrow and deep" strategy focused on business areas where we can deliver added value to our clients, cooperation among business units was enhanced, revenues from client-flow businesses were increased, and products and solutions offered were diversified. As a result of these efforts, we succeeded in posting an overall profit for the third consecutive fiscal year while executing a cost-cutting program without substantial downscale of business platforms.

We posted net revenue of 1,535.9 billion yen for the fiscal year ended March 31, 2012, a 35.8% increase from the previous fiscal year. Non-interest expenses increased 39.9% versus the previous fiscal year to 1,450.9 billion yen, income before income taxes was 85.0 billion yen, and net income attributable to the shareholders of Nomura Holdings, Inc. ("NHI") was 11.6 billion yen. Consequently, ROE for the full fiscal year was 0.6%.

Consolidated Financial Results

_	Billions of yen For the year ended		% Change	
	March 31, 2012 (A)	March 31, 2011 (B)	(A-B)/(B)	
Net revenue	1,535.9 1,450.9	1,130.7 1,037.4	35.8 39.9	
Income (loss) before income taxes	85.0 58.9	93.3 61.3	(8.9) (4.0)	
Net income (loss)	26.1	31.9	(18.4)	
Less: Net income (loss) attributable to noncontrolling interests	14.5	3.3	343.4	
Net income (loss) attributable to NHI shareholders	11.6	28.7	(59.6)	
Return on shareholders' equity	0.6%	1.4%		

(2) Segment Information

Our business and reporting segments consist of three divisions of Retail, Asset Management and Wholesale.

Business Segment Results

	Billions of yen		% Change
	For the year ended		
	March 31, 2012 (A)	March 31, 2011 (B)	(A-B)/(B)
Net revenue	1,532.1	1,147.6	33.5
Non-interest expenses	1,450.9	1,037.4	39.9
Income (loss) before income taxes	81.2	110.2	(26.3)

In business segment totals, which exclude unrealized gain (loss) on investments in equity securities held for operating purposes, net revenue for the fiscal year ended March 31, 2012 was 1,532.1 billion yen, an increase of 33.5% from the previous year. Non-interest expenses increased by 39.9% from the previous year to 1,450.9 billion yen. Income before income taxes was 81.2 billion yen for the fiscal year ended March 31, 2012.

Operating Results of Retail

	Billions of yen		% Change
	For the year ended		
	March 31, 2012 (A)	March 31, 2011 (B)	(A-B)/(B)
Net revenue	350.3	392.4	(10.7)
Non-interest expenses	287.1	291.2	(1.4)
Income (loss) before income taxes	63.1	101.2	(37.6)

Net revenue decreased by 10.7% from the previous year to 350.3 billion yen, due primarily to decreasing commissions for distribution of investment trusts and brokerage commissions. Non-interest expenses decreased by 1.4% to 287.1 billion yen. As a result, income before income taxes decreased by 37.6% to 63.1 billion yen.

The Retail Division focused on providing clients investment consultation services to accommodate client needs. To accommodate increasing client needs, we opened four new branch offices, and enhanced non-face-to-face services provided by Nomura Net & Call, which started last October.

Investment consultation services resulted in balanced business growth, centered on equities, bonds, investment trusts and insurance products. There was a 2.4 trillion yen net inflow in retail client assets during the fiscal year. Total retail client assets increased to 72.0 trillion yen from 70.6 trillion at the end of the previous fiscal year. The number of client accounts increased by 49,000 to end the fiscal year at 4.985 million accounts, indicating steady growth in the business base.

Operating Results of Asset Management

	Billions of yen		% Change
	For the year ended		
	March 31, 2012 (A)	March 31, 2011 (B)	(A-B)/(B)
Net revenue	65.8	66.5	(1.1)
Non-interest expenses	45.3	46.5	(2.6)
Income (loss) before income taxes	20.5	20.0	2.5

^{*} Nomura Bank (Luxembourg) S.A. in Asset Management was integrated to Other business in April 2011. Certain reclassifications of previously reported amounts have been made to conform to the current presentation.

Net revenue decreased by 1.1% from the previous year to 65.8 billion yen. Non-interest expenses decreased by 2.6% to 45.3 billion yen. As a result, income before income taxes increased by 2.5% to 20.5 billion yen.

Despite the challenging investment environment, in the investment trust business there was an inflow into funds representing a wide range of investment assets, including overseas bonds and Japanese equities. Furthermore, funds launched this fiscal year employing investment strategies matching the investment environment contributed to the increase in assets under management. In the investment advisory business, there was a steady increase in mandates from institutional investors, including domestic pension funds, overseas, mainly Asian and European pension funds and sovereign wealth funds.

As a result, due to the inflow of funds into a diverse range of investment products, including actively managed funds, assets under management were 24.6 trillion yen as of March 31, 2012.

Operating Results of Wholesale

	Billions of yen		% Change
	For the year ended		
	March 31, 2012 (A)	March 31, 2011 (B)	(A-B)/(B)
Net revenue	555.9	630.5	(11.8)
Non-interest expenses	593.5	623.8	(4.9)
Income (loss) before income taxes	(37.6)	6.7	

Net revenue decreased by 11.8% from the previous year to 555.9 billion yen. Our performance was challenged in the first half of the fiscal year, due to revenue decrease of overseas business caused by the decrease in client trade volumes stemming from the financial market turmoil related to the European sovereign crisis. Although in the second half of the fiscal year we posted revenue growth, with private equity trades in third quarter and revenue recovery in Europe and Americas regions in fourth quarter, result of the first half was not covered and the net revenue of the fiscal year decreased from previous year.

The cost reduction program of 1.2 billion US dollars announced in July and November of last year is progressing on schedule and non-interest expenses decreased by 4.9% to 593.5 billion yen, As a result, loss before income taxes dropped to 37.6 billion yen.

Global Markets

Despite macro headwinds driven by the ongoing Eurozone crisis, Fixed Income delivered stronger performance than the previous fiscal year. Growth in flow business was driven by resilient client flows despite a slowdown in client activity in the market and by robust risk management. Among our various products, a market-wide slowdown in Securitized Products was offset by a strong uptick in performance of structured businesses across Rates, Credit and FX. Among the various regions in which we operate, we are notably showing robust performance overseas after the third quarter.

For Equities, we experienced a challenging fiscal year as exchange volumes waned and clients remained on the sidelines for much of the year. Execution Services performed in-line with declining market volume, while Derivatives was challenged in some products, but showed resilience with innovative products in Japan along with tailored solutions for industrial corporations globally. Nomura remains a key liquidity provider in the market with the #1 market share on the Tokyo and London stock exchanges. While the market environment in EMEA continues to present uncertainty, our expansion in the US and market penetration in Asia are increasing our diversified revenue streams.

We continued to be a leader in Research in Japan as reflected in our #1 research ranking in Equities and Fixed Income, while making significant strides in other regions, including attaining favorable rankings in Fixed Income Research for Asia as well as for EMEA and the Americas respectively.

Investment Banking

Investment Banking continued to expand its business globally by enhancing cross-regional cooperation while profits have decreased from the previous year, as the business environment proved challenging, especially in equity capital markets and M&A.

In Japan, the volume of equity/debt issuances has decreased, but our robust client base has been leveraged to maintain a high market share in underwriting and M&A advisory. Overseas, we acted as the financial advisor for the largest M&A transaction in the natural resources sector, and also won multiple mandates for large international deals including financing of financial institutions, cross-border M&A and other transactions particularly in EMEA region.

Furthermore, we are enhancing our services in non-traditional solution businesses such as FX and Rates related transactions associated with M&A deals and financing, aiming to accommodate diverse client needs.

Other

	Billions of yen		% Change
	For the year ended		
	March 31, 2012 (A)	March 31, 2011 (B)	(A-B)/(B)
Net revenue	560.1	58.1	864.2
Non-interest expenses	525.0	75.9	592.0
Income (loss) before income taxes	35.1	(17.8)	

Net revenue was 560.1 billion yen, due primarily to Nomura Land and Building Co., Ltd. ("NLB") becoming a subsidiary. Non-interest expenses were 525.0 billion yen, as a result, income before income taxes was 35.1 billion yen.

3. Financing Situation

(1) Funding situation

In terms of funding, NHI, Nomura Securities Co., Ltd., Nomura Europe Finance N.V. and Nomura Bank International plc are the main entities for external borrowings and bond issuances. By funding that is matching with the liquidity of assets and the currencies for usage, we pursue the optimization of our funding.

NHI issued domestic unsecured bonds of 45.4 billion yen in total for the fiscal year ended March 31, 2012. Unsecured subordinated bonds with conditional write-off clause of 170 billion yen in total were issued in December 2011.

(2) Capital Expenditures

Capital expenditures focus primarily on investment in systems related to various businesses within the Nomura Group, with the objective of supporting the promotion of business lines in Japan and overseas. In the Retail division, we are expanding Nomura Securities Co., Ltd.'s domestic branch office network, and are also preparing to transfer from our current system to a packaged system called "STAR". In the Wholesale division, we are enhancing the trading systems and strengthening the infrastructure system in order to respond to global orders from institutional investors.

4. Results of Operations and Assets

			(in billions of yen exce	ept per share data in yen)
Period Item	105 th Fiscal Year (April 1, 2008 to March 31, 2009)	106 th Fiscal Year (April 1, 2009 to March 31, 2010)	107 th Fiscal Year (April 1, 2010 to March 31, 2011)	108 th Fiscal Year (April 1, 2011 to March 31, 2012)
Total Revenue	664.5	1,356.8	1,385.5	1,851.8
Net revenue	312.6	1,150.8	1,130.7	1,535.9
Income (loss) before income taxes	(780.3)	105.2	93.3	85.0
Net income (loss) attributable to NHI shareholders	(708.2)	67.8	28.7	11.6
Basic-Net income (loss) attributable to NHI shareholders per share	(364.69)	21.68	7.90	3.18
Diluted-Net income (loss) attributable to NHI shareholders per share	(366.16)	21.59	7.86	3.14
Total assets	24,837.8	32,230.4	36,693.0	35,697.3
Total NHI shareholders' equity	1,539.4	2,126.9	2,082.8	2,107.2

(Note) Stated in accordance with accounting principles generally accepted in the U.S.

5. Management Challenges and Strategies

The global financial and economic environment continues to be challenging as regulatory tightening over financial institutions progresses and due to destabilizing factors such as the European sovereign-debt crisis. Although the market has been returning to stable growth since the beginning of 2012, the uncertainty in economy persists again, and complete recovery is expected to take considerable time. Under these management conditions, we will allocate management resources appropriately to pursue efficiency and sharpen our competitive edge, as well as to increase profitability by streamlining business processes. With the aim of further enhancing swift decision making, Global Markets which was initially an integrated platform to achieve increased synergy between the Fixed Income and Equities businesses, has been split into Fixed Income and Equities businesses as of April 2012 given that the synergies have developed. We will continue to build out an effective operational framework while adapting to the changing environment, aiming to achieve our management goals.

Further, using our robust financial platform, a competitive advantage of Nomura, we will continue to provide services and solutions responding nimbly to changes in market conditions, financial business environments and client demands and fulfill our corporate social responsibility to contribute to a forum for steady liquidity through the market.

To achieve our strategic goals, we will implement the following initiatives:

Retail Division

In the Retail Division, we will continue to expand our products and service offerings, which are provided through Financial Advisors, online or via call centers to accommodate increasingly sophisticated and diverse client needs. We aim to enhance investment consultation services and to continue being a trusted partner to our clients by providing world-class products and services that meet their individual needs.

Asset Management Division

In our investment trust business, we will provide individual clients with a diverse range of investment opportunities to meet investors' various demands and in investment advisory business, we will provide institutional clients globally with value-added investment services. We intend to increase assets under management and expand our client base for these two core businesses.

We aim to enhance our world-class competitive advantage in Japan and the rest of Asia by making continuous efforts to improve investment performance and gain the trust of investors worldwide.

Wholesale Division

Wholesale Division consists of Fixed Income and Equities which offer sales and trading of financial products and origination services, and Investment Banking which offers a broad range of financial advisory and financing solutions services.

Fixed Income and Equities, the market related businesses, have been focusing on delivering high value-added products and solutions to our clients by leveraging our sophisticated trading expertise, intellectual capital in research and structuring and our global distribution capabilities. In Fixed Income, we will build further on our client-centric strategy globally, and in Equities, we will continue to build our leadership position further across Asia, leveraging our strength in Japan, and target further growth across our strengthened platforms in EMEA and the US based on our existing strategies.

In Investment Banking, we are expanding our M&A advisory and corporate finance businesses to diversify sources of profit by providing high value-added solutions in a timely manner to meet the individual needs of each client.

Also in the Wholesale Division, cross-business and cross-regional cooperation are increasingly important axes of our Wholesale strategy to satisfy client needs. As a global financial services group, we will continue to strive collectively to further our growth through our geographic advantage in Asia where economic development and a deepening of our clients' footprint is expected. We aim to enhance our presence as a global investment bank providing world-class services, by enhancing regional integration and business coordination between Japan and the rest of Asia and utilizing global business platform.

In implementing the initiatives outlined above, we aim to bring together the collective strengths of our domestic and international operations to realize our management objectives and to maximize shareholder value by enhancing profitability across our businesses, while helping to strengthen the global financial and capital markets.

• Other

We recognize that it is necessary to further strengthen and streamline our global risk management and we are pursuing a proactive, rather than a reactive, risk management approach. We will continue to develop a system where senior management directly engage in a proactive risk management approach for precise decision making.

As our business becomes increasingly international and diverse, we recognize the growing importance of compliance. In addition to complying with local laws and regulations in the countries that we operate, we view compliance in a wider context. We will further enhance our existing overall compliance system with initiatives towards promoting an environment of professionalism and high ethical standards among executive management to meet the expectations of society and clients and contribute to the further development of the financial and capital markets.

We view talented personnel as key assets. In line with our basic client-oriented business approach, we have established globally-uniform personnel policies firmly rooted in the belief that employees should be rewarded for their overall performance. We will continue to build a professional organization capable of delivering a comprehensive range of services that satisfy our clients.

6. Major Business Activities

Nomura Group primarily operates in investment and financial services focusing on the securities business. We provide wide-ranging services to customers for both financing and investment through operations in Japan and other major financial capital markets around the world. Such services include securities trading and brokerage, underwriting, distribution, arrangement of offering and distribution, arrangement of private placement, principal finance, asset management, and other securities and financial business. We divide our business segments into three divisions of Retail, Asset Management and Wholesale.

7. Organizational Structure

(1) Principal place of business in Japan

NHI: Head office (Tokyo)

Nomura Securities Co., Ltd. (Head office and local branches —178 locations in total): Tokyo (Head office and local branches — 43 locations in total), Kanto area excluding Tokyo (43 branches), Hokkaido area (5 branches), Tohoku area (10 branches), Hokuriku area (4 branches), Chubu area (16 branches), Kinki area (31 branches), Chugoku area (9 branches), Shikoku area (5 branches) and Kyushu and Okinawa area (12 branches)

Nomura Asset Management Co., Ltd. (Tokyo, Osaka, etc.)

The Nomura Trust & Banking Co., Ltd. (Tokyo, Osaka)

Nomura Facilities, Inc. (Tokyo)

(2) Principal place of business overseas

Nomura Securities International, Inc. (New York, U.S.)

Nomura International plc (London, U.K.)

Nomura International (Hong Kong) Limited

Nomura Singapore Limited

Instinet Incorporated (New York, U.S.)

(3) Status of Employees

	Employees	Increase / Decrease
Total	34,395	7,524 Increase

(Notes)

- 1: Number of employees consists of the total number of employees of NHI and its consolidated subsidiaries (excluding temporary employees).
- 2: Number of employees excludes employees seconded outside NHI and its consolidated subsidiaries.
- 3: During the fiscal year NHI increased its stake in NLB, one of its affiliated companies, by acquiring additional NLB shares and thereby made it a subsidiary. As a result, the number of employees increased significantly compared to the previous year.

(4) Status of Significant Subsidiaries

Name	Location	-		Percentage of Voting Rights	Type of Business
Nomura Securities Co., Ltd.	Tokyo, Japan	¥	10,000	100%	Securities
Nomura Asset Management Co., Ltd	. Tokyo, Japan	¥	17,180	100%	Investment Trust Management / Investment Advisory
The Nomura Trust & Banking Co., Ltd	. Tokyo, Japan	¥	30,000	100%	Banking / Trust
Nomura Facilities, Inc	Tokyo, Japan	¥	480	100%	Business Space / Facility Management
Nomura Land and Building Co., Ltd	. Tokyo, Japan	¥	1,015	100%	Business Space / Facility Management
Nomura Real Estate Holdings, Inc	. Tokyo, Japan	¥	115,626	51%*	Holding Company
Nomura Holding America Inc	New York, U.S.	US\$	4,938.63	100%	Holding Company
Nomura Securities International, Inc Nomura America Mortgage Finance, LLC		US\$ US\$	3,650.00 1,580.89	100%* 100%*	Securities Holding Company
Instinet Incorporated	New York, U.S.	US\$	1,306.96	100%*	Holding Company
Nomura Europe Holdings plc	London, U.K.	US\$	5,929.97	100%	Holding Company
Nomura International plc	London, U.K.	US\$	6,417.26	100%*	Securities
Nomura Bank International plc	London, U.K.	US\$	555.00	100%*	Financial
Nomura Principal Investment plc	London, U.K.	£	997.45	100%	Investment Company
Nomura Capital Markets plc	London, U.K.	US\$	3,123.20	100%	Financial
Nomura Asia Holding N.V.	Amsterdam, The Netherlands	¥	122,122	100%	Holding Company
Nomura International (Hong Kong) Limited	Hong Kong	¥	132,711	100%*	Securities
Nomura Singapore Limited	Singapore, Singapore	s \$	239.00	100%*	Securities / Financial

(Notes)

- 1: "Capital" is stated in the currency on which each subsidiary's books of record are maintained. "Capital" of a subsidiary, whose paid-in capital is zero or is in nominal amount (primarily subsidiaries located in the U.S.), is disclosed in amount including additional paid-in capital. Percentages with "*" in the "Percentage of Voting Rights" column include voting rights from indirect ownership of shares.
- 2: The total number of consolidated subsidiaries and consolidated variable interest entities as of March 31, 2012 was 763. The total number of entities accounted for under the equity method of accounting such as Nomura Research Institute, Ltd. was 18 as of March 31, 2012.

8. Major Lenders

Lender	Type of Loan	Loan Amount (in millions of yen)
Sumitomo Mitsui Banking Corporation	Long-term borrowing	250,000
5 1	Short-term borrowing	70,000
Mizuho Corporate Bank, Ltd	Long-term borrowing	285,000
	Short-term borrowing	35,000
The Bank of Tokyo-Mitsubishi UFJ, Ltd	Long-term borrowing	207,885
	Short-term borrowing	90,400
Resona Bank, Ltd.	Long-term borrowing	80,000
	Short-term borrowing	20,000
Mitsubishi UFJ Trust and Banking	Long-term borrowing	55,000
Corporation	Short-term borrowing	45,000
The Chuo Mitsui Trust and Banking Company,	Long-term borrowing	50,000
Limited		
The Sumitomo Trust and Banking Co., Ltd	Short-term borrowing	30,000
The Chiba Bank, Ltd	Long-term borrowing	30,000
	Short-term borrowing	10,000
The Shizuoka Bank, Ltd.	Long-term borrowing	35,000
The Hachijuni Bank, Ltd	Long-term borrowing	25,000
	Short-term borrowing	5,000
The Norinchukin Bank	Long-term borrowing	50,000
The Dai-ichi Life Insurance Company, Limited	Long-term borrowing	40,000
Nippon Life Insurance Company	Long-term borrowing	20,000
	Short-term borrowing	10,000

(Notes)

- 1. All short-term borrowings are long-term borrowings due within one year.
- 2. On April 1, 2012, Sumitomo Mitsui Trust Bank, Limited was established through the merger of three trust banks The Chuo Mitsui Trust and Banking Company, Limited, The Sumitomo Trust and Banking Co., Ltd., and The Chuo Mitsui Asset Trust and Banking Company, Limited.

9. Capital Management Policy

We seek to enhance shareholder value and to capture growing business opportunities by maintaining sufficient levels of capital. We will continue to review our levels of capital as appropriate, taking into consideration the economic risks inherent to operating our businesses, the regulatory requirements, and maintaining our ratings necessary to operate businesses globally.

We believe that pursuing sustainable increase in shareholder value and paying dividends are essential to generating returns to our shareholders. We will strive to pay stable dividends using a consolidated payout ratio of 30 percent as a key indicator.

Dividend payments will be determined taking into account a comprehensive range of factors such as the tightening of Basel regulations and other changes to the regulatory environment, as well as the consolidated operating results.

As a general rule, payment of dividends is on a semi-annual basis (record dates: September 30 and March 31), although pursuant to Article 459, Paragraph 1 of the Companies Act of Japan, we have established in our Articles of Incorporation the capability of the Board of Directors to declare a distribution of surplus on the basis of any of the following record dates in a fiscal year: June 30, September 30, December 31, and March 31.

With respect to the retained earnings, in order to implement measures to adapt to regulatory changes and to increase shareholder value, we seek to efficiently invest in business areas where high profitability and growth may reasonably be expected, including the development and expansion of infrastructure.

We will consider repurchase of treasury stock as an option in our financial strategy to respond quickly to changes in the business environment and to increase shareholder value. We will make announcements immediately after any decision to set up a share buyback program and conduct such programs in accordance with internal guidelines.

Dividends for the Fiscal Year

Based on our Capital Management Policy for the fiscal year ended March 31, 2012, we paid a dividend of 4.0 yen per share to shareholders of record as of September 30, 2011, and 2.0 yen per share to shareholders of record as of March 31, 2012. As a result, the total annual dividend was 6.0 yen per share.

The following table sets forth the details of dividends paid for the fiscal year ended March 31, 2012:

Resolution of Board of Directors	Record Date	Total Amount of Dividends (in millions of yen)	Dividend Per Share (yen)
November 1, 2011	September 30, 2011	14,658	4.00
April 27, 2012	March 31, 2012	7,334	2.00

10. Other Important Matters Related to the Situation of the Corporate Group

Mergers

In May 2011, NHI increased its stake in Nomura Land and Building Co., Ltd. ("NLB") and thereby made it a subsidiary, and through share exchange in July 2011, NLB became a wholly owned subsidiary of NHI. As a result, Nomura Real Estate Holdings, Inc., a subsidiary of NLB, became a consolidated subsidiary of NHI.

II. Stocks

1. Total Number of Authorized Shares:

6.000.000.000 shares

The total number of classes of shares authorized to be issued in each class is as follows.

Туре	Total Number of Shares Authorized to be Issued in Each Class
Common Stock	6,000,000,000
Class 1 Preferred Stock	200,000,000
Class 2 Preferred Stock	200,000,000
Class 3 Preferred Stock	200,000,000
Class 4 Preferred Stock	200,000,000

2. Total Number of Issued Shares: Common Stock 3,822,562,601 shares

3. Number of Shareholders: 477.052

4. Major Shareholders (Top 10):

Number of Shares Owned
and
Percentage of Shares Owned

(in thousand shares)	(%)
187,713	5.1
135,436	3.7
93,365	2.5
50,926	1.4
47,713	1.3
37,090	1.0
34,577	0.9
33,413	0.9
33,268	0.9
33,115	0.9
	187,713 135,436 93,365 50,926 47,713 37,090 34,577 33,413 33,268

(Notes)

5. Status of Treasury Stock Repurchase, Disposition and Number of Shares Held in Treasury:

(1) Repurchased shares

Reason for Repurchase

Shares acquired through payment of dividend in kind from a subsidiary Shares acquired through request to purchase from shareholders

(2) Shares Disposed

(3) Number of Shares Held in Treasury as of March 31, 2012

Common Stock 155,752,988 shares

^{1:} NHI has 155,753 thousand shares of treasury stock as of March 31, 2012 which is not included in the major shareholders list above.

^{2:} Figures for Percentage of Shares Owned are calculated excluding treasury stock.

III. Stocks Acquisition Rights

1. Stock Acquisition Rights as of March 31, 2012

Name of Stock Acquisition Rights	Allotment Date	Number of Stock Acquisition Rights	Number of Shares under Stock Acquisition Rights	Period for the Exercise of Stock Acquisition Rights	Exercise Price per Share under Stock Acquisition Rights (yen)
Stock Acquisition Rights No.6	June 3, 2005	112	112,000	From June 4, 2007	1
Stock Acquisition Rights No.8	July 25, 2005	14,798	1,479,800	to June 3, 2012 From July 1, 2007 to June 30, 2012	1,134
Stock Acquisition Rights No.9	April 24, 2006	882	88,200	From April 25, 2008 to April 24, 2013	1
Stock Acquisition Rights No.10	June 12, 2006	2,627	262,700	From June 13, 2008 to June 12, 2013	1
Stock Acquisition Rights No.11	July 14, 2006	17,420	1,742,000	From July 7, 2008 to July 6, 2013	1,763
Stock Acquisition Rights No.12	October 10, 2006	47	4,700	From October 11, 2008 to October 10, 2013	1
Stock Acquisition Rights No.13	April 25, 2007	3,373	337,300	From April 26, 2009 to April 25, 2014	1
Stock Acquisition Rights No.14	June 21, 2007	4,056	405,600	From June 22, 2009 to June 21, 2014	1
Stock Acquisition Rights No.15	August 1, 2007	1,130	113,000	From August 2, 2009 to August 1, 2014	1,909
Stock Acquisition Rights No.16	August 1, 2007	18,200	1,820,000	From August 2, 2009 to August 1, 2014	1,909
Stock Acquisition Rights No.17	August 1, 2007	2,036	203,600	From August 2, 2009 to August 1, 2014	1
Stock Acquisition Rights No.18	October 19, 2007	218	21,800	From October 20, 2009 to October 19, 2014	1
Stock Acquisition Rights No.19	April 23, 2008	6,003	600,300	From April 24, 2010 to April 23, 2015	1
Stock Acquisition Rights No.20	June 23, 2008	733	73,300	From June 24, 2010 to June 23, 2015	1
Stock Acquisition Rights No.21	June 23, 2008	3,468	346,800	From June 24, 2010 to June 23, 2015	1
Stock Acquisition Rights No.22	August 5, 2008	1,100	110,000	From August 6, 2010 to August 5, 2015	1,312
Stock Acquisition Rights No.23	August 5, 2008	18,980	1,898,000	From August 6, 2010 to August 5, 2015	1,312
Stock Acquisition Rights No.24	August 5, 2008	30	3,000	From August 6, 2010 to August 5, 2015	1
Stock Acquisition Rights No.26	November 10, 2008	104	10,400	From November 11, 2010 to November 10, 2015	1
Stock Acquisition Rights No.27	November 10, 2008	141	14,100	From November 11, 2010 to November 10, 2015	1
Stock Acquisition Rights No.28	April 30, 2009	8,513	851,300	From May 1, 2011 to April 30, 2016	1
Stock Acquisition Rights No.29	June 16, 2009	3,061	306,100	From June 17, 2011 to June 16, 2016	1
Stock Acquisition Rights No.30	June 16, 2009	5,771	577,100	From June 17, 2011 to June 16, 2016	1
Stock Acquisition Rights No.31	August 5, 2009	1,760	176,000	From August 6, 2011 to August 5, 2016	745
Stock Acquisition Rights No.32	August 5, 2009	23,235	2,323,500	From August 6, 2011 to August 5, 2016	745

Name of Stock Acquisition Rights	Allotment Date	Number of Stock Acquisition Rights	Number of Shares under Stock Acquisition Rights	Period for the Exercise of Stock Acquisition Rights	Exercise Price per Share under Stock Acquisition Rights (yen)
Stock Acquisition Rights No.34	May 18, 2010	22,086	2,208,600	From May 19, 2012 to May 18, 2017	1
Stock Acquisition Rights No.35	May 18, 2010	76,948	7,694,800	From May 19, 2012 to May 18, 2017	1
Stock Acquisition Rights No.36	May 18, 2010	22,118	2,211,800	From May 19, 2013 to May 18, 2017	1
Stock Acquisition Rights No.37	July 28, 2010	296,442	29,644,200	From April 30, 2012 to April 29, 2017	1
Stock Acquisition Rights No.38	July 28, 2010	94,864	9,486,400	From April 30, 2013 to April 29, 2018	1
Stock Acquisition Rights No.39	November 6, 2010	28,410	2,841,000	From November 16, 2012 to November 15, 2017	481
Stock Acquisition Rights No.40	June 7, 2011	197,496	19,749,600	From May 25, 2012 to May 24, 2018	1
Stock Acquisition Rights No.41	June 7, 2011	196,010	19,601,000	From May 25, 2013 to May 24, 2018	1
Stock Acquisition Rights No.42	June 7, 2011	195,609	19,560,900	From May 25, 2014 to May 24, 2018	1
Stock Acquisition Rights No.43	November 16, 2011	28,510	2,851,000	From November 16, 2013 to November 15, 2018	302

(Notes)

- 1: Stock acquisition rights are issued in conjunction with NHI's equity-based compensation plan and no payment is required in exchange for stock acquisition rights.
- 2: Any transfer of stock acquisition rights is subject to approval by the Board of Directors of NHI.
- 3: No stock acquisition rights shall be exercised partially. Grantees who lose their positions as executives or employees due to retirement or other similar reasons before the commencement of the exercise period will, in principle, forfeit their stock acquisition rights.
- 4: Number of shares per a stock acquisition right is 1,000 shares of common stock of NHI for Stock Acquisition Rights No.6, and 100 shares of common stock of NHI for Stock Acquisition Rights No.8 to No.43.
- 5: Number of stock acquisition rights and number of shares under stock acquisition rights are as of March 31, 2012.
- 6: Stock Acquisition Rights No.6, No.8 to No.14, No.16 to No.19, No.21, No.23, No.27, No.28, No.30, No.32, No.35 and No.36 were issued in accordance with the approval of "issuance under especially favorable conditions" at the Annual Meeting of Shareholders.
- 7: Stock Acquisition Rights No.1 to No.5, No.7, No.25 and No.33 were all extinguished by exercise, forfeiture as referred to in Note 3 above, or expiration of exercise period.

2. Stock Acquisition Rights Held by the Directors and Executive Officers of NHI as of the end of the fiscal year

	Directors and Executive (excluding Outside Directors)		Outside Directors		
Name of Stock Acquisition Rights	Number of Stock Acquisition Rights	Number of Holders	Number of Stock Acquisition Rights	Number of Holders	
Stock Acquisition Rights No.6	10	1	_	_	
Stock Acquisition Rights No.8	660	5	40	1	
Stock Acquisition Rights No.10	103	1	_	_	
Stock Acquisition Rights No.11	480	6	20	1	
Stock Acquisition Rights No.14	91	1	30	1	
Stock Acquisition Rights No.15	100	1	20	1	
Stock Acquisition Rights No.16	380	5	_	_	
Stock Acquisition Rights No.20	_	_	30	1	
Stock Acquisition Rights No.21	79	1	_	_	
Stock Acquisition Rights No.22	200	2	60	3	
Stock Acquisition Rights No.23	300	4	_	_	
Stock Acquisition Rights No.24	_	_	30	1	
Stock Acquisition Rights No.28	1,627	1	_	_	
Stock Acquisition Rights No.29	200	1	90	3	
Stock Acquisition Rights No.30	430	2	_	_	
Stock Acquisition Rights No.31	300	3	60	3	
Stock Acquisition Rights No.32	200	3	_	_	
Stock Acquisition Rights No.34	10,283	3	_	_	
Stock Acquisition Rights No.35	2,712	4	_	_	
Stock Acquisition Rights No.36	485	1	_	_	
Stock Acquisition Rights No.40	4,485	7	_	_	
Stock Acquisition Rights No.41	4,483	7	_		
Stock Acquisition Rights No.42	4,481	7	_	_	

(Note)

Number of stock acquisition rights is as of March 31, 2012.

3. Stock Acquisition Rights Issued to the Employees and Others during the fiscal year ended March 31, 2012

	Employees (excluding employees who are concurrently serving as Directors/Executive Officers of NHI) Number of Stock Acquisition Rights Holders		Executives and Employees in subsic (excluding those who are con serving as Employees a Directors/Executive Officers	currently and
Name of Stock Acquisition Rights			Number of Stock Acquisition Rights	Number of Holders
Stock Acquisition Rights No.40	16,747	21	187,495	726
Stock Acquisition Rights No.41	16,743	21	186,006	726
Stock Acquisition Rights No.42	16,735	21	185,588	725
Stock Acquisition Rights No.43	_	_	28,580	1,138

(Note)

Number of stock acquisition rights is as of each allotment date.

4. Other Significant Matters concerning Stock Acquisition Rights

On May 16, 2012, NHI passed a resolution to issue Stock Acquisition Rights No. 44 through Stock Acquisition Rights No. 50 as equity-based compensation to executives and employees of NHI as well as executives and employees of subsidiaries of NHI. The allotment date was set for June 5, 2012. A total of 594,656 stock acquisition rights were granted, and the number of shares of common stock under the stock acquisition rights is expected to be 59,465,600 shares. The exercise price of the stock acquisition rights was set at one (1) yen per share.

IV. Management

1. Directors

Position	Name	Responsibilities	Significant Concurrent Positions
Chairman of the Board of Directors	Nobuyuki Koga	Chairman of the Nomination Committee Chairman of the Compensation Committee	President of Kanagawa Kaihatsu Kanko Co., Ltd. Director and Chairman of the Board of Nomura Securities Co., Ltd.
Director	Kenichi Watanabe	Representative Executive Officer	Director and President of Nomura Securities Co., Ltd.
Director	Takumi Shibata	Representative Executive Officer	Director and Deputy President of Nomura Securities Co., Ltd.
Director (Outside)	Masahiro Sakane	Member of the Nomination Committee Member of the Compensation Committee	Chairman of Komatsu Ltd. Outside Director of Tokyo Electron Limited Outside Director of ASAHI GLASS Co., Ltd. Outside Director of Nomura Securities Co., Ltd.*
Director (Outside)	Toshinori Kanemoto	Member of the Nomination Committee Member of the Compensation Committee	Of-Counsel of City-Yuwa Partners Outside Statutory Auditor of Kameda Seika Co., Ltd. Outside Director of Nomura Securities Co., Ltd.*
Director (Outside)	Haruo Tsuji	Chairman of the Audit Committee	Corporate Advisor of Sharp Corporation Outside Director of Kobayashi Pharmaceutical Co., Ltd. Outside Director of SEIREN Co., Ltd. Outside Director of Nomura Securities Co., Ltd. *
Director (Outside)	Tsuguoki Fujinuma	Member of the Audit Committee	Outside Director of Tokyo Stock Exchange Group, Inc. Governor of Tokyo Stock Exchange Regulation Outside Statutory Auditor of Sumitomo Corporation Outside Statutory Auditor of Takeda Pharmaceutical Company Limited Outside Director of Sumitomo Life Insurance Company Outside Statutory Auditor of Seven & i Holdings Co., Ltd. Outside Director of Nomura Securities Co., Ltd. *
Director	Masanori Itatani	Member of the Audit Committee	Director of Nomura Securities Co., Ltd.
Director	Masanori Nishimatsu	Audit Mission Director	Outside Director of Nomura Asset Management Co., Ltd. Outside Director of The Nomura Trust & Banking Co., Ltd.
Director (Outside)	Takao Kusakari		Corporate Advisor of NYK Line Outside Statutory Auditor of Nippon Steel Corporation Outside Director of Nomura Securities Co., Ltd.*
Director (Outside)	Colin Marshall		Non-Executive Director of Pirelli UK Limited Non-Executive Director of Nomura Europe Holdings plc* Non-Executive Director of Nomura International plc*

Position	Name	Responsibilities	Significant Concurrent Positions
Director (Outside)	Clara Furse		Non-Executive Director of Legal & General Group plc Non-Executive Director of Amadeus IT Holding SA Non-Executive Director of UK Department for Work and Pensions Non-Executive Director of Nomura Europe Holdings plc* Non-Executive Director of Nomura International plc*
Director (Outside)	Michael Lim Choo San		Chairman of the Land Transport Authority of Singapore Non-Executive Chairman of Nomura Singapore Ltd.* Non-Executive Director of Nomura Asia Holding N.V.*
Director	David Benson		Director of Nomura Europe Holdings plc Director of Nomura International plc

(Notes)

- 1: Directors Masahiro Sakane, Toshinori Kanemoto, Haruo Tsuji, Tsuguoki Fujinuma, Takao Kusakari, Colin Marshall, Clara Furse and Michael Lim Choo San satisfy the requirements for Outside Directors respectively stipulated in Article 2, Item 15 of the Companies Act and the requirements for Independent Directors as specified in Article 436-2 of Securities Listing Regulations of Tokyo Stock Exchange, Inc.
- 2: Director Tsuguoki Fujinuma, a member of the Audit Committee, is a certified public accountant with considerable expertise in financial and accounting related matters.
- 3: Among the significant concurrent positions of the Outside Directors, companies with "*" are wholly-owned subsidiaries (including indirect ownership) of NHI, and there are no special relationships between other companies in which Outside Directors hold posts and NHI.
- 4: Nobuyuki Koga, Toshinori Kanemoto, Takao Kusakari, Michael Lim Choo San and David Benson were newly elected and appointed as Directors at the 107th annual meeting of shareholders held on June 28, 2011.
- 5: Director Kenichi Watanabe resigned as Director and President of Nomura Securities Co., Ltd., and Director Takumi Shibata resigned as Director and Deputy President of Nomura Securities Co., Ltd. as of March 31, 2012.

2. Matters Relating to Outside Directors

Status of Activities of Outside Directors

Name	Status of Principal Activities
Masahiro Sakane	Attended 9 of the 10 meetings of Board of Directors, all 2 meetings of the Nomination Committee and all 4 meetings of the Compensation Committee held during the fiscal year and contributed comments based on his rich knowledge and experience as a corporate manager for many years.
Toshinori Kanemoto	Attended all 8 meetings of the Board of Directors, 1 meeting of the Nomination Committee, and 2 meetings of the Compensation Committee held during the fiscal year since his appointment to office and contributed comments based on his rich knowledge and experience as an attorney with sophisticated expertise in his field.
Haruo Tsuji	Attended all 10 meetings of the Board of Directors and all 24 meetings of the Audit Committee held during the fiscal year and contributed comments based on his rich knowledge and experience as a corporate manager for many years. As chairman of the Audit Committee, he reported to the Board of Directors on the status of activities by the Audit Committee and its audit-related findings.
Tsuguoki Fujinuma	Attended all 10 meetings of the Board of Directors and all 24 meetings of the Audit Committee held during the fiscal year and contributed comments based on his extensive knowledge of international accounting standards as a financial expert.
Takao Kusakari	Attended all 8 meetings of the Board of Directors held during the fiscal year since his appointment to office and contributed comments based on his rich knowledge and experience as a corporate manager for many years.
Colin Marshall	Attended 5 of the 10 meetings of the Board of Directors held during the fiscal year and contributed comments based on his rich knowledge and experience as a corporate manager for many years and engaging his experience in managing British Airways and other companies.
Clara Furse	Attended all 10 meetings of the Board of Directors held during the fiscal year and contributed comments based on her rich knowledge and experience in the financial business and engaging her experience in managing the London Stock Exchange.
Michael Lim Choo San	Attended all 8 meetings of the Board of Directors held during the fiscal year since his appointment to office and contributed comments based on his extensive knowledge of international accounting standards as a financial expert.

Overview of the content of Limitation of Liability Agreement

NHI has entered into agreements with all eight Outside Directors that limit their liabilities to NHI under Article 423, Paragraph 1 of the Companies Act. The liability under the agreement is limited up to the higher of 20 million yen or the amount prescribed by laws and ordinances.

3. Executive Officers

Position	Name	Responsibilities	Significant Concurrent Positions
Representative Executive Officer	Kenichi Watanabe	Group Chief Executive Officer (Group CEO)	See "1. Directors"
Representative Executive Officer	Takumi Shibata	Group Chief Operating Officer (Group COO) Wholesale Chairman & CEO	See "1. Directors"
Executive Managing Director	Hitoshi Tada	Retail CEO	Deputy President of Nomura Securities Co., Ltd.
Executive Managing Director	Toshihiro Iwasaki	Asset Management CEO	Director and Chairman & CEO of Nomura Asset Management Co., Ltd.
Executive Managing Director	Junko Nakagawa	Chief Financial Officer (CFO)	Executive Managing Director of Nomura Securities Co., Ltd.

(Notes)

- 1: Representative Executive Officer Kenichi Watanabe and Takumi Shibata are concurrently serving as Directors.
- 2: Executive Managing Director Atsushi Yoshikawa resigned as of May 31, 2011 and Toshihiro Iwasaki was appointed as Executive Managing Director as of June 1, 2011.
- 3: Executive Managing Director Hitoshi Tada resigned as of March 31, 2012, and Eiji Kutsukake was appointed as Executive Managing Director as of April 1, 2012.

4. Compensation paid to Directors and Executive Officers

	_	Millions of yen		
_	Number of People (1)	Basic Compensation (2)	Bonus	Total Amount Paid
Directors	15	362	_	362
(Outside Directors)	(10)	(170)	_	(170)
Executive Officers	6	378	_	378
Total	21	740	_	740

(Notes)

- 1: The numbers of people above include 3 Directors (including 2 Outside Directors) and 1 Executive Officer who resigned in May and June 2011. There were 14 Directors and 5 Executive Officers as of March 31, 2012, of which 2 Directors were concurrently serving as Executive Officers. Their compensation is included in that of Executive Officers.
- 2: Basic compensation of 740 million yen includes other compensation (commuter pass allowance) of one million yen that has been provided.
- 3: In addition to the amount above: (1) stock options and supplemental deferral plans have been granted during the year ended 31 March 2012 and in the past. 214 million yen for Directors (including 1 million yen for Outside Directors) and 587 million yen for Executive Officers were recognized as expense in the financial statements for the year ended March 31, 2012; and (2) subsidiaries of NHI paid 138 million yen to Outside Directors as compensation etc. for their directorship at those subsidiaries for the year ended March 31, 2012.

5. Matters relating to Individual Directors and Executive Officers' Compensation Determined by Compensation Committee

(1) Method of Determining Compensation Policies

As NHI is organized under the Committee System, the Compensation Committee has set the "Compensation Policy of Nomura Group" and "Compensation Policy for Directors and Executive Officers of Nomura Holdings, Inc."

(2) Compensation Policy of Nomura Group

The "Compensation Policy of Nomura Group" is as follows:

Nomura Group is establishing its status firmly as a globally competitive financial services group. To support this, we recognize that our people are our most valuable asset. We have therefore developed our Compensation Policy for both executives and employees of Nomura Group to ensure we attract, retain, motivate and develop talent that enables us to achieve sustainable growth, realize a long-term increase in shareholder value, deliver client excellence, compete in a global market and enhance our reputation.

Our Compensation Policy is based around six key themes:

- 1) Align with Nomura Values and Strategies
 - Compensation is designed to support delivery against the broader strategic aims of the Group.
 - Levels and structures of compensation reflect the needs of each business line and allow the Group to effectively
 compete for key talent in the market.
 - We develop our staff to support the Nomura values.

2) Reflect Firm, Division and Individual Performance

- "Pay for Performance" is our fundamental principle to motivate and reward our key talent regardless of personal background.
- We manage compensation on a firm-wide basis, taking into account the performance of the Group and supporting
 our ethos of sustainable growth, collaboration and client service. This enables us to manage strategic investments
 and still operate market-competitive compensation practices.
- An individual's compensation is determined by properly reflecting the Group, division and individual performance, ensuring that it is aligned with both the business strategy and market considerations.
- Individual compensation award decisions are underpinned by valid and rigorous performance management processes and supporting systems.

3) Establish Appropriate Performance Measurement with a Focus on Risk

- Compensation is not determined by reference solely to revenues. Risk-adjusted profits are being emphasized in Nomura's management information and performance systems and processes.
- In addition, qualitative factors such as cross-divisional collaboration, risk management, alignment with organizational values, and compliance are stressed when evaluating performance.
- Performance measurement reflects the business needs, taking account of risk associated with each business. Such risk includes market, credit, operational, and liquidity risk among others.
- In assessing and measuring risk for compensation, input and advice is received from the risk management and finance divisions.

4) Align Employee and Shareholder Interests

- Compensation of Group executives and higher paid employees should reflect the achievement of targets which are
 in line with the creation of shareholder value.
- For higher paid executives and employees, a part of their compensation is delivered in equity linked awards with appropriate vesting periods to ensure that their interests are closely aligned with those of shareholders.

5) Appropriate Compensation Structures

- The compensation structure reflects our desire to grow and develop our talent. It is merit based, reflecting performance and is regularly reviewed to ensure its fairness.
- For higher paid executives and employees, a significant portion of compensation is deferred, balancing short-term interests with longer-term stewardship of the Group.
- Deferred compensation should be subject to forfeiture or "clawback" in the event of a material restatement of earnings or other significant harm to the business of Nomura.
- The percentage of deferral increases as an employee's total compensation increases. A part of deferred
 compensation is delivered in mid/long-term incentive plans, such as equity linked awards with appropriate vesting
 periods.
- Guarantees of bonus/compensation should be allowed only in limited circumstances such as new hiring or strategic business needs, and multi-year guarantees should not be used as a matter of course.
- There should be no special or expensive retirement/severance guarantees for senior executives.
- Nomura will respect all areas in which it operates and will seek to ensure pay structures reflect the needs of the
 organization as well as regulatory and government bodies.

6) Ensure Robust Governance and Control Processes

- This Policy and any change hereof must be approved by Nomura Holdings' Compensation Committee, a majority
 of which consists of non-executive outside directors.
- The Compensation Committee of Nomura Holdings decides individual amounts as well as compensation policy for Directors and Executive Officers of Nomura Holdings, in line with this Policy.
- Globally, we institute a review and authorization policy for senior or high-level contracts ensuring consistency with this Policy. This is administered by Human Resources, involves Finance, Risk Management and Regional Compensation Committees and is reviewed by the Executive Managing Board.
- Compensation for employees of risk management and compliance functions is determined independently of other business divisions.
- The Compensation Committee uses market and specialist advisory groups to advise on appropriate compensation structures and levels as necessary.

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

"Compensation Policy for Directors and Executive Officers of Nomura Holdings, Inc." is as follows:

Compensation of Directors and Executive Officers is composed of base salary, cash bonus and long-term incentive plans.

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 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.

2) Cash Bonus

- Cash 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. Qualitative factors
 include achievement of individual goals and subjective assessment of individual contribution.
- 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 linked awards with appropriate vesting periods in lieu of cash to ensure that medium to long-term interests of Directors and Executive Officers are closely aligned with those of shareholders. Such deferred bonus may be unpaid or forfeited under specific circumstances.

3) Long-term Incentive Plan

- 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 are 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.

V. Matters Relating to Independent Auditor

1. Name: Ernst & Young ShinNihon LLC

2. Audit Fees

Item		Amount
(1)	Audit fees	766 million yen
(2)	Total amount of cash and other financial benefits payable by the NHI and its subsidiaries to the Independent Auditor	1,465 million yen

(Notes)

- 1. The audit contract between NHI and the Independent Auditor does not separate the audit fees based on the Companies Act and the Financial Instruments and Exchange Act. Since the audit fees based on the Companies Act and the Financial Instruments and Exchange Act could not be substantively separated, the amount of audit fees above includes the audit fees based on the Financial Instruments and Exchange Act.
- 2. In addition to the services pursuant to the Article 2, Paragraph 1 of the Certified Public Accountant Act, the NHI and its subsidiaries pay compensation to the Independent Auditor with respect to verification services on compliance with the segregation of customers' assets requirements etc.
- 3. Significant overseas subsidiaries of NHI are subject to audit (pursuant to the Companies Act or the Financial Instruments and Exchange Act and other equivalent foreign regulations) by certified public accountants or auditing firms (who hold equivalent qualifications in foreign countries) other than the NHI's Independent Auditor.

3. Dismissal or Non-Reappointment Policy

- (1) The Audit Committee shall dismiss the Independent Auditor in cases where the committee determines that any of the items stipulated under Article 340, Paragraph 1 of the Companies Act applies to the Independent Auditor.
- (2) In cases where the Audit Committee determines that the Independent Auditor has issues in terms of the fairness of its auditing, or that a more appropriate audit structure needs to be built, the committee shall place the dismissal or non-reappointment of the Independent Auditor on the agenda to be deliberated at the annual meeting of shareholders.

VI. Resolution of Structures for Ensuring the Appropriate Operation of Nomura Holdings, Inc.

The resolution of the Board of Directors regarding to Structures for Ensuring the Appropriate Operations of Nomura Holdings, Inc. has been made as follows:

I. Matters to be Necessary for the Business Execution of the Audit Committee

The Audit Committee shall enforce its powers prescribed by laws and regulations to audit the legality, adequacy and efficiency of business execution by Executive Officers by use of the Independent Auditor, other auditing firms and internal staff to ensure appropriate business conduct by the Nomura Group.

A. Directors and Employees to be Responsible for Supporting the Audit Committee

- (1) Directors responsible for supporting the Audit Committee and their independence from Executive Officers
 - (a) In order to support audit by the Audit Committee and effectively supervise the business execution by the Directors appointed by the Board of Directors and the Executive Officers, the Board of Directors shall appoint a Director, not currently assuming the position of Executive Officer, as "Audit Mission Director."
 - (b) Audit Mission Directors shall perform the duties as set out in Regulations of the Audit Committee of Nomura Holdings, Inc. in accordance with the instructions by the Audit Committee or a member of the Audit Committee designated by the Audit Committee.

- (2) Employees responsible for supporting the Audit Committee and their independence from Executive Officers
 - (a) In order to support the audit by the Audit Committee, NHI shall establish an Office of the Audit Committee including five or more employees, including a Managing Director.
 - (b) The Audit Committee or a member of the Audit Committee designated by the Audit Committee shall evaluate employees of the Office of the Audit Committee. NHI shall obtain consent regarding the recruit, transfer or punishment of the employees of the Office of the Audit Committee from the Audit Committee or a member of the Audit Committee designated by the Audit Committee.

B. Structure of Reporting on Business Execution

- (1) Executive Officers shall report on the status of business execution not less frequently than quarterly. In this case, the Executive Officers may delegate such reports to other Executive Officers.
- (2) In the event that Directors, Executive Officers and Senior Managing Directors find any fact in the following items, they shall report immediately to any member of the Audit Committee or any Audit Mission Director. The Audit Mission Director shall report to any member of the Audit Committee immediately upon receiving such reports:
 - i) any legal or financial problems that may have a material impact on the business or financial conditions of Nomura Group; and
 - ii) any order from any regulatory authority or other facts that may cause Nomura Group to incur a material loss.
- (3) In the event that Executive Officers, Senior Managing Directors or employees are requested to report on business execution by a member of the Audit Committee designated by the Audit Committee or any Audit Mission Director, they shall immediately report on such matters.

C. Other Structures to Ensure the Effectiveness of the Audit by the Audit Committee

- (1) The Audit Committee shall audit matters other than those relating to accounting in financial reports, financial statements (including financial statements in Form 20-F submitted to the U.S. Securities and Exchange Commission) excluding the accounting section, and business reports (including their supplementary schedules) in accordance with laws and regulations and procedures established by the Audit Committee.
- (2) The Audit Committee shall receive the audit report from the Independent Auditor and other auditing firms that audited financial statements on matters relating to accounting in financial reports and financial statements (including disagreements between Executive Officers and such auditing firms regarding financial reporting) and determine whether the method and result of the audit are appropriate.
- (3) The Audit Committee may request Executive Officers, Senior Managing Directors, Independent Auditor or other auditing firms that audited financial statements to explain important issues that arose with regard to preparing financial reports, business reports and financial statements (including matters concerning election or application of material accounting policies and internal control over financial reporting).
- (4) The Audit Committee may engage attorneys, certified public accountants, consultants or other outside advisors as deemed necessary.

II. Structure for Ensuring Business Execution by Executive Officers in accordance with Laws, Regulations and Articles of Incorporation and others in relation to Maintaining Structure for Ensuring Appropriate Business

A. Structure for Ensuring Appropriate Business Execution by Executive Officers

- (1) Executive Officers promote lawful management in accordance with laws, regulations and Articles of Incorporation, swearing an oath to comply with Code of Ethics of Nomura Group.
- (2) Executive Officers shall strive to maintain compliance at each company within Nomura Group. Executive Officers shall report to any member of the Audit Committee or any Audit Mission Director and to the Executive Management Board in the event that the Executive Officers find any material illegal activities or other important matters regarding compliance at a company within Nomura Group. Executive Management Board shall discuss such matters and, if necessary, based on the results of the discussion, recommend the company to take appropriate measures.

B. Structure for Retention and Maintenance of Information regarding the Business Execution by Executive Officers

Executive Officers shall retain minutes, documents regarding request for managerial decisions, contracts, financial reports and other material documents (including their electronic records) and the relevant materials for not shorter than ten years and maintain the access to such documents if necessary.

C. Structure for Regulations and others regarding Management of Risk Loss

- (1) Executive Officers shall acknowledge the importance of classification, evaluation, monitoring and management of market risk, credit risk, event risk, liquidity risk, operational risk and legal risk relating to the execution of Nomura Group's business and establish the structure for control and management of such risks at each company of Nomura Group.
- (2) Executive Officers shall report to the Group Integrated Risk Management Committee the status of risk management systems at each company within Nomura Group. Group Integrated Risk Management shall analyze the enterprise risk management status of the entire Nomura Group based on the report and take appropriate measures to establish the most suitable risk management system for the business.

D. Structure for Ensuring the Effectiveness of Business Execution by Executive Officers

- (1) Executive Officers shall determine Nomura Group's management strategy and business operation, and execute their business in accordance with the management organization and allocation of business duties determined by the Board of Directors.
- (2) The matters that are delegated to Executive Officers by the Board of Directors shall be determined by the following organizations or procedures:
 - (a) Executive Management Board: Important matters concerning management strategy, allocation of capital resources and management of Nomura Group;
 - (b) Group Integrated Risk Management Committee: Important matters concerning enterprise risk management of Nomura Group
 - (c) Global Risk Management Committee: Important matters concerning market and credit risk management of Nomura Group
 - (d) Internal Controls Committee: Matters concerning internal control and procedures and promotion of proper corporate behavior within Nomura Group; or
 - (e) Documents regarding requests for managerial decisions: Matters other than (a), (b), (c) and (d) above.
- (3) The Executive Management Board shall determine or revise the necessary allocation of capital resources based on the business plan and budget application of each division and regional area to ensure the effective management of Nomura Group.

E. Structure for Ensuring Business Execution by Employees in accordance with Laws, Regulations and Articles of Incorporation

- (1) Executive Officers shall disseminate Code of Ethics of Nomura Group to Senior Managing Directors and employees, and ensure their compliance with the Code.
- (2) Executive Officers shall determine the allocation of business duties of each Senior Managing Director and employee, clarify their responsibility and authority to establish structures for business execution responsibility.
- (3) In order to respond to matters regarding any questionable conduct with respect to social ethics or social justice, and in order to ensure business efforts are made by employees based on a law-abiding spirit and social common sense, NHI shall establish Compliance Officers in each company within Nomura Group, promoting business execution in accordance with laws and regulations.

F. Structure for Ensuring Appropriate Business in Nomura Group

- (1) Audit System within Nomura Group
 - (a) The Audit Committee shall audit the legality, adequacy and efficiency of the business of Nomura Group in coordination, as necessary, with the Audit Committee of its subsidiaries.
 - (b) A member of the Audit Committee designated by the Audit Committee shall investigate NHI or its subsidiaries through, as necessary, himself/herself, other members of the Audit Committee or the Audit Mission Director.

(2) Internal Audit System

- (a) Executive Officers or Senior Managing Directors shall establish a department in charge of internal audit and implement an internal audit program that will help ensure effective and adequate internal control and procedures regarding the entire business of Nomura Group.
- (b) The Internal Controls Committee shall discuss or determine basic matters concerning internal control and procedures at each company within Nomura Group, the annual internal audit plan and the status of internal audit and its results.
- (c) Executive Officers or Senior Managing Directors shall report on the status of internal audit in Nomura Group and its results to the Internal Controls Committee not less frequently than quarterly.
- (d) Any member of the Audit Committee may recommend that Executive Officers or Senior Managing Directors (i) change the internal audit plan, (ii) implement additional audit procedures, (iii) establish an improvement plan regarding the annual internal audit plan, the status of internal audit and its results.

(3) Compliance Hotline

- (a) Executive Officers or Senior Managing Directors shall establish a "Compliance Hotline" as a tool that employees may use to report questionable conduct from the view point of compliance directly to the personnel appointed by the Board of Directors.
- (b) NHI shall permit anonymous submission from employees regarding accounting or auditing matters of questionable conduct from the viewpoint of compliance.
- (c) NHI shall have its consolidated private investees in the merchant banking business which establish whistleblowing procedures. The foregoing may not be applied to a private investee that is deemed to have minor effect on Nomura Group in terms of its financial condition, reputation and corporate social responsibilities.

Note: Monetary values and number of shares stated in this report are rounded up or down to the nearest unit of disclosure.

Consolidated Balance Sheet (As of March 31, 2012)

	(Millions of yen)
ASSETS	
Cash and cash deposits:	1,953,677
Cash and cash equivalents	1,070,520
Time deposits	653,462
Deposits with stock exchanges and other segregated cash	229,695
Loans and receivables:	2,211,423
Loans receivable	1,293,372
Receivables from customers	58,310
Receivables from other than customers	864,629
Allowance for doubtful accounts	(4,888)
Collateralized agreements:	13,742,646
Securities purchased under agreements to resell	7,662,748
Securities borrowed	6,079,898
Trading assets and private equity investments:	14,123,594
Trading assets	13,921,639
Private equity investments	201,955
Other assets:	3,665,972
Office buildings, land, equipment and facilities	
(net of accumulated depreciation and amortization of 355,804 million yen)	1,045,950
Non-trading debt securities	862,758
Investments in equity securities.	88,187
Investments in and advances to affiliated companies	193,954
Other	1,475,123
Total assets	35,697,312
LIABILITIES	<u> </u>
Short-term borrowings	1,185,613
Payables and deposits:	2,437,370
Payables to customers	764,857
Payables to other than customers	767,860
Deposits received at banks	904,653
Collateralized financing:	12,519,274
Securities sold under agreements to repurchase	9,928,293
Securities loaned	1,700,029
Other secured borrowings	890,952
Trading liabilities	7,495,177
Other liabilities	1,165,901
Long-term borrowings	8,504,840
Total liabilities	33,308,175
Commitments and contingencies	
EQUITY	504.402
Common stock	594,493
Authorized - 6,000,000,000 shares	
Issued - 3,822,562,601 shares	
Outstanding – 3,663,483,895 shares	400 551
Additional paid-in capital	698,771
Retained earnings	1,058,945
Accumulated other comprehensive income (loss)	(145,149)
Common stock held in treasury, at cost – 159,078,706 shares	(99,819)
Total Nomura Holdings, Inc. shareholders' equity	2,107,241
Noncontrolling interests	281,896
Total equity	2,389,137
Total liabilities and equity	35,697,312

Consolidated Statement of Income (April 1, 2011 — March 31, 2012)

	(Millions of Yen)
Commissions	347,135
Fees from investment banking	59,638
Asset management and portfolio service fees	144,251
Net gain on trading	272,557
Gain on private equity investments	25,098
Interest and dividends	435,890
Loss on investments in equity securities	4,005
Other	563,186
Total revenue	1,851,760
Interest expense	315,901
Net revenue	1,535,859
Compensation and benefits	534,648
Commissions and floor brokerage	93,500
Information processing and communications	177,148
Occupancy and related depreciation	100,891
Business development expenses	48,488
Other	496,227
Non-interest expenses	1,450,902
Income before income taxes	84,957
Income tax expense	58,903
Net income	26,054
Less: Net income attributable to noncontrolling interests	14,471
Net income attributable to Nomura Holdings Inc. shareholders	11,583

Consolidated Statement of Changes in Equity

(April 1, 2011 — March 31, 2012)

	(Millions of Yen)
Common Stock Balance at beginning of year	594,493
Balance at end of year	
Additional paid-in capital	<u> </u>
Balance at beginning of year	646,315
Issuance of common stock	30,356
Gain on sales of treasury stock	719
Issuance and exercise of common stock options	19,466 1,915
Balance at end of year	
Retained earnings	070,771
Balance at beginning of year	1,069,334
Net income attributable to Nomura Holdings Inc.'s shareholders	11,583
Cash dividends	(21,972)
Balance at end of year	1,058,945
Accumulated other comprehensive income (loss):	
Cumulative translation adjustments	
Balance at beginning of year	(97,426)
Net change during the year	
Balance at end of year Defined benefit pension plans	(110,652)
Balance at beginning of year	(32,270)
Pension liability adjustment	
Balance at end of year	(35,132)
Non-trading securities	
Balance at beginning of year	
Unrealized gain on non-trading securities.	
Balance at end of period	635
Balance at end of year	(145,149)
Common stock held in treasury	(97,692)
Balance at beginning of year	(8,944)
Sales of common stock	1
Common stock issued to employees	6,693
Other net change in treasury stock	123
Balance at end of year	(99,819)
Total NHI shareholders' equity	
Balance at end of year	2,107,241
Noncontrolling Interests	0 002
Balance at beginning of year	8,882 (2,760)
Net income attributable to noncontrolling interests	14,471
Accumulated other comprehensive income (loss) attributable to noncontrolling interest	,
Cumulative translation adjustments	(575)
Unrealized gain on non-trading securities	206
Pension liability adjustment Purchase/sale (disposition) of subsidiary shares, etc., net	207 271,515
Other net change in noncontrolling interests	(10,050)
Balance at end of year	281,896
Total equity balance at end of year	
	2,307,137

Report of Independent Auditors

May 14, 2012

The Board of Directors Nomura Holdings, Inc.

Ernst & Young ShinNihon LLC

Tadayuki Matsushige Certified Public Accountant Designated and Engagement Partner

Hiroki Matsumura Certified Public Accountant Designated and Engagement Partner

Yuichiro Sakurai Certified Public Accountant Designated and Engagement Partner

Junko Kamei Certified Public Accountant Designated and Engagement Partner

Pursuant to Article 444, Section 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity and the notes to the consolidated financial statements of Nomura Holdings, Inc. applicable to the fiscal year from April 1, 2011 through March 31, 2012.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America with certain disclosure items omitted pursuant to the second sentence of Article 120-2, section 1 of the Ordinance on Accounting of Companies, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America with certain disclosure items omitted pursuant to the second sentence of Article 120-2, section 1 of the Ordinance on Accounting of Companies referred to above present fairly, in all material respects, the financial position and results of operations of Nomura Holdings, Inc. and its consolidated subsidiaries, applicable to the fiscal year ended March 31, 2012.

Conflicts of Interest

We have no interest in Nomura Holdings, Inc. which should be disclosed in compliance with the Certified Public Accountants Act.

(Note)

This is an English translation of the Japanese language Report of Independent Auditors issued by Ernst & Young ShinNihon LLC in connection with the audit of the consolidated financial statements of Nomura Holdings, Inc., prepared in Japanese, for the year ended March 31, 2012. Ernst & Young ShinNihon LLC have not audited the English language version of the consolidated financial statements for the above-mentioned year.

Report of the Audit Committee on the Consolidated Financial Statements

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

The Audit Committee of Nomura Holdings, Inc. (the "Company") has audited the Company's consolidated financial statements (the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity and the notes to the consolidated financial statements) applicable to the 108th fiscal year (from April 1, 2011 to March 31, 2012) and, based on the method, details and result of the audit, we hereby report as follows:

1. METHOD AND DETAILS OF THE AUDIT

In accordance with the auditing principles and assignment of duties determined by the Audit Committee, each member of the Audit Committee received the report from the Executive Managing Directors of the Company regarding to the consolidated financial statements of the Company, and asked for the explanations as necessary. In addition, we have monitored and verified whether the Independent Auditor maintained its independent position and implemented appropriate audit, and we received reports from Independent Auditor regarding the status of the performance of its duties and, whenever necessary, asked for explanations. Furthermore, we have been notified by the Independent Auditor that the "Structure for Ensuring Appropriate Operation" (matters set forth in each items prescribed in Article 131 of the Ordinance for Company Calculation) is organized in accordance with the "Quality Control Standards for Audits" (Business Accounting Council, October 28, 2005) and the like, and, when necessary, asked for explanations.

Based on the above methods, we have examined the consolidated financial statements.

2. RESULT OF THE AUDIT

We acknowledge that both the method and result of the audit by Ernst & Young ShinNihon LLC, the Company's Independent Auditor, are appropriate.

3. SUBSEQUENT EVENTS

As referred in III-4. "Other Significant Matters concerning Stock Acquisition Rights" in the Report for the 108th fiscal year, a resolution to issue Stock Acquisition Rights as stock options to executives and employees of the Company as well as executives and employees of subsidiaries of the Company was passed on May 16, 2012.

May 16, 2012

THE AUDIT COMMITTEE OF NOMURA HOLDINGS, INC.

Haruo Tsuji, Chairman

Tsuguoki Fujinuma

Masanori Itatani

Note: Messrs. Haruo Tsuji and Tsuguoki Fujinuma are outside directors as stipulated in Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.

Balance Sheet (As of March 31, 2012)

Current Assets 2,782,49 Cash and mice posits 6,05 Certificate deposits 7,00 Money beld in trist 3,734 Short-serviouse 2,007,234 Accounts receivable 42,00 Deferred tax assets 42,00 Fixed Assets: 2,605,775 Tangible fixed assets: 2,605,775 Buildings 15,009 Buildings 17,009 Buildings 18,009 Buildings 94,836 Softwae 94,836 Softwae 94,836 Softwae 19,782 Investments in subsidiaries and affiliates (at cos) 10,182 Investments in subsidiaries and affiliates (at cos) 10,182 Others excurities of subsidiaries and affiliates 9,1729 Long-term loans receivable from subsidiaries and affiliates 9,1729 Long-term guarantee deposits 9,1729 Long-term guarantee deposits 9,1729 Long-term borrowings 1,1419 Obers 2,207,194 Allowance for doubful accounts		(Millions of yen)
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	Total liabilities and net assets	5,438,184

Statement of Income (April 1, 2011 – March 31, 2012)

	(Millions of yen)
Operating revenue	270,521
Property and equipment fee revenue	105,445
Rent revenue	35,953
Royalty on trademark	16,320
Dividend from subsidiaries and affiliates	52,328
Interest income from loans to subsidiaries and affiliates	34,959
Other financial income	14,914
Others	10,603
Operating expenses	216,159
Compensation and benefits	34,061
Occupancy and equipment costs	47,199
Data processing and office supplies	39,527
Depreciation and amortization	43,220
Taxes	1,401
Others	7,779
Interest expenses	42,972
Operating income	54,362
Non-operating income	3,678
Non-operating expenses	5,514
Ordinary income	52,526
Extraordinary income	18,248
Gain on sales of investment securities	13,763
Gain on capital reduction of subsidiaries and affiliates	3,195
Gain on liquidation of subsidiaries and affiliates	597
Gain on reversal of subscription rights to shares	693
Extraordinary losses	25,879
Loss on sales of investment securities	209
Loss on devaluation of investment securities	2,049
Loss on sales of investments in subsidiaries and affiliates	1,783
Loss on devaluation of investments in subsidiaries and affiliates	20,810
Loss on retirement of fixed assets	1,029
Income before income taxes	44,895
Income taxes - current	3,312
Income taxes - deferred	8,705
Net income	32,879

Statement of Changes in Net Assets (April 1, 2011 - March 31, 2012)

	(Millions of yen)
Shareholders' Equity	
Common stock	
Balance at beginning of the year	594,493
Balance at end of the year	594,493
•	
Additional paid-in capital Capital reserve	
	524 107
Balance at beginning of the year	524,197
Change in the year	25 470
Increase from share exchange	35,479
Total change in the year	35,479
Balance at end of the year	559,676
Other capital reserve	7.204
Balance at beginning of the year	7,384
Change in the year	40.7
Disposal of treasury stock	435
Total change in the year	435
Balance at the end of the year	7,819
Total capital reserve	
Balance at beginning of the year	531,582
Change in the year	
Increase from share exchange	35,479
Disposal of treasury stock	435
Total change in the year	35,914
Balance at end of the year	567,495
·	
Retained earnings	
Retained earnings reserve	81,858
Balance at beginning of the year	
Balance at end of the year	81,858
Other retained earnings	
Reserve for specified fixed assets	0
Balance at beginning of the year	8
Change in the year	(2)
Reversal of reserve for specified fixed assets	(2)
Total change in the year	(2)
Balance at end of the year	6
Retained earnings carried forward	# 40 #0 0
Balance at beginning of the year	568,582
Change in the year	(20.044)
Cash dividends	(29,066)
Reversal of reserve for specified fixed assets	2
Net income	32,879
Total change in the year	3,815
Balance at end of the year	572,397
Total retained earnings	
Balance at beginning of the year	650,449
Change in the year	
Cash dividends	(29,066)
Net income	32,879
Total change in the year	3,813
Balance at end of the year	654,261
Dutation at one of the jour manner.	03 1,201

	(Millions of yen)
Treasury stock	
Balance at beginning of the year	(95,504)
Change in the year	
Purchases of treasury stock	(8,287)
Disposal of treasury stock	6,695
Total change in the year	(1,593)
Balance at end of the year	(97,097)
Total shareholders' equity	
Balance at beginning of the year	1,681,019
Change in the year	
Increase from share exchange	35,479
Cash dividends	(29,066)
Net income	32,879
Purchases of treasury stock	(8,287)
Disposal of treasury stock	7,130
Total change in the year	38,134
Balance at end of the year	1,719,153
Valuation and translation adjustments	
Net unrealized gain on investments	
Balance at beginning of the year	22,234
Change in the year	
Other-net	(630)
Total change in the year	(630)
Balance at end of the year	21,603
Deferred gains or loss on hedges	
Balance at beginning of the year	30,105
Change in the year	
Other-net	19,945
Total change in the year	19,945
Balance at end of the year	50,051
Total valuation and translation adjustments	
Balance at beginning of the year	52,339
Change in the year	
Other-net	19,315
Total change in the year	19,315
Balance at end of the year	71,654
Stock acquisition rights	
Balance at beginning of the year	31,536
Change in the year	
Other-net	19,056
Total change in the year	19,056
Balance at end of the year	50,592
Total net assets	<u> </u>
Balance at beginning of the year	1,764,894
Change in the year	1,701,051
Increase from share exchange	35,479
Cash dividends	(29,066)
Net Income	32,879
Purchases of treasury stock	(8,287)
Disposal of treasury stock	7,130
Other-net	38,371
Total change in the year	76,505
Balance at end of the year	1,841,400
	1,011,100

Report of Independent Auditors

May 14, 2012

The Board of Directors Nomura Holdings, Inc.

Ernst & Young ShinNihon LLC

Tadayuki Matsushige Certified Public Accountant Designated and Engagement Partner

Hiroki Matsumura Certified Public Accountant Designated and Engagement Partner

Yuichiro Sakurai Certified Public Accountant Designated and Engagement Partner

Junko Kamei Certified Public Accountant Designated and Engagement Partner

Pursuant to Article 436, Section 2, Paragraph 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements and the related supplementary schedules of Nomura Holdings, Inc. (the "Company") applicable to the 108th fiscal year from April 1, 2011 through March 31, 2012.

Management's Responsibility for the Financial Statements and the Related Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the related supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the related supplementary schedules that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements and the related supplementary schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the related supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the related supplementary schedules. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements and the related supplementary schedules, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements and the related supplementary schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the related supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position and results of operations of Nomura Holdings, Inc. applicable to the 108th fiscal year ended March 31, 2012 in conformity with accounting principles generally accepted in Japan.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

(Note)

This is an English translation of the Japanese language Report of Independent Auditors issued by Ernst & Young ShinNihon LLC in connection with the audit of the financial statements of Nomura Holdings, Inc., prepared in Japanese, for the year ended March 31, 2012. Ernst & Young ShinNihon LLC have not audited the English language version of the financial statements for the abovementioned year.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of Nomura Holdings, Inc. (the "Company") audited the execution by the Directors and Executive Officers of the Company of their duties during the 108th fiscal year (from April 1, 2011 to March 31, 2012) and, based on the result of the audit, hereby reports as follows:

METHOD AND DETAILS OF THE AUDIT

Based on the auditing principles and assignment of duties determined by us, with the cooperation of the Company's departments in charge of internal control, we have investigated the procedure and details of the decision making at the important meetings, reviewed important authorized documents and other material documents regarding to the business execution, investigated the performance of the duties by the Directors, Executive Officers, Senior Managing Directors and others, and investigated the conditions of the businesses and assets of the Company.

With respect to the resolution of the Board of Directors regarding the internal control system as stipulated in Article 416, Paragraph 1, Items 1(ii) and 1(v) of the Companies Act and the status of the establishment and maintenance of the system based on such resolution, we received reports at regular intervals from the Directors, Executive Officers and others, asked for explanations as necessary and provided our opinion. In relation to internal control over financial reporting required under the Financial Instruments and Exchange Act, we have received the report from the Executive Officers and Independent Auditor of the Company regarding to the conditions of the assessment and audit of the Company, and asked for explanations as necessary.

With respect to subsidiaries, we have communicated and exchanged information with the subsidiary company's Directors, Executive Officers, Senior Managing Directors, members of the Audit Committee and statutory auditors, and when necessary, requested the subsidiaries to report on their business.

Furthermore, we have monitored and verified whether the Independent Auditor maintained its independent position and implemented appropriate audit, and we received reports from the Independent Auditor regarding the status of the performance of its duties and, whenever necessary, asked for explanations. In addition, we have been notified from the Independent Auditor that "Structure for Ensuring Appropriate Operation" (matters set forth in each items prescribed in Article 131 of the Ordinance for Company Calculation) is organized in accordance with the "Quality Control Standards for Audits" (Business Accounting Council, October 28, 2005) and the like, and, when necessary, asked for explanations.

Based on the above methods, we have examined the business report, financial statements (balance sheet, statement of income, statement of changes in net assets and notes to the financial statements) and supplementary schedules for this fiscal year.

2. RESULT OF THE AUDIT

(1) Result of the audit

- 1. We have found that business report and supplementary schedules fairly present the status of the Company, in conformity with the applicable laws and regulations and the Articles of Incorporation.
- 2. In relation to the performance of the duties by the Directors and the Executive Officers, we have found no misconduct or material matter that violates applicable laws and regulations or the Articles of Incorporation.
- 3. We have found that the content of the resolution of the Board of Directors regarding the internal control system is adequate. Moreover, we have no remarks to point out on the execution of the duties by the Directors and the Executive Officers regarding status of the establishment and maintenance of the internal control system based on such resolution, including internal control over financial reporting required under the Financial Instruments and Exchange Act.

(2) Result of Audit of Non-consolidated Financial Statements and Supplementary Schedules

We acknowledge that both the method and result of the audit by Ernst & Young ShinNihon LLC, the Company's Independent Auditor, are appropriate.

3. SUBSEQUENT EVENTS

As referred in III-4. "Other Significant Matters concerning Stock Acquisition Rights" in the Report for the 108th fiscal year, a resolution to issue Stock Acquisition Rights as stock options to executives and employees of the Company as well as executives and employees of subsidiaries of the Company was passed on May 16, 2012.

May 16, 2012

THE AUDIT COMMITTEE OF NOMURA HOLDINGS, INC.

Haruo Tsuji, Chairman

Tsuguoki Fujinuma

Masanori Itatani

Note: Messrs. Haruo Tsuji and Tsuguoki Fujinuma are outside directors as defined in Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.

Shareholder Notes

Fiscal Year	April 1 to March 31
Number of Shares Constituting One Unit	One Hundred (100)
Record Date for Dividend Payments	September 30, March 31
Meeting of the Shareholders	Held in June

<Special Note Regarding Forward-Looking Statements>

This report contains forward-looking statements that are based on our current expectations, assumptions, estimates and projections about our business, our industry and capital markets around the world. These forward-looking statements are subject to various risks and uncertainties. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "may", "will", "expect", "anticipate", "estimate", "plan" or similar words. These statements discuss future expectations, identify strategies, contain projections of our results of operations or financial condition, or state other forward-looking information. Known and unknown risks, uncertainties and other factors may cause our actual results, performance, achievements or financial position expressed or implied by any forward-looking statement in this report.