

This document is a translation of the Japanese language original prepared solely for convenience of reference (certain portions of the Japanese language original applicable to voting procedures in Japan that are not applicable to shareholders outside Japan have been omitted). In the event of any discrepancy between this translated document and the Japanese language original, the Japanese language original shall prevail. Please note that certain portions of this document may not be applicable to shareholders outside Japan.

NOMURA

Notice of Convocation of the 113th Annual General Meeting of Shareholders

Nomura Holdings, Inc.

To Our Shareholders

I would like to take this opportunity to thank all of our shareholders for the ongoing support.

In the fiscal year ended March 31, 2017, while the economy in Japan and abroad showed firm progress, we faced unexpected events in international politics: withdrawal of the United Kingdom from the European Union (Brexit) and Donald Trump becoming president in the United States. In the wake of such events, equity and bond markets in Japan and abroad underwent high volatility.

Under such circumstances, based on our basic philosophy of “placing our clients at the heart of everything we do,” we have continued to transform our domestic business model of Retail Division. Also, we delivered strategic changes in EMEA and the Americas and worked on improving the profitability of our international operations, achieving a significant improvement in international income before taxes.

As a result, in the fiscal year ended March 31, 2017, the Group’s net revenue totaled 1,403.2 billion yen (after interest expense), and net income came to 239.6 billion yen. Net income recorded the second highest level after the fiscal year ended March 31, 2006, since reporting under US GAAP started in the fiscal year ended March 31, 2002. EPS was 65.65 yen (after dilution). The entire Group will continue striving to achieve 100 yen targeted for the fiscal year ending March 2020.

With regard to the distribution of dividends to shareholders, we have decided to increase an annual dividend by 7 yen from the prior year to 20 yen per share based on our dividend policy.

Nomura Group regards the changes in our operating environment as a perfect Chance to Change ourselves boldly. By using these two Cs, we have expressed and upheld “Vision C&C”.

Under Vision C&C, we are striving to achieve an optimum allocation of management resources so that we will be able to establish a solid business foundation by 2020 to grow in a sustainable manner no matter what the operating environment may be. Nomura Group, as Asia’s global investment bank, will continue to provide high value-added solutions to clients in Japan and overseas, and to contribute to economic growth and social development.

Thank you very much for your continued support.

May 2017

Koji Nagai

Director, President and Group CEO

To: Shareholders of Nomura Holdings, Inc.

Koji Nagai
Director, President and Group CEO
Nomura Holdings, Inc.
1-9-1 Nihonbashi, Chuo-ku, Tokyo, JAPAN

Notice of Convocation of the Annual General 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"). The 113th Annual General Meeting of Shareholders will be held as described below.

Details

- 1. Date and Time:** 10:00 a.m. on Friday, June 23, 2017 (JST)

- 2. Place:** Grand Nikko Tokyo Daiba, "Palais Royal" (first basement)
2-6-1, Daiba, Minato-ku, Tokyo, JAPAN (formerly the Hotel Grand Pacific LE DAIBA)
(Please note that although the name of the hotel has changed, the venue is the same as last year.)

3. Agenda for the Meeting:

Matters to be Reported:

1. Report on the content of the business report and the consolidated financial statements and report on the results of the audits of the consolidated financial statements performed by the accounting auditor and the Audit Committee for the 113th fiscal year (covering the period from April 1, 2016 to March 31, 2017).
2. Report on the financial statements for the 113th fiscal year (covering the period from April 1, 2016 to March 31, 2017).

Matter to be Resolved:

Proposal: Appointment of Ten Directors

Matters regarding the exercise of voting rights:

If you exercise your voting rights through a proxy, only one proxy per shareholder will be permitted and such proxy must be a shareholder who holds voting rights at this General Meeting of Shareholders. Please also submit documentation evidencing the necessary power of attorney along with the proxy card.

End.

Notes:

With regard to the following matters, pursuant to relevant laws/regulations and the provisions of Article 25 of the Company's Articles of Incorporation, they are not included in the materials annexed to this Notice of Convocation as they have been posted on the Company's website (<http://www.nomuraholdings.com/investor/shm/>). Therefore, the materials annexed to this Notice of Convocation, on the occasion of the preparation of the Audit Report, were a part of the objects that the audit committee and accounting auditor audited.

1. The following section of the business report: VII. Basic Policy Regarding the Status of Persons with Control over Decisions Concerning the Company's Financial and Business Policies;
2. The notes to the consolidated financial statements; and
3. The notes to the financial statements.

In the event of any subsequent revisions to the reference materials for the general meeting of shareholders, the business report, the consolidated financial statements, the financial statements, or other materials annexed to this Notice of Convocation, there will be a posting on the Company's website indicated above.

Regarding the Payment of the Year-end Dividend Distribution of the 113th Fiscal Year Surplus

At the Meeting of the Board of Directors of the Company held on April 27, 2017, a resolution was adopted for the payment, beginning on June 1, 2017, of the 11 yen per share year-end dividend distribution of the 113th fiscal year surplus.


Reference Materials for the General Meeting of Shareholders


Proposal and Reference Matters

Proposal: Appointment of Ten Directors

As of the conclusion of this General Meeting, the term of office of all ten directors will expire. Therefore, based on the decision of the Nomination Committee, the Company requests the appointment of ten directors, including one new director nominee. Of the ten nominees, six, including one person who is to be newly appointed, are outside director nominees, and the two director nominees who will concurrently serve as executive officers are Koji Nagai and Tetsu Ozaki.

The nominees are as follows:

1.	Nobuyuki Koga (Aug. 22, 1950)	Non-Executive Director	Reappointment
		Number of shares held: 293,753 shares of common stock	
	<p>Apr. 1974 Joined the Company</p> <p>Jun. 1995 Director of the Company</p> <p>Apr. 1999 Managing Director of the Company</p> <p>Jun. 2000 Director and Deputy President of the Company</p> <p>Oct. 2001 Director and Deputy President of the Company (concurrently Director and Deputy President of Nomura Securities Co., Ltd.)</p> <p>Apr. 2003 Director and President of the Company (concurrently Director and President of Nomura Securities Co., Ltd.)</p> <p>Jun. 2003 Director, President & CEO of the Company (concurrently Director and Executive Officer and President of Nomura Securities Co., Ltd.)</p> <p>Apr. 2008 Director and Representative Executive Officer of the Company (concurrently Director and Chairman of Nomura Securities Co., Ltd.)</p> <p>Jun. 2008 Director and Chairman of Nomura Securities Co., Ltd.</p> <p>Jun. 2011 Director and Chairman of the Company (concurrently Director and Chairman of Nomura Securities Co., Ltd.)</p> <p>Apr. 2017 Director and Chairman of the Company (concurrently Director of Nomura Securities Co., Ltd.) (Current)</p>		
<p>Chairman of the Board of Directors</p> <p>Chairman of the Nomination Committee</p> <p>Chairman of the Compensation Committee</p>			
		(Significant concurrent positions)	
		<p>Director of Nomura Securities Co., Ltd.</p> <p>Representative Director and President of Kanagawa Kaihatsu Kanko Ltd.</p>	
		(Reasons for designation as a director nominee)	
		<p>Mr. Koga has held positions including Director and President of the Company and Director and President of Nomura Securities Co., Ltd., and has served as Director and Chairman of the Company since June 2011, and currently holds the positions of the Vice Chairman of Nippon Keidanren (Japan Business Federation) and Vice Chairman of the Japan Securities Dealers Association.</p> <p>The Company has designated Mr. Koga, who is well-versed in the business of the Nomura Group and the customs of the securities industry, as a director nominee with the expectation that, by having Mr. Koga chair meetings of the Board of Directors as Chairman of the Board of Directors, he will contribute to enhancing the quality of discussions at meetings of the Board of Directors and operate meetings of the Board of Directors effectively and efficiently.</p> <p>If his reappointment is approved, he is slated to continue serving as Chairman of the Nomination Committee and Chairman of the Compensation Committee after this Annual General Meeting of Shareholders.</p> <p>Mr. Koga does not concurrently serve as an executive officer and is a non-executive director.</p>	

2.	Koji Nagai (Jan. 25, 1959)	Executive Officer	Reappointment
Number of shares held: 284,800 shares of common stock			
 <p>Director</p> <p>Representative Executive Officer and President</p> <p>Group CEO</p>	Apr. 1981	Joined the Company	
	Apr. 2003	Director of Nomura Securities Co., Ltd.	
	Jun. 2003	Senior Managing Director of Nomura Securities Co., Ltd.	
	Apr. 2007	Executive Managing Director of Nomura Securities Co., Ltd.	
	Oct. 2008	Senior Corporate Managing Director of Nomura Securities Co., Ltd.	
	Apr. 2009	Executive Managing Director and Executive Vice President of Nomura Securities Co., Ltd.	
	Apr. 2011	Co-COO and Deputy President of Nomura Securities Co., Ltd.	
	Apr. 2012	Senior Managing Director of the Company (concurrently Director and President of Nomura Securities Co., Ltd.)	
	Aug. 2012	Representative Executive Officer & Group CEO of the Company (concurrently Director and President of Nomura Securities Co., Ltd.)	
	Jun. 2013	Director, Representative Executive Officer & Group CEO of the Company (concurrently Director and President of Nomura Securities Co., Ltd.)	
Apr. 2017	Director, Representative Executive Officer, President & Group CEO of the Company (concurrently Director and Chairman of Nomura Securities Co., Ltd.) (Current)		
(Significant concurrent positions)			
Director and Chairman of Nomura Securities Co., Ltd.			
(Reasons for designation as a director nominee)			
Mr. Nagai has held positions including Director and President of Nomura Securities Co., Ltd., and has served as Representative Executive Officer and Group CEO of the Company since August 2012 (concurrently Director since June 2013).			
The majority of the Board of Directors of the Company, including Outside Directors, is made up of non-executive directors. The Company has designated him as a director nominee with the expectation that, by having a top executive concurrently serve as a director, the Board of Directors will be able to easily understand the business execution status and the status of the Company, and exercise the management oversight function more effectively.			

Note 1: In October 2001, the Company reorganized and became a holding company, changed the company name from, “The Nomura Securities Co., Ltd.” to “Nomura Holdings, Inc.” and Nomura Securities Co., Ltd., the subsidiary newly established by the company divestiture, succeeded the securities company operations. With regard to biographical information based on the Company prior to October 2001, the references are to positions and responsibilities at The Nomura Securities Co., Ltd.

Note 2: Since June 2003, the Company has put in place three committees (the nomination, compensation, and audit committees) and adopted a corporate governance structure that separates management’s oversight functions from business execution functions (Company with Three Board Committees). As the execution of the business of the Company, which is a Company with Three Board Committees, is performed by executive officers, directors who do not concurrently serve as executive officers (non-executive directors) do not perform such a function and perform mainly an oversight function.

3.

Tetsu Ozaki

(Jan. 16, 1958)

Executive Officer

Reappointment

Number of shares held: 153,700 shares of common stock



Director

Representative
Executive Officer and
Deputy President

Group COO

Apr. 1982 Joined the Company

Apr. 2004 Senior Managing Director of the Company (concurrently Senior Managing Director of Nomura Securities Co., Ltd.)

Apr. 2008 Executive Managing Director of Nomura Securities Co., Ltd.

Oct. 2008 Senior Corporate Managing Director of Nomura Securities Co., Ltd.

Aug. 2012 Deputy President of Nomura Securities Co., Ltd.

Apr. 2013 Director and Deputy President of Nomura Securities Co., Ltd.

Apr. 2014 Executive Managing Director of the Company (concurrently Deputy President of Nomura Securities Co., Ltd.)

Apr. 2016 Representative Executive Officer & Group COO of the Company (concurrently Director and Deputy President of Nomura Securities Co., Ltd.)

Jun. 2016 Director, Representative Executive Officer & Group COO of the Company (concurrently Director and Deputy President of Nomura Securities Co., Ltd.)

Apr. 2017 Director, Representative Executive Officer, Deputy President & Group COO of the Company (concurrently Director of Nomura Securities Co., Ltd.) (Current)


(Significant concurrent positions)

Director of Nomura Securities Co., Ltd.

(Reasons for designation as a director nominee)

Mr. Ozaki has held positions including CEO of the Wholesale Division (Executive Managing Director) of the Company and Deputy President of Nomura Securities Co., Ltd., and has served as Representative Executive Officer and Group COO since April 2016 (concurrently Director since June 2016).

The majority of the Board of Directors of the Company, including outside directors, is made up of non-executive directors. The Company has designated him as a director nominee with the expectation that, by having a top executive concurrently serve as a director, the Board of Directors will be able to easily understand the business execution status and the status of the Company, and exercise the management oversight function more effectively.

4.	Hisato Miyashita (Dec. 26, 1958)	Non-Executive Director Reappointment Number of shares held: 52,000 shares of common stock
 <p>Director</p> <p>Member of the Audit Committee (Full-Time)</p>	<p>Jul. 1987 Joined the Company</p> <p>Jun. 1993 Joined Union Bank of Switzerland (currently, UBS)</p> <p>Aug. 1996 Joined Bankers Trust Asia Securities Ltd.</p> <p>Apr. 1998 Joined Credit Suisse First Boston Securities (Japan) Limited</p> <p>Dec. 1999 Joined Nikko Citigroup Limited (currently, Citigroup Global Markets Japan Inc.)</p> <p>Mar. 2005 Executive Officer of Nikko Citigroup Limited, Internal Control Supervisory Manager</p> <p>Jul. 2009 Managing Director of Group Compliance Department of the Company</p> <p>Apr. 2012 Senior Managing Director of the Company, Head of Wholesale Compliance</p> <p>Jun. 2012 Senior Managing Director of the Company, Group Compliance Head (concurrently Senior Managing Director of Nomura Securities Co., Ltd.)</p> <p>Apr. 2013 Senior Managing Director of the Company, Group Compliance Head (concurrently Representative Executive Officer of Nomura Securities Co., Ltd., Internal Control Supervisory Manager)</p> <p>Apr. 2015 Senior Managing Director of the Company, Deputy Chief of Staff and Group Compliance Head (concurrently Representative Executive Officer and Senior Corporate Managing Director of Nomura Securities Co., Ltd., Internal Control Supervisory Manager)</p> <p>Apr. 2016 Advisor of the Company</p> <p>Jun. 2016 Director of the Company (Current)</p> <p>(Significant concurrent positions)</p> <p>Director of Nomura Asset Management Co., Ltd.</p> <p>Director of The Nomura Trust and Banking Co., Ltd.</p> <p>Statutory Auditor of Nomura Financial Products & Services, Inc.</p> <p>(Reasons for designation as a director nominee)</p> <p>Mr. Miyashita has engaged in legal and compliance work for many years at a number of securities companies, including the Company, and by working in positions such as the Group Compliance Head of the Nomura Group, he has extensive experience and knowledge in the compliance field. If his reappointment is approved, he is slated to continue serving as a full-time member of the Audit Committee after this Annual General Meeting of Shareholders. The Company has designated Mr. Miyashita, who is well-versed in the business of the Nomura Group, as a director nominee with the expectation that, by adding him to the Audit Committee, the effectiveness of audits by the Audit Committee will be enhanced.</p> <p>Mr. Miyashita will not concurrently serve as an executive officer and will be a non-executive director.</p>	

Outside Director Nominees (Nominee Numbers 5 to 10)

All six Outside Director nominees satisfy the Independence Criteria established by the Company. Further, the Company has designated all Outside Director nominees as Independent Directors (an outside director who does not have any danger of having conflicts of interest with general shareholders in accordance with the rules of the Tokyo Stock Exchange, Inc.).

Reference: “Independence Criteria” for Outside Directors of Nomura Holdings, Inc.


Outside Directors of Nomura Holdings, Inc. (the “Company”) shall satisfy the requirements set forth below to maintain their independence from the Nomura Group.


1. The person, currently, or within the last three years, shall not correspond to a person listed below.
 - (1) Person Related to the Company
A person satisfying any of the following requirements shall be considered a Person Related to the Company:
 - Executive (*1) of another company where any Executive of the Company serves as a director or officer of that company;
 - Major shareholder of the Company (directly or indirectly holding more than 10% of the voting rights) or Executive of such major shareholder; or
 - Partner of the Company’s accounting auditor or employee of such firm who works on the Company’s audit.
 - (2) Executive of a Major Lender (*2) of the Company.
 - (3) Executive of a Major Business Partner (*3) of the Company (including Partners, etc.).
 - (4) A person receiving compensation from the Nomura Group of more than 10 million yen per year, excluding director/officer compensation.
 - (5) A person executing the business of an institution receiving more than a Certain Amount of Donation (*4) from the Company.
2. The person’s spouse, relatives within the second degree of kinship or anyone who lives with the person shall not correspond to a person listed below (excluding persons in unimportant positions):
 - (1) Executive of the Nomura Group; or
 - (2) A person identified in any of subsections (1) ~ (5) in Section 1 above.


(Notes)


- *1: Executive shall mean Executive Directors (*gyoumu shikkou torishimariyaku*), Executive Officers (*shikkouyaku*) and important employees (*juuyou na shiyounin*), including Senior Managing Directors (*shikkouyakuin*), etc.
- *2: Major Lender shall mean a lender from whom the Company borrows an amount equal to or greater than 2% of the consolidated total assets of the Company.
- *3: Major Business Partner shall mean a business partner whose transactions with the Company exceed 2% of such business partner’s consolidated gross revenues in the last completed fiscal year.
- *4: Certain amount of donation shall mean, with respect to any given institution, any amount that exceeds 2% of the donee institution’s gross revenue or ordinary income, whichever is greater, or donations that exceed 10 million yen per year.

End.

5.	Takao Kusakari (Mar. 13, 1940)	Outside Director, Independent Director Reappointment Number of shares held: 0 shares of common stock
 <p>Outside Director</p> <p>Member of the Nomination Committee</p> <p>Member of the Compensation Committee</p> <p>Number of years in office: 6 years</p> <p>Attendance at Meetings of the Board of Directors: 11/11</p> <p>Attendance at Meetings of the Nomination Committee: 5/5</p> <p>Attendance at Meetings of the Compensation Committee: 3/3</p>	<p>Apr. 1964 Joined Nippon Yusen Kabushiki Kaisha (NYK Line)</p> <p>Aug. 1999 President of NYK Line</p> <p>Apr. 2002 President, Corporate Officer of NYK Line</p> <p>Apr. 2004 Chairman, Corporate Officer of NYK Line</p> <p>Apr. 2006 Chairman, Chairman Corporate Officer of NYK Line</p> <p>Apr. 2009 Director and Corporate Advisor of NYK Line</p> <p>Jun. 2010 Corporate Advisor of NYK Line</p> <p>Jun. 2011 Outside Director of the Company (Current)</p> <p>Apr. 2015 Special Advisor of NYK Line (Current)</p> <p>(Significant concurrent positions)</p> <p>Special Advisor of NYK Line</p> <p>Outside Director of Japan Oil Transportation Co., Ltd. (to be appointed)</p> <p>(Reasons for designation as an outside director nominee)</p> <p>Mr. Kusakari has extensive experience with respect to corporate management, and including the holding in the past of positions such as President of NYK Line and Vice Chairman of Nippon Keidanren (Japan Business Federation), such achievements and related insights have been evaluated highly both within and outside of the Company.</p> <p>The Company has designated him as an outside director nominee with the expectation that he will continue to apply his extensive experience and high level of independence to perform a full role as an outside director in determining important managerial matters and overseeing the business execution of the Company, etc.</p> <p>If his reappointment is approved, he is slated to continue serving as a member of the Nomination Committee and a member of the Compensation Committee after this Annual General Meeting of Shareholders.</p>	

6.	Hiroshi Kimura (Apr. 23, 1953)	Outside Director, Independent Director Reappointment Number of shares held: 0 shares of common stock
 <p>Outside Director</p> <p>Member of the Nomination Committee</p> <p>Member of the Compensation Committee</p> <p>Number of years in office: 2 years</p> <p>Attendance at Meetings of the Board of Directors: 11/11</p> <p>Attendance at Meetings of the Nomination Committee: 4/4</p> <p>Attendance at Meetings of the Compensation Committee: 2/2</p> <p>Attendance at Meetings of the Audit Committee: 5/5</p> <p>(Mr. Kimura attended all meetings of the Nomination Committee and Compensation Committee which were held after his appointment as an outside director and a member of the Nomination Committee and Compensation Committee and the Audit Committee which were held before his resignation.)</p>	<p>Apr. 1976 Joined Japan Tobacco and Salt Public Corporation (currently, Japan Tobacco Inc.)</p> <p>Jun. 1999 Director of Japan Tobacco Inc.</p> <p>Jun. 2001 Resigned as Director of Japan Tobacco Inc.</p> <p>Jun. 2005 Director of Japan Tobacco Inc.</p> <p>Jun. 2006 President and CEO and Representative Director of Japan Tobacco Inc.</p> <p>Jun. 2012 Chairman of the Board of Japan Tobacco Inc.</p> <p>Jun. 2014 Special Advisor of Japan Tobacco Inc.</p> <p>Jun. 2015 Outside Director of the Company (Current)</p> <p>Jul. 2016 Advisor of Japan Tobacco Inc. (Current)</p> <p>(Significant concurrent positions)</p> <p>Advisor of Japan Tobacco Inc. Outside Director of Asahi Glass Co., Ltd. Outside Director of IHI Corporation</p> <p>(Reasons for designation as an outside director nominee)</p> <p>Mr. Kimura has extensive experience with respect to corporate management, and including the holding in the past of positions such as President, CEO and Representative Director of the Board of Japan Tobacco Inc. and Chairman of the Board of Japan Tobacco Inc., such achievements and related insights have been evaluated highly both within and outside of the Company.</p> <p>The Company has designated him as an outside director nominee with the expectation that he will continue to apply his extensive experience and high level of independence to perform a full role as an outside director in determining important managerial matters and overseeing the business execution of the Company, etc.</p> <p>If his reappointment is approved, he is slated to serve as a member of the Nomination Committee and a member of the Compensation Committee after this Annual General Meeting of Shareholders.</p>	

7.	Noriaki Shimazaki (Aug. 19, 1946)	Outside Director, Independent Director	Reappointment
		Number of shares held: 1,900 shares of common stock	
 <p>Outside Director</p> <p>Chairman of the Audit Committee</p> <p>Number of years in office: 1 year</p> <p>Attendance at Meetings of the Board of Directors: 8/8</p> <p>Attendance at Meetings of the Audit Committee: 11/11</p> <p>(Mr. Shimazaki attended all meetings of the Board of Directors and Audit Committee which were held after his appointment as an outside director and a member of the Audit Committee.)</p>	<p>Apr. 1969 Joined Sumitomo Corporation</p> <p>Jun. 1998 Director of Sumitomo Corporation</p> <p>Apr. 2002 Representative Director and Managing Director of Sumitomo Corporation</p> <p>Jan. 2003 Member of the Business Accounting Council of the Financial Services Agency</p> <p>Apr. 2004 Representative Director and Senior Managing Executive Officer of Sumitomo Corporation</p> <p>Apr. 2005 Representative Director and Executive Vice President of Sumitomo Corporation</p> <p>Jan. 2009 Trustee of the IASC Foundation (currently, IFRS Foundation)</p> <p>Jul. 2009 Special Advisor of Sumitomo Corporation</p> <p>Jun. 2011 Director of the Financial Accounting Standards Foundation</p> <p>Jun. 2011 Chairman of Self-regulation Board and Public Governor of the Japan Securities Dealers Association</p> <p>Sep. 2013 Advisor of the IFRS Foundation Asia-Oceania Office (Current)</p> <p>Sep. 2013 Advisor of the Japanese Institute of Certified Public Accountants (Current)</p> <p>Jun. 2016 Outside Director of the Company (concurrently Director of Nomura Securities Co., Ltd.) (Current)</p>		
	<p>(Significant concurrent positions)</p> <p>Outside Director of Autobacs Seven Co., Ltd.</p> <p>Outside Director of UKC Holdings Corporation</p> <p>Outside Director of Loginet Japan Co., Ltd.</p> <p>Director of Nomura Securities Co., Ltd.</p> <p>(Reasons for designation as an outside director nominee)</p> <p>Mr. Shimazaki has extensive experience with respect to corporate management and a high degree of expertise with regard to international accounting systems corresponding to a Sarbanes-Oxley Act of 2002 financial expert. Including the holding in the past of positions such as Representative Director and Executive Vice President of Sumitomo Corporation, Member of the Business Accounting Council of the Financial Services Agency, Trustee of IASC Foundation, Special Advisor of Sumitomo Corporation and Director of the Financial Accounting Standards Foundation, such achievements and related insights have been evaluated highly both within and outside of the Company.</p> <p>The Company has designated him as an outside director nominee with the expectation that he will apply his extensive experience and high degree of expertise and independence to perform a full role as an outside director in determining important managerial matters and overseeing the business execution of the Company, etc.</p> <p>If his reappointment is approved, he is slated to serve as a member of the Audit Committee (Chairman) after this Annual General Meeting of Shareholders.</p>		

8.	Toshinori Kanemoto (Aug. 24, 1945)	Outside Director, Independent Director Reappointment Number of shares held: 0 shares of common stock
 <p>Outside Director</p> <p>Member of the Audit Committee</p> <p>Number of years in office: 6 years</p> <p>Attendance at Meetings of the Board of Directors: 11/11</p> <p>Attendance at Meetings of the Audit Committee: 16/16</p>	<p>Apr. 1968 Joined National Police Agency</p> <p>Apr. 1992 Kumamoto Prefecture Police Headquarters, Director-General</p> <p>Aug. 1995 Director General of the International Affairs Department, National Police Agency</p> <p>Oct. 1996 President of ICPO-INTERPOL</p> <p>Aug. 2000 President, National Police Academy</p> <p>Apr. 2001 Director of Cabinet Intelligence, Cabinet Secretariat, Government of Japan</p> <p>Jan. 2007 Registered as Attorney-at-Law (Dai-ichi Tokyo Bar Association)</p> <p>Feb. 2007 Of-Counsel, City-Yuwa Partners (Current)</p> <p>Jun. 2011 Outside Director of the Company (Current)</p> <p>(Significant concurrent positions)</p> <p>Of-Counsel, City-Yuwa Partners</p> <p>Outside Statutory Auditor of Nippon Television Holdings, Inc.</p> <p>Outside Director of Riken Corporation</p> <p>(Reasons for designation as an outside director nominee)</p> <p>Mr. Kanemoto, after having held positions including Director General of International Affairs at the National Police Agency, President of ICPO-INTERPOL and Director of Cabinet Intelligence in Japan, is currently active as an attorney with sophisticated expertise with respect to law, and such achievements and related insights have been evaluated highly both within and outside of the Company.</p> <p>The Company has designated him as an outside director nominee with the expectation that he will continue to apply his extensive experience and high level of independence to perform a full role as an outside director in determining important managerial matters and overseeing the business execution of the Company, etc.</p> <p>If his reappointment is approved, he is slated to continue serving as a member of the Audit Committee after this Annual General Meeting of Shareholders.</p>	

9.

Mari Sono

(Feb. 20, 1952)

Outside Director, Independent Director **New Appointment**

Number of shares held: 0 shares of common stock



Oct. 1976 Joined NISSHIN Audit Corporation (currently Ernst & Young ShinNihon LLC)
 Mar. 1979 Registered as Certified Public Accountant
 Nov. 1988 Partner of CENTURY Audit Corporation (currently Ernst & Young ShinNihon LLC)
 Nov 1990 Member of “Certified Public Accountant Examination System Subcommittee”, Certified Public Accountant Examination and Investigation Board, Ministry of Finance
 Apr. 1992 Member of “Business Accounting Council”, Ministry of Finance
 Dec. 1994 Senior Partner, CENTURY Audit Corporation (currently Ernst & Young ShinNihon LLC)
 Oct. 2002 Member of Secretariat of the Information Disclosure, Cabinet Office (currently Secretariat of the Information Disclosure and Personal Information Protection Review Board, Cabinet Office)
 Apr. 2005 External Comprehensive Auditor, Tokyo
 Jul. 2008 Senior Partner of Ernst & Young ShinNihon LLC
 Aug. 2012 Retired Ernst & Young ShinNihon LLC
 Dec. 2013 Commissioner of the Securities and Exchange Surveillance Commission

(Significant concurrent positions)

None

(Reasons for designation as an outside director nominee)

Ms. Sono has a high degree of expertise with respect to corporate accounting based on many years of experience as a Certified Public Accountant and has held positions such as External Comprehensive Auditor, Tokyo, and Member of “Business Accounting Council,” Ministry of Finance. Further, after retiring from the Audit Firm, she served as Commissioner of the Securities and Exchange Surveillance Commission, and such achievements and related insights have been evaluated highly both within and outside of the Company.

The Company has designated her as an outside director nominee with the expectation that she will apply her extensive experience and high level of independence to perform a full role as an outside director in determining important managerial matters and overseeing the business execution of the Company, etc.

If her appointment is approved, she is slated to serve as a member of the Audit Committee after this Annual General Meeting of Shareholders.

(Supplementary note regarding independence)

Although Ms. Sono was, in the past, a Senior Partner of Ernst & Young ShinNihon LLC (“E&Y”), the current corporate auditor of the Company, for the reasons set forth below, the Company has determined that Ms. Sono’s background does not compromise her independence as an Outside Director.

- The fact that just under five years have passed since Ms. Sono retired from E&Y, after which she has had no involvement whatsoever in E&Y’s management and financial policy.
- The fact that Ms. Sono, during her tenure at E&Y, was never involved in an accounting audit of the Company and also never belonged to the Financial Division that is responsible for accounting audits of financial institutions.

Further, in addition to satisfying the Company’s Independence Criteria for Outside Directors and requirements for Independent Directors as established by the Tokyo Stock Exchange, Inc., Ms. Sono also satisfies independence requirements for an audit committee member of the Company as established by the New York Stock Exchange.

10.

Michael Lim Choo San

(Sept. 10, 1946)

Outside Director, Independent Director Reappointment

Number of shares held: 0 shares of common stock



Outside Director

Number of years in office:
6 years

Attendance at Meetings of
the Board of Directors:
11/11

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
Sep. 2002 Chairman of the Land Transport Authority of Singapore
Sep. 2004 Independent Director of Olam International Limited
Jun. 2011 Outside Director of the Company (Current)
Nov. 2011 Chairman of the Accounting Standards Council, Singapore
Apr. 2013 Chairman of the Singapore Accountancy Commission
Sep. 2016 Non-Executive Chairman of Fullerton Healthcare Corporation Limited (Current)

(Significant concurrent positions)

Non-Executive Chairman of Fullerton Healthcare Corporation Limited
Non-Executive Chairman of Nomura Singapore Ltd.

(Reasons for designation as an outside director nominee)

Mr. Lim is well-versed in international accounting systems and has held positions, including Executive Chairman of PricewaterhouseCoopers (Singapore) and public service roles in Singapore, and was also awarded with honors by the Government of Singapore three times between 1998 and 2010, etc., and such achievements and related insights have been evaluated highly both within and outside of the Company.

The Company has designated him as an outside director nominee with the expectation that he will continue to apply his global and extensive experience and his high degree of expertise and independence to perform a full role as an outside director in determining important managerial matters and overseeing the business execution of the Company, etc.

Note 3: There are no particular conflicts of interest between the Company and each of the 10 nominees.

Note 4: The Company has entered into agreements to limit Companies Act Article 423 Paragraph 1 liability for damages (limitation of liability agreements) with each of the following director nominees: Mr. Hisato Miyashita, Mr. Takao Kusakari, Mr. Hiroshi Kimura, Mr. Noriaki Shimazaki, Mr. Toshinori Kanemoto, and Mr. Michael Lim Choo San. Liability under each such agreement is limited to either 20 million yen or the amount prescribed by laws and regulations, whichever is greater. If Mr. Hisato Miyashita, Mr. Takao Kusakari, Mr. Hiroshi Kimura, Mr. Noriaki Shimazaki, Mr. Toshinori Kanemoto, and Mr. Michael Lim Choo San are each reappointed at this Annual General Meeting of Shareholders, the Company is planning to maintain the limitation of liability agreements stated above with each of them. Further, if the director nominee Ms. Mari Sono is appointed as a director, the Company is planning to enter into the limitation of liability agreement stated above with her.

Note 5: In August 2012, Nomura Securities Co., Ltd., a subsidiary of the Company, with respect to, among other issues, flaws recognized in connection with the management of entity-related information for public stock offerings, received a business improvement order from Japan's Financial Services Agency. With respect to the improvement measures, including the review of the internal and external communication methods with respect to corporate-related information and the information management structure, Nomura Securities Co., Ltd. has implemented all of such measures and policies as of the end of December 2012. Outside Director nominees Messrs. Takao Kusakari and Toshinori Kanemoto who served as Outside Directors of Nomura Securities Co., Ltd. (retired as of March 31, 2016) regularly, including at meetings of the Board of Directors, made statements from the perspective of compliance with laws and regulations and made various suggestions regarding initiatives, etc., for the entrenchment and continued effective functioning of the improvement measures.

Reference

The structure below is planned for the Nomination Committee, Compensation Committee and Audit Committee after the conclusion of this Annual General Meeting of Shareholders:

Nomination Committee: Nobuyuki Koga (chairman), Takao Kusakari, and Hiroshi Kimura

Compensation Committee: Nobuyuki Koga (chairman), Takao Kusakari, and Hiroshi Kimura

Audit Committee: Noriaki Shimazaki (chairman), Toshinori Kanemoto, Mari Sono, and Hisato Miyashita

Report for the 113th Fiscal Year

From April 1, 2016 to March 31, 2017

I. Current State of Nomura Group

1. Fundamental Management Policy and Structure of Business Operations

(1) Fundamental Management Policy

Nomura Group's management vision is to enhance its corporate value by deepening society's trust in the firm and increasing the satisfaction of stakeholders, including shareholders and clients.

As "Asia's global investment bank," Nomura will provide high value-added solutions to clients globally, and recognizing its wider social responsibility, Nomura will continue to contribute to economic growth and development of society.

To enhance its corporate value, Nomura emphasizes earnings per share (EPS) as a management index and will seek to maintain sustained improvement in this index.

(2) Structure of Business Operations

Nomura Group's business execution is to focus on business divisions and regions, rather than individual legal entities, under unified strategy. Nomura Group's divisions are comprised of three divisions (Retail Division, Asset Management Division, and Wholesale Division). Nomura Group's regions are comprised of four regions (Americas; Europe, Middle East and Africa ("EMEA"); Asia ex-Japan ("AEJ"); and Japan). Nomura Group shall delegate its powers to each of these business divisions and regions to an appropriate extent and establish its business execution structure by enhancing the professional skills, while strengthening global linkages among these business divisions and regions, and fully demonstrating Nomura Group's comprehensive capabilities.

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

(1) Summary

During the fiscal year ended March 31, 2017, the global economy continued to see a moderate recovery in growth, although the situation varied from region to region. In the US, the real Gross Domestic Product ("GDP") growth rate weakened in the first half of 2016 and although it picked up in the second half of the year, over 2016 as a whole growth slowed compared with the previous year. However, the Federal Reserve Board (FRB) has raised interest rates twice since December 2016, based on its view that downside risk to its economic outlook has receded. In Europe, including the UK, the underlying economy was favorable as a result of growth in capital expenditure and fiscal spending. In Asia ex-China, exports picked up as demand in the US and China recovered, and domestic demand was buoyed by economic stimulus measures.

The Japanese economy meanwhile expanded at a modest pace. Exports from Japan also embarked on a clear upward trend in July-September 2016 as global manufacturing activity picked up. Capital expenditure improved too. Following Donald Trump's inauguration as U.S. President in January 2017, at summit talks between the US and Japan in February 2017 the Japanese deputy prime minister and the U.S. vice president agreed to work on creating a new economic dialogue. The Tokyo Stock Price Index (the "TOPIX") rose from 1,347.20 at the end of March 2016 to 1,512.60 at the end of March 2017, and the Nikkei Stock Average rose from 16,758.67 at the end of March 2016 to 18,909.26 at the end of March 2017. At the end of March 2016 the yen was trading at ¥112-113 versus the U.S. dollar, but the dollar/yen exchange rate fluctuated sharply in both directions, strongly influenced by political events, such as the UK referendum and the U.S. presidential election, and fell back to ¥111-112 at the end of March 2017. The yield on Japanese government debt securities followed a downward trend through July 31, 2016, following the introduction of a negative interest rate policy by the Bank of Japan. Thereafter expectations that the Bank of

Japan would revise excessive easing policies coupled with the rise in U.S. long-term interest rates resulted in a return to an upward trend, and the yield on newly issued 10-year Japanese government debt securities was 0.065% at the end of March 2017.

From a regulatory perspective, in addition to the implementations of Basel III requirements relating to capital ratio, liquidity ratio, and leverage ratio, Nomura was identified as one of the domestic systemically important banks. As part of the global tightening of the financial regulations, wide-ranging reforms will be further introduced. Nomura will continue to monitor these issues closely and take necessary measures in responding to any such changes.

While our environment is changing drastically, based on our basic philosophy of “placing our clients at the heart of everything we do,” we have continued to transform our domestic business model of Retail Division. Also, we delivered strategic changes in EMEA and the Americas and worked on improving the profitability of our international operations. In Retail Division, the discretionary investment assets under management grew steadily. Asset Management Division booked ongoing inflows and assets under management climbed to a record high. In Wholesale Division, the cost base dropped and Fixed Income revenues grew driven by a strong performance in the Rates business.

As a result of these efforts, we posted net revenue of 1,403.2 billion yen for the year ended March 31, 2017, a 0.5% increase from the previous fiscal year. Non-interest expenses decreased by 12.2% to 1,080.4 billion yen, income before income taxes was 322.8 billion yen, and net income attributable to the shareholders of Nomura Holdings, Inc. was 239.6 billion yen. Return on equity was 8.7%. EPS⁽¹⁾ for the year ended March 31, 2017 was 65.65 yen, an increase from 35.52 yen for the year ended March 31, 2016. We have decided to pay a dividend of 11 yen per share to shareholders of record as of March 31, 2017. As a result, the total annual dividend will be 20 yen per share.

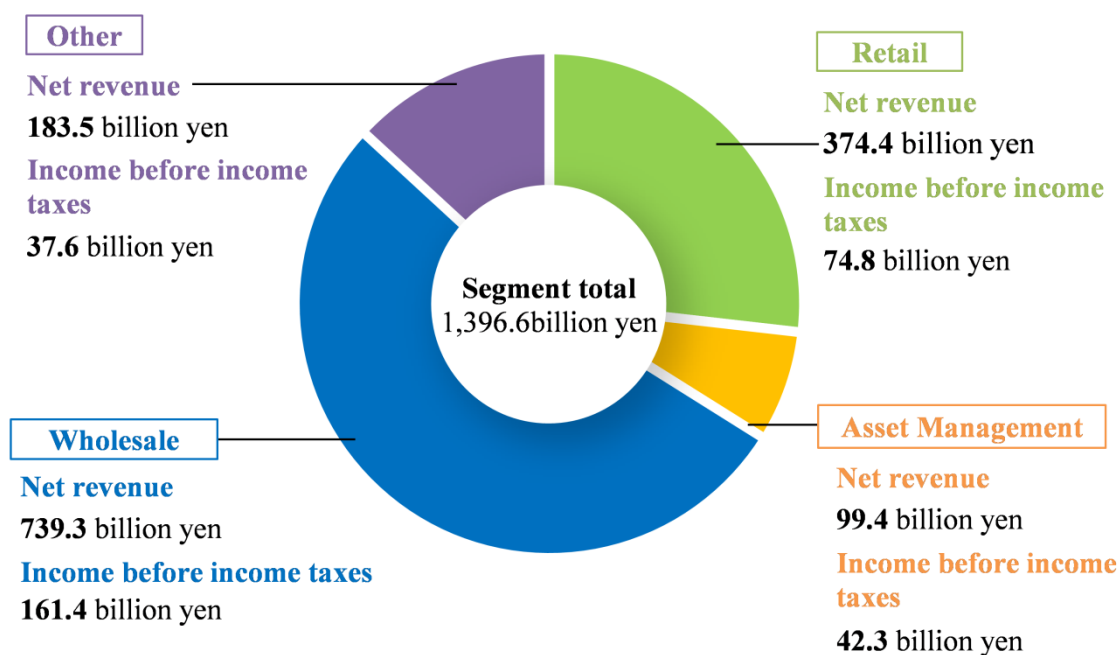
(Note):

1. Diluted net income attributable to Nomura Holdings’ shareholders per share.

Consolidated Financial Results

	Billions of yen		% Change
	For the year ended		(B-A)/(A)
	March 31, 2016 (A)	March 31, 2017 (B)	
Net revenue	1,395.7	1,403.2	0.5
Non-interest expenses	1,230.5	1,080.4	(12.2)
Income before income taxes	165.2	322.8	95.4
Income tax expense	22.6	80.2	255.1
Net income	142.6	242.6	70.1
Less: Net income attributable to noncontrolling interests	11.0	2.9	(73.2)
Net income attributable to NHI shareholders	131.6	239.6	82.1
Return on shareholders’ equity	4.9%	8.7%	—

**Revenue distribution
For the year ended March 31, 2017**



(2) Segment Information

We report our operations and business results by reporting segment that corresponds to the following three divisions: Retail, Asset Management and Wholesale.

Business Segment Results

	Billions of yen		% Change (B-A)/(A)
	For the year ended		
	March 31, 2016 (A)	March 31, 2017 (B)	
Net revenue	1,416.4	1,396.6	(1.4)
Non-interest expenses	1,230.5	1,080.4	(12.2)
Income before income taxes	185.8	316.2	70.1

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, 2017 was 1,396.6 billion yen, a decrease of 1.4 % from the previous year. Non-interest expenses for the fiscal year ended March 31, 2017 decreased by 12.2% from the previous year to 1,080.4 billion yen. Income before income taxes was 316.2 billion yen for the fiscal year ended March 31, 2017, increased by 70.1% from the previous year.

Operating Results of Retail

	Billions of yen		% Change
	For the year ended		(B-A)/(A)
	March 31, 2016 (A)	March 31, 2017 (B)	
Net revenue	435.6	374.4	(14.0)
Non-interest expenses	308.0	299.6	(2.7)
Income before income taxes	127.6	74.8	(41.4)

Net revenue decreased by 14.0% from the previous fiscal year to 374.4 billion yen, and non-interest expenses decreased by 2.7% to 299.6 billion yen. As a result, income before income taxes decreased by 41.4% to 74.8 billion yen.

In Retail Division, under the basic philosophy of “placing our clients at the heart of everything we do,” we have been working to transform our business model in order to “expand our business by increasing clients’ trust and improving clients’ satisfaction” and to “become a financial institution a lot of people need.” Although we saw slowdown in sales of stocks, investment trusts and insurance due to uncertain market environments, we continued to provide consulting services by responding to clients’ diversifying needs and delivering ideal solutions. As a result, the discretionary investment assets under management grew and we have made steady progress on revenue stabilization. The amount of clients’ assets under management also increased from the previous fiscal year and reached a near-record level.

Operating Results of Asset Management

	Billions of yen		% Change
	For the year ended		(B-A)/(A)
	March 31, 2016 (A)	March 31, 2017 (B)	
Net revenue	95.4	99.4	4.2
Non-interest expenses	58.7	57.1	(2.8)
Income before income taxes	36.7	42.3	15.5

Net revenue increased by 4.2% from the previous fiscal year to 99.4 billion yen. Non-interest expenses decreased by 2.8% to 57.1 billion yen. As a result, income before income taxes increased by 15.5% to 42.3 billion yen.

In the investment trust business, in spite of cash outflow from money market funds, funds developed in response to regional financial institutions’ demands and ETFs contributed to the increase in assets under management. In our investment advisory business, cash inflow from domestic public pensions continued. In overseas, cash inflow into high yield related products mainly contributed to increasing assets under management. As a result, assets under management increased from the end of the previous fiscal year as of March 31, 2017. In this fiscal year, dividends from the strategic partner American Century Investments contributed to income.

Operating Results of Wholesale

	Billions of yen		% Change
	For the year ended		(B-A)/(A)
	March 31, 2016 (A)	March 31, 2017 (B)	
Net revenue	720.3	739.3	2.6
Non-interest expenses	704.9	577.8	(18.0)
Income before income taxes	15.4	161.4	948.0

The Wholesale Division consists of the two businesses, Global Markets which is engaged in financial products trading, sales and structuring, and Investment Banking which conducts financing and advisory businesses.

Net revenue increased by 2.6% from the previous fiscal year to 739.3 billion yen. Non-interest expenses decreased by 18.0% to 577.8 billion yen. As a result, income before income taxes increased by 948.0% to 161.4 billion yen.

Global Markets

Global Markets recorded an increase in net revenue compared with the previous fiscal year, led by turnaround of international performance particularly in Fixed Income, offsetting slowdown in Equities due to low market activity. Regionally, in Americas and EMEA had a strong performance, while in Japan and AEJ were roughly flat.

Investment Banking

For Investment Banking, we ranked No.1 in Japan ECM league table under a challenging environment with significant decreasing in equity issuance volume in Japan. We served as joint global coordinator and joint bookrunner for a number of financings. In overseas, net revenue grew compared to the previous fiscal year with achieving the highest revenues in Americas since the fiscal year ended March 31, 2010. Additionally, we enhanced cross-regional and cross-divisional collaboration, which results in a number of notable M&A transactions and its related financing or Solutions deals including interest and currency hedging across all regions.

Other

	Billions of yen		% Change
	For the year ended		(B-A)/(A)
	March 31, 2016 (A)	March 31, 2017 (B)	
Net revenue	165.1	183.5	11.2
Non-interest expenses	158.9	145.9	(8.2)
Income before income taxes	6.1	37.6	511.8

Net revenue increased by 11.2% from the previous fiscal year to 183.5 billion yen. Non-interest expenses decreased by 8.2% to 145.9 billion yen. As a result, income before income taxes increased by 511.8% to 37.6 billion yen.

3. Financing Situation

(1) Funding situation

In terms of funding, the Company, Nomura Securities Co., Ltd., Nomura Europe Finance N.V., Nomura Bank International plc, and Nomura International Funding Pte. Ltd. are the main group entities that borrow externally, issue debt instruments and engage in other funding activities. By raising funds to match the currencies and liquidities of our assets or by using foreign exchange swaps as necessary, we pursue optimization of our funding structures.

(2) Capital Expenditures

Capital expenditures focus primarily on investment in systems with the objective of supporting the promotion of business lines in Japan and overseas. In the Retail division, we made investment which contributed to the change in business model for the retail business and enhanced disaster recovery. In the Wholesale division, we are continuously enhancing the trading systems as well as strengthening the infrastructure system in order to efficiently process orders from global investors.

4. Results of Operations and Assets

Item	Period	(in billions of yen except per share data in yen)			
		110 th Fiscal Year (April 1, 2013 to March 31, 2014)	111 th Fiscal Year (April 1, 2014 to March 31, 2015)	112 th Fiscal Year (April 1, 2015 to March 31, 2016)	113 th Fiscal Year (April 1, 2016 to March 31, 2017)
Total Revenue		1,831.8	1,930.6	1,723.1	1,715.5
Net revenue		1,557.1	1,604.2	1,395.7	1,403.2
Income before income taxes		361.6	346.8	165.2	322.8
Net income attributable to NHI shareholders		213.6	224.8	131.6	239.6
Basic-Net income attributable to NHI shareholders per share		57.57	61.66	36.53	67.29
Diluted-Net income attributable to NHI shareholders per share		55.81	60.03	35.52	65.65
Total assets		43,520.3	41,783.2	41,090.2	42,852.1
Total NHI shareholders' equity		2,513.7	2,707.8	2,700.2	2,789.9

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

5. Management Challenges and Strategies

The Nomura Group's management vision is to enhance its corporate value by deepening society's trust in the firm and increasing the satisfaction of stakeholders, including shareholders and clients. In order to enhance its corporate value, Nomura responds flexibly to various changes in the business environment, and emphasizes earnings per share ("EPS") as a management index to achieve stable profit growth, and will seek to maintain sustained improvement in this index.

In order to achieve our management objectives, we are primarily focusing on ensuring that profits are recorded by all divisions and regions. We are committed to continuing business model transformation in Japan as well as aiming to improve profitability of our overseas operations under Vision C&C slogan, so that we will be able to build a solid foundation to generate profits even in severe market environments.

We will ensure a flexible and robust response to changes in the global operating environment related to international financial regulations and progress in various innovations; and make efforts to monitor international political situation which is changing rapidly, so that we will be able to maintain robust financial position and to use management resources effectively by improving capital efficiency among others.

The challenges and strategies in each division are as follows:

[Retail Division]

In Retail Division, we have been working to transform our business model in order to “expand our business by increasing clients’ trust and improving clients’ satisfaction” and to “become financial institution a lot of people need.” We are aiming to improve clients’ satisfaction and expand our business by responding to clients’ diversifying needs. We also focus on providing a broad range of clients with value-added solutions through face-to-face consulting services, seminars, online and call center channels, so that we will win greater trust from account holders as well as new clients.

[Asset Management Division]

We intend to increase assets under management and expand our client base in (i) our investment trust business, by providing clients with a diverse range of investment opportunities to meet investors’ various needs, and (ii) our investment advisory business, by providing value-added investment services to our clients on a global basis. As a distinctive investment manager based in Asia with the ability to provide a broad range of products and services, we aim to gain the strong trust of investors worldwide by making continuous efforts to improve investment performance and to meet clients’ various needs.

[Wholesale Division]

Global Markets has been focusing on delivering differentiated and competitive products and solutions to our clients by leveraging our global capabilities in trading, research, and global distribution. We aim to provide uninterrupted liquidity to our clients across asset classes and markets, and strive to offer best-in-class market access and execution services.

In Investment Banking, we continue to enhance our structure to further provide cross-border M&A, as well as to support our clients with financing in both domestic and overseas markets amid the globalization of our clients’ business activities. We also continue to provide solution business services including interest and currency hedging associated with our M&A and financing services.

In our Wholesale Division, in order to provide quality services to meet the needs of our clients, we deploy the firm’s resources to areas of competitive advantage. We continue to reinforce the connectivity between Global Markets, Investment Banking, as well as among divisions and regions, to holistically meet capital markets needs of our clients. We will strive to continuously improve our products and services, as well as to make use of our competitive advantage in the Asia-Pacific region, so that we can meet the evolving needs of our clients along with the changes in macroeconomic and the market environment.

[Risk Management and Compliance, etc.]

Nomura Group has established its risk appetite which articulates the risks that the firm is willing to assume in pursuit of its corporate vision, strategic objectives and business plan. We will continue to develop a risk management framework which ensures financial soundness, enhances corporate value, and is strategically aligned to the business plan and incorporated in decision making by senior management.

With regard to compliance, we will continue to focus on improving the management structure to comply with local laws and regulations in the countries where we operate. In addition to complying with laws and regulations, we will continuously review and improve our internal compliance system and rules for the purpose of promoting an environment of high ethical standards among all of our executive management and employees. In this way, we will meet the expectations of society and clients toward the Nomura Group and contribute to the further development of financial and capital markets.

Nomura Group established the Nomura Founding Principles and Corporate Ethics Day in 2015, based on our experiences including the business improvement order in connection with public stock offerings in 2012 against our subsidiary, Nomura Securities Co. Ltd. Commemorated annually, this day aims to remind all of our executive officers and employees of the lessons learned from the incident and to renew our determination to prevent similar incidents from recurring in the future and further improve public trust through various measures. We will strive to maintain a sound corporate culture through these initiatives. We will also further

enhance and reinforce our internal control framework, which includes measures to prevent insider trading and solicitation of unfair dealing, by ensuring that all of our executive officers and employees continually maintain the highest level of business ethics expected from professionals engaged in the capital markets.

Through the efforts described above, we are strengthening the earnings power of the entire Nomura Group and working to achieve our management targets and to maximize corporate value. We will advance collaboration across regions and among our three Divisions, and devote our efforts to the stability of financial and capital markets and to our further expansion and development as “Asia’s global investment bank”.

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 and 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

The Company: Head office (Tokyo)

Nomura Securities Co., Ltd. (Head office and local branches —158 locations in total): Tokyo (Head office and local branches — 35 locations in total), Kanto area excluding Tokyo (37 branches), Hokkaido area (5 branches), Tohoku area (9 branches), Hokuriku area (4 branches), Chubu area (16 branches), Kinki area (28 branches), Chugoku area (9 branches), Shikoku area (4 branches) and Kyushu and Okinawa area (11 branches)

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

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

Nomura Facilities, Inc. (Tokyo)

Nomura Financial Products & Services, 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	28,186	679 Decrease

(Notes)

1. Number of employees consists of the total number of employees of the Company and its consolidated subsidiaries (excluding temporary employees).

2. Number of employees excludes employees seconded outside the Company and its consolidated subsidiaries.

(4) Status of Significant Subsidiaries

Name	Location	Capital (in millions)	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	¥ 35,000	100%	Banking / Trust
Nomura Facilities, Inc.	Tokyo, Japan	¥ 480	100%	Business Space / Facility Management
Nomura Financial Products & Services, Inc.	Tokyo, Japan	¥ 176,775	100%	Financial
Nomura Holding America Inc.	New York, U.S.	US\$ 5,438.96	100%	Holding Company
Nomura Securities International, Inc.	New York, U.S.	US\$ 3,650.00	100% *	Securities
Nomura America Mortgage Finance, LLC	New York, U.S.	US\$ 1,722.49	100% *	Holding Company
Instinet Incorporated	New York, U.S.	US\$ 1,313.50	100% *	Holding Company
Nomura Europe Holdings plc	London, U.K.	US\$ 9,251.32	100%	Holding Company
Nomura International plc	London, U.K.	US\$ 9,991.23	100% *	Securities
Nomura Bank International plc	London, U.K.	US\$ 555.00	100% *	Financial
Nomura Capital Markets Limited	London, U.K.	US\$ 3,092.50	100%	Financial
Nomura Asia Holding N.V.	Amsterdam The Netherlands	¥ 139,982	100%	Holding Company
Nomura International (Hong Kong) Limited	Hong Kong	¥ 176,711	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, 2017 was 1,285. The total number of entities accounted for under the equity method of accounting such as Nomura Research Institute, Ltd. and Nomura Real Estate Holdings, Inc. was 15 as of March 31, 2017.
3. Nomura Capital Markets Limited has been acting as an entity to consolidate risks arising from derivative transactions for the Nomura Group. We have decided to place Nomura Capital Markets Limited in a voluntary winding up due to reorganization of subsidiary's management structure within the Nomura Group. This winding up is expected to be completed by March 31, 2020.
4. We have decided to place Nomura Asia Holding N.V. in a voluntary winding up due to reorganization of management system within the Nomura Group. This winding up is expected to be completed by March 31, 2019.

8. Major Lenders

Lender	Type of Loan	Loan Amount (in millions of yen)
The Bank of Tokyo-Mitsubishi UFJ, Ltd.....	Long-term borrowing	340,104
Mizuho Bank, Ltd.	Long-term borrowing	310,090
	Short-term borrowing (*)	20,000
Sumitomo Mitsui Banking Corporation	Long-term borrowing	322,757
Resona Bank, Ltd.	Long-term borrowing	50,000
Sumitomo Mitsui Trust Bank, Limited.	Long-term borrowing	165,935
Mitsubishi UFJ Trust and Banking Corporation	Long-term borrowing	100,000
Mizuho Trust & Banking Co., Ltd.	Long-term borrowing	30,000
The Chiba Bank, Ltd.	Long-term borrowing	45,347
The Shizuoka Bank, Ltd.	Long-term borrowing	35,000
The Hachijuni Bank, Ltd.	Long-term borrowing	30,000
The Norinchukin Bank	Long-term borrowing	50,342
Meiji Yasuda Life Insurance Company	Long-term borrowing	32,374

(Note)

The short-term borrowings with (*) are long-term borrowings due within one year.

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 raising corporate value over the long term and paying dividends is essential to rewarding shareholders. We will strive to pay dividends using a consolidated pay-out ratio of 30 percent of each semi-annual consolidated earnings 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 company's consolidated financial performance.

Dividends will in principle be paid on a semi-annual basis with record dates of September 30 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 described above, we paid a dividend of 9 yen per share to shareholders of record as of September 30, 2016 and have decided to pay a dividend of 11 yen per share to shareholders of record as of March 31, 2017. As a result, the total annual dividend will be 20 yen per share.

The following table sets forth the details of dividends paid for the fiscal year ended March 31, 2017:

Resolution of Board of Directors	Record Date	Total Amount of Dividends (in millions of yen)	Dividend Per Share (yen)
October 28, 2016	September 30, 2016	32,004	9.00
April 27, 2017	March 31, 2017	38,821	11.00

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

(Situation of corporate merger)

The Company, as of April 1, 2017, transferred the rights and obligations it held related to Nomura Asia Holdings N.V.'s management business to Nomura Asia Pacific Holdings Co., Ltd. through a company split.

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.

Type	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: 379,603

4. Major Shareholders (Top 10):

Names of Shareholders	Number of Shares Owned and Percentage of Shares Owned	
	(in thousand shares)	(%)
Japan Trustee Services Bank, Ltd. (Trust Account)	204,409	5.8
The Master Trust Bank of Japan, Ltd. (Trust Account)	152,015	4.3
Japan Trustee Services Bank, Ltd. (Trust Account 5)	74,128	2.1
State Street Bank and Trust Company	61,747	1.7
State Street Bank West Client-Treaty 505234	55,202	1.6
Japan Trustee Services Bank, Ltd. (Trust Account 1)	54,864	1.6
Japan Trustee Services Bank, Ltd. (Trust Account 2)	54,364	1.5
Japan Trustee Services Bank, Ltd. (Trust Account 7)	54,153	1.5
Japan Trustee Services Bank, Ltd. (Trust Account 9)	46,852	1.3
The Bank of New York Mellon SA/NV 10	44,288	1.3

(Notes)

1. The Company has 293,373 thousand shares of treasury stock as of March 31, 2017 which is not included in the major shareholders list above.
2. Figures for Number of Shares Owned are rounded down to the nearest thousand and figures for Percentage of Shares Owned are calculated excluding treasury stock.

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

(1) Repurchased shares

Common Stock	121,010,524 shares
Total Repurchase Amount (in thousands of yen)	61,338,190

Stocks acquired according to resolution of the Board, included above, are as follows;

Common Stock	120,987,200 shares
Total Repurchase Amount (in thousands of yen)	61,324,548

Reason for Repurchase

The Company plans to use the acquired treasury stock to deliver shares upon the exercise of stock options, to raise capital efficiency and to ensure a flexible capital management policy.

(2) Shares Disposed

Common Stock	40,677,868 shares
Aggregate Amount of Disposition (in thousands of yen)	25,797,255

(3) Number of Shares Held in Treasury as of the end of fiscal year

Common Stock	293,373,425 shares
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6. Other Significant Matters concerning Stocks

At the meeting of the Board of Directors held on April 27, 2017, the Company adopted a resolution to repurchase shares.

(1) Reasons

To apply to the exercise of stock acquisition right, raise capital efficiency and to ensure a flexible capital management policy.

(2) Types and aggregate number of shares to be repurchased

Common Stock	100,000,000 shares (upper limit)
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(3) Total Repurchase Amount

80 billion yen (upper limit)

(4) Period of Repurchase.....

From May 17, 2017 to March 30, 2018

(5) Method of Repurchase

Purchase on the stockexchange via a trust bank

III. Stocks Acquisition Rights

1. Stock Acquisition Rights as of the end of the fiscal year

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	1,221	122,100	From May 19, 2012 to May 18, 2017	1
Stock Acquisition Rights No. 35	May 18, 2010	3,513	351,300	From May 19, 2012 to May 18, 2017	1
Stock Acquisition Rights No. 37	July 28, 2010	5,160	516,000	From April 30, 2012 to April 29, 2017	1
Stock Acquisition Rights No. 38	July 28, 2010	4,827	482,700	From April 30, 2013 to April 29, 2018	1
Stock Acquisition Rights No. 39	November 16, 2010	12,099	1,209,900	From November 16, 2012 to November 15, 2017	474
Stock Acquisition Rights No. 40	June 7, 2011	5,008	500,800	From May 25, 2012 to May 24, 2018	1
Stock Acquisition Rights No. 41	June 7, 2011	8,628	862,800	From May 25, 2013 to May 24, 2018	1
Stock Acquisition Rights No. 42	June 7, 2011	11,644	1,164,400	From May 25, 2014 to May 24, 2018	1
Stock Acquisition Rights No. 43	November 16, 2011	12,344	1,234,400	From November 16, 2013 to November 15, 2018	299
Stock Acquisition Rights No. 44	June 5, 2012	6,226	622,600	From April 20, 2013 to April 19, 2018	1
Stock Acquisition Rights No. 45	June 5, 2012	10,912	1,091,200	From April 20, 2014 to April 19, 2019	1
Stock Acquisition Rights No. 46	June 5, 2012	12,843	1,284,300	From April 20, 2015 to April 19, 2020	1
Stock Acquisition Rights No. 47	June 5, 2012	10,130	1,013,000	From April 20, 2016 to April 19, 2021	1
Stock Acquisition Rights No. 48	June 5, 2012	46,277	4,627,700	From April 20, 2017 to April 19, 2022	1
Stock Acquisition Rights No. 49	June 5, 2012	1,936	193,600	From October 20, 2015 to April 19, 2021	1
Stock Acquisition Rights No. 50	June 5, 2012	16,450	1,645,000	From October 20, 2016 to April 19, 2022	1
Stock Acquisition Rights No. 51	November 13, 2012	15,394	1,539,400	From November 13, 2014 to November 12, 2019	298
Stock Acquisition Rights No. 52	June 5, 2013	7,678	767,800	From April 20, 2014 to April 19, 2019	1
Stock Acquisition Rights No. 53	June 5, 2013	9,677	967,700	From April 20, 2015 to April 19, 2020	1
Stock Acquisition Rights No. 54	June 5, 2013	14,461	1,446,100	From April 20, 2016 to April 19, 2021	1
Stock Acquisition Rights No. 55	November 19, 2013	26,812	2,681,200	From November 19, 2015 to November 18, 2020	824
Stock Acquisition Rights No. 56	June 5, 2014	11,403	1,140,300	From April 20, 2015 to April 19, 2020	1
Stock Acquisition Rights No. 57	June 5, 2014	19,878	1,987,800	From April 20, 2016 to April 19, 2021	1
Stock Acquisition Rights No. 58	June 5, 2014	79,886	7,988,600	From April 20, 2017 to April 19, 2022	1
Stock Acquisition Rights No. 59	June 5, 2014	5,106	510,600	From March 31, 2015 to March 30, 2020	1
Stock Acquisition Rights No. 60	June 5, 2014	10,088	1,008,800	From March 31, 2016 to March 30, 2021	1
Stock Acquisition Rights No. 61	June 5, 2014	91,127	9,112,700	From March 31, 2017 to March 30, 2022	1

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. 62	November 18, 2014	26,757	2,675,700	From November 18, 2016 to November 17, 2021	741
Stock Acquisition Rights No. 63	June 5, 2015	17,889	1,788,900	From April 20, 2016 to April 19, 2021	1
Stock Acquisition Rights No. 64	June 5, 2015	65,614	6,561,400	From April 20, 2017 to April 19, 2022	1
Stock Acquisition Rights No. 65	June 5, 2015	65,269	6,526,900	From April 20, 2018 to April 19, 2023	1
Stock Acquisition Rights No. 66	June 5, 2015	3,710	371,000	From November 8, 2015 to November 7, 2020	1
Stock Acquisition Rights No. 68	November 18, 2015	25,710	2,571,000	From November 18, 2017 to November 17, 2022	805
Stock Acquisition Rights No. 69	June 7, 2016	61,675	6,167,500	From April 20, 2017 to April 19, 2022	1
Stock Acquisition Rights No. 70	June 7, 2016	61,424	6,142,400	From April 20, 2018 to April 19, 2023	1
Stock Acquisition Rights No. 71	June 7, 2016	61,200	6,120,000	From April 20, 2019 to April 19, 2024	1
Stock Acquisition Rights No. 72	June 7, 2016	8,272	827,200	From October 30, 2016 to October 29, 2021	1
Stock Acquisition Rights No. 73	June 7, 2016	4,184	418,400	From April 30, 2017 to April 29, 2022	1
Stock Acquisition Rights No. 74	November 11, 2016	25,594	2,559,400	From November 11, 2018 to November 10, 2023	593

(Notes)

1. Stock acquisition rights are issued in conjunction with the Company'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 the Company.
3. No stock acquisition rights shall be exercised partially. Grantees who lose their positions as executives or employees due to resignation or other similar reasons before the commencement of the exercise period will, in principle, forfeit their stock acquisition rights.
4. Number of stock acquisition rights and number of shares under stock acquisition rights are as of the end of the fiscal year.
5. Stock Acquisition Rights No.1 to No.33, No.36 and No.67 were all extinguished by exercise, forfeiture, or expiration of exercise period.

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

Name of Stock Acquisition Rights	Directors and Executive Officers (excluding Outside Directors)	
	Number of Stock Acquisition Rights	Number of Holders
Stock Acquisition Rights No. 42	41	1
Stock Acquisition Rights No. 44	49	2
Stock Acquisition Rights No. 45	49	2
Stock Acquisition Rights No. 46	49	2
Stock Acquisition Rights No. 47	192	5
Stock Acquisition Rights No. 48	276	7
Stock Acquisition Rights No. 52	261	4
Stock Acquisition Rights No. 53	307	5
Stock Acquisition Rights No. 54	571	6
Stock Acquisition Rights No. 56	272	4
Stock Acquisition Rights No. 57	774	5
Stock Acquisition Rights No. 58	936	7
Stock Acquisition Rights No. 59	206	3
Stock Acquisition Rights No. 60	206	3
Stock Acquisition Rights No. 61	733	5
Stock Acquisition Rights No. 63	761	5
Stock Acquisition Rights No. 64	892	7
Stock Acquisition Rights No. 65	889	7
Stock Acquisition Rights No. 69	1,269	7
Stock Acquisition Rights No. 70	1,264	7
Stock Acquisition Rights No. 71	1,263	7

(Notes)

1. Number of stock acquisition rights is as of the end of the fiscal year.
2. No stock acquisition rights have been issued to outside directors.

3. Stock Acquisition Rights Issued to the Employees and Others during the fiscal year ended March 31, 2017

Name of Stock Acquisition Rights	Employees (excluding employees who are concurrently serving as Directors/Executive Officers of the Company)		Directors, Executive Officers and Employees, etc. in subsidiaries (excluding those who are concurrently serving as Employees or Directors/Executive Officers of the Company)	
	Number of Stock Acquisition Rights	Number of Holders	Number of Stock Acquisition Rights	Number of Holders
Stock Acquisition Rights No. 69	982	10	60,835	704
Stock Acquisition Rights No. 70	978	10	60,585	704
Stock Acquisition Rights No. 71	972	10	60,362	704
Stock Acquisition Rights No. 72	1,490	2	44,521	63
Stock Acquisition Rights No. 73	1,489	2	2,695	4
Stock Acquisition Rights No. 74	—	—	25,610	1,141

(Note)

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

4. Other Significant Matters concerning Stock Acquisition Rights

On May 12, 2017, the Company passed a resolution to issue Stock Acquisition Rights No. 75 through Stock Acquisition Rights No. 83 as equity-based compensation to directors, executive officers and/or employees of the Company and/or its subsidiaries, etc. The allotment date was set for June 9, 2017. A total of 191,709 stock acquisition rights will be granted, and the number of shares of common stock under the stock acquisition rights is expected to be 19,170,900 shares. The exercise price of the stock acquisition rights was set at one yen per share.

IV. Matters Relating to the Company's Directors and Executive Officers

1. Status of the Directors

Name	Positions and Responsibilities	Significant Concurrent Positions
Nobuyuki Koga	Chairman of the Board of Directors Chairman of the Nomination Committee Chairman of the Compensation Committee	Director and Chairman of the Board of Directors of Nomura Securities Co., Ltd. (*1) President of Kanagawa Kaihatsu Kanko Co., Ltd.
Koji Nagai	Director Representative Executive Officer Group CEO	Director and President of Nomura Securities Co., Ltd. (*1)
Tetsu Ozaki	Director Representative Executive Officer Group COO	Director and Deputy President of Nomura Securities Co., Ltd. (*1)
Takao Kusakari	Outside Director Member of the Nomination Committee Member of the Compensation Committee	Senior Advisor of Nippon Yusen Kabushiki Kaisha (NYK LINE)
Hiroshi Kimura	Outside Director Member of the Nomination Committee Member of the Compensation Committee	Advisor of Japan Tobacco Inc. Outside Director of Asahi Glass Co., Ltd. Outside Director of IHI Corporation
Noriaki Shimazaki	Outside Director Chairman of the Audit Committee	Outside Director of Autobacs Seven Co. Ltd. Outside Director of UKC Holdings Corporation Outside Director of Loginet Japan Co., Ltd. Director of Nomura Securities Co., Ltd. (*1)
Toshinori Kanemoto	Outside Director Member of the Audit Committee	Of-Counsel of City-Yuwa Partners Outside Statutory Auditor of JX Holdings, Inc. (*2) Outside Statutory Auditor of Nippon Television Holdings, Inc. Outside Director of Riken Corporation
Hisato Miyashita	Director Member of the Audit Committee (full time)	Director of Nomura Asset Management Co., Ltd. (*1) Director of The Nomura Trust and Banking Co., Ltd. (*1) Auditor of Nomura Financial Products & Services, Inc. (*1)
Clara Furse	Outside Director	Non-Executive Director of Amadeus IT Group, S.A. Non-Executive Director of the UK Department for Work and Pensions Non-Executive Director of Vodafone Group Plc
Michael Lim Choo San	Outside Director	Non-Executive Chairman of Fullerton Healthcare Corporation Limited Non-Executive Chairman of Nomura Singapore Ltd. (*1)
David Benson	Director	Non-Executive Director of Nomura Europe Holdings plc (*1) Non-Executive Director of Nomura International plc (*1)

(Notes)

1. Status as of March 31, 2017, the last day of the fiscal year.
2. Directors Takao Kusakari, Hiroshi Kimura, Noriaki Shimazaki, Toshinori Kanemoto, Clara Furse and Michael Lim Choo San are Outside Directors, as provided for in Article 2, Item 15 of the Companies Act, and are also Independent Directors, as provided for in Article 436-2 of the Tokyo Stock Exchange, Inc.'s Securities Listing Regulations.
3. Director Noriaki Shimazaki, a Chairman of the Audit Committee, is a financial expert under the Sarbanes-Oxley Act of 2002 and has considerable finance and accounting knowledge.
4. The Company has selected director Hisato Miyashita, who is well-versed in the business of the Nomura Group, as a full-time member of the Audit Committee, with the expectation that audits by the Audit Committee will be performed more effectively.
5. Companies marked with “*1” are wholly-owned subsidiaries (including indirect ownership) of the Company.
6. There are no special relationships between the Company and companies in which Outside Directors concurrently serve (except for those companies marked with “*1”).
7. The Company has entered into agreements to limit Companies Act Article 423 Paragraph 1 liability for damages with directors, Takao Kusakari, Hiroshi Kimura, Noriaki Shimazaki, Toshinori Kanemoto, Hisato Miyashita, Clara Furse, Michael Lim Choo San, and David Benson. Liability under each such agreement is limited to either 20 million yen or the amount prescribed by laws and regulations, whichever is greater.
8. As of April 1, 2017, Director Nobuyuki Koga assumed the office of Director of Nomura Securities Co., Ltd., Director Koji Nagai assumed the office of Director and Chairman of Nomura Securities Co., Ltd. and Director Tetsu Ozaki assumed the office of Director of Nomura Securities Co., Ltd.
9. Director Clara Furse resigned as a Director of the Company as of March 31, 2017.
10. Concurrent positions marked with “*2” are positions from which a director has resigned during the period from the fiscal year-end to the date of this Business Report, or positions from which a director is scheduled to resign as of the date of this Business Report.

2. Matters Relating to the Outside Directors

Status of the Activities of the Outside Directors

Name	Status of Main Activities
Takao Kusakari	Attended all 11 meetings of the Board of Directors, all 5 meetings of the Nomination Committee, and all 3 meetings of the Compensation Committee held during the fiscal year and appropriately made statements based on his extensive experience and comprehensive knowledge gained from being a corporate manager for many years.
Hiroshi Kimura	Attended all 11 meetings of the Board of Directors held during the fiscal year, all 5 meetings of the Audit Committee held before his resignation as a member of the Audit Committee, and all 4 meetings of the Compensation Committee and all 2 meetings of the Nomination Committee held after his appointment as a member of the Compensation Committee and the Nomination Committee, and appropriately made statements based on his extensive experience and comprehensive knowledge gained from being a corporate manager for many years.
Noriaki Shimazaki	Attended all 8 meetings of the Board of Directors and all 11 meetings of the Audit Committee held after his appointment as a Director and a member of the Audit Committee, and appropriately made statements based on his extensive experience and comprehensive knowledge gained from being a corporate manager for many years and an expert well-versed in international accounting systems.
Toshinori Kanemoto	Attended all 11 meetings of the Board of Directors and all 16 meetings of the Audit Committee held during the fiscal year and appropriately made statements based on his extensive experience and comprehensive knowledge gained from being a legal expert.
Clara Furse	Attended all 11 meetings of the Board of Directors held during the fiscal year and appropriately made statements based on her extensive experience and comprehensive knowledge related to financial businesses gained through her involvement with the management of the London Stock Exchange.
Michael Lim Choo San	Attended all 11 meetings of the Board of Directors held during the fiscal year and appropriately made statements based on his extensive experience and comprehensive knowledge gained from being an expert well-versed in international accounting systems.

Other than the above, meetings of the Outside Directors, consisting solely of members who are Outside Directors, have been held, where there are discussions concerning matters such as the business and corporate governance of the Company.

3. Status of the Executive Officers

Name	Positions and Responsibilities	Significant Concurrent Positions
Koji Nagai	Director Representative Executive Officer Group CEO	See “1. Status of the Directors”
Tetsu Ozaki	Director Representative Executive Officer Group COO	See “1. Status of the Directors”
Kunio Watanabe	Executive Managing Director Head of Asset Management	Director, President and CEO of Nomura Asset Management Co., Ltd.
Shoichi Nagamatsu	Executive Managing Director Chief of Staff	Executive Managing Director and Deputy President of Nomura Securities Co., Ltd.
Takumi Kitamura	Executive Managing Director Chief Financial Officer (CFO)	Executive Managing Director of Nomura Securities Co., Ltd.
Yuji Nakata	Executive Managing Director Head of Group Entity Structure and Co-CRO	Executive Managing Director and Executive Vice President of Nomura Securities Co., Ltd. Director of Nomura Financial Products & Services, Inc.

(Notes)

1. Status as of March 31, 2017, the last day of the fiscal year.

2. As of April 1, 2017, Toshio Morita assumed the office of Executive Managing Director of the Company and Director and President of Nomura Securities Co., Ltd.

(Reference) Executive Officers as of April 1, 2017 are as follows:

Koji Nagai	Representative Executive Officer and President, Group CEO
Tetsu Ozaki	Representative Executive Officer and Deputy President, Group COO
Shoichi Nagamatsu	Representative Executive Officer and Deputy President, Chief of Staff
Toshio Morita (newly appointed)	Executive Managing Director
Kunio Watanabe	Executive Managing Director, Head of Asset Management
Takumi Kitamura	Executive Managing Director, Chief Financial Officer (CFO)
Yuji Nakata	Executive Managing Director, Group Entity Structure and Co-CRO

4. Compensation paid to Directors and Executive Officers

Millions of yen

	Number of People ⁽¹⁾	Basic Compensation ^(2,3)	Bonus	Deferred Compensation ⁽⁴⁾	Total
Directors	9	315	94	88	497
(Outside Directors)	(6)	(146)	(—)	(—)	(146)
Executive Officers	6	430	379	288	1,098
Total	15	745	473	376	1,595

(Notes)

1. There were 9 Directors and 6 Executive Officers as of March 31, 2017. Compensation to Directors who were concurrently serving as Executive Officers is included in that of Executive Officers.
2. Basic compensation of 745 million yen includes other compensation (commuter pass allowance) of 690 thousand yen.
3. In addition to basic compensation, 24 million yen of corporate housing costs, such as housing allowance and related tax adjustments, were provided.
4. Deferred compensation (such as stock options) granted during and prior to the fiscal year ended March 31, 2017 is recognized as expense in the financial statements for the fiscal year ended March 31, 2017.
5. Subsidiaries of the Company paid 47 million yen to Outside Directors as compensation, etc. for their directorship at those subsidiaries for the fiscal year ended March 31, 2017.
6. The Company abolished retirement bonuses to Directors in 2001.

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

(1) Method of Determining Compensation Policies

As the Company 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 Accounting Auditor

1. Name: Ernst & Young ShinNihon LLC

2. Audit Fees, etc.

Item	Amount
(1) Audit fees, etc.	836 million yen
(2) Total amount of cash and other financial benefits payable by the Company and its subsidiaries to the Accounting Auditor	1,305 million yen

(Notes)

1. The audit contract between the Company and the Accounting 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 attestation services pursuant to the Article 2, Paragraph 1 of the Certified Public Accountant Act, the Company and its subsidiaries pay compensation to the Accounting Auditor with respect to verification services on compliance with the segregation of customers' assets requirements, etc.
3. Significant overseas subsidiaries of the Company are subject to audit (limited 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 Company's Accounting Auditor.
4. The Audit Committee has received necessary documents and reports from the Chief Financial Officer (CFO), relevant internal divisions, and the Accounting Auditor, and has confirmed the structure of the Accounting Auditor's audit team, audit plan, audit status, the status of the maintenance of the structure for controlling quality of the audit firm, and the basis for the calculation of estimated remuneration, etc. Additionally, the Audit Committee conducts pre-approval procedures in accordance with Article 202 of the Sarbanes-Oxley Act of 2002, etc. Based on the result of such confirmations and procedures, the Audit Committee has verified the compensation, etc. of the Accounting Auditor and determined that it is at a reasonable level to maintain and improve audit quality, and has given the Companies Act Article 399 Paragraph 1 consent.

3. Dismissal or Non-Reappointment Policy

(1) If the Accounting Auditor corresponds to any of the items stipulated under Article 340, Paragraph 1 of the Companies Act, the Audit Committee shall consider dismissal of the Accounting Auditor, and if dismissal is determined to be reasonable, the Audit Committee will dismiss the Accounting Auditor by a unanimous consent of all members of the Audit Committee. In such event, an Audit Committee Member appointed by the Audit Committee shall report the dismissal of the Accounting Auditor and reasons for dismissal at the general meeting of shareholders to be convened immediately after the dismissal.

(2) In cases where the Audit Committee determines that the Accounting Auditor has issues in terms of the fairness, or that maintenance of more appropriate audit structure is needed, a proposal on dismissal or non-reappointment of the Accounting Auditor will be submitted to the annual general meeting of shareholders.

4. Matters Concerning Order if the Accounting Auditor was Subject to Business Suspension Order during the Last Two Years

Summary of the order announced by the Financial Services Agency on December 22, 2015

(1) Subject of the order

Ernst & Young ShinNihon LLC (Address: Chiyoda-ku, Tokyo)

(2) Contents of the order

- Suspension of accepting new engagements: three months (From January 1, 2016 to March 31, 2016)
- Business improvement order (improvement of the operation control structure)

*In addition to the above, administrative monetary penalty payment order of approximately 2.1 billion yen was decided on January 22, 2016.

(3) Reasons for the order

- In relation to the audit of financial statements for TOSHIBA CORPORATION for the fiscal years ended March 31, 2010, March 31, 2012, and March 31, 2013, seven certified public accountants, in negligence of due care, attested financial statements containing material false statements as those containing no material false statements.
- The above mentioned audit firm's operation of the services was found to be remarkably inappropriate.

VI. The Content of the Resolution Adopted Regarding the Maintenance of Structures such as the Structure for Ensuring Appropriate Business Activities and the Summary of the Status of the Implementation of the Structure

The content of the resolution adopted by the Board of Directors concerning the Structure for Ensuring Appropriate Business Activities and the summary of the status of the implementation of the structure during this fiscal year is set forth below.

Structure for Ensuring Appropriate Business Activities at Nomura Holdings, Inc.

The Company shall, through the Board of Directors of the Company, establish the following structure (hereinafter referred to as the “Internal Controls System”) to ensure appropriate business activities at the Company and within the Nomura Group, assess the structure on a regular basis, and revise the structure as necessary. The Board of Directors shall, in addition to ensuring appropriate business through, amongst other measures, the supervision of the execution of duties by Directors and Executive Officers and development of the basic management policy of the Nomura Group, shall also monitor the maintenance by Executive Officers and operational status of the Internal Controls System, and call for improvements when necessary.

Further, the Board of Directors shall establish and thoroughly enforce the Code of Ethics of the Nomura Group, a code of conduct that all Nomura Group officers and employees should comply with, which encompasses an emphasis on customer interests, full awareness of the social mission, compliance with applicable laws and regulations, undertaking of social contribution activities, etc.

<I. Matters Concerning the Audit Committee>

The Audit Committee shall enforce its powers prescribed by laws and regulations to audit the legality, adequacy and efficiency of the execution by Directors and Executive Officers of their duties through the use of the Independent Auditor, auditing firms and organizations within the Company to ensure the appropriate business activities of Nomura Holdings, Inc.

1. Directors and Employees that will provide Support with respect to the Duties

(1) The Board of Directors may appoint a Director, not concurrently serving as an Executive Officer, as the “Audit Mission Director.” The Audit Mission Director shall support audits performed by the Audit Committee, and in order for the Board of Directors to effectively supervise the execution by the Directors and Executive Officers of their duties, the Audit Mission Director shall perform the Audit Mission Director’s duties in accordance with the Audit Committee’s instructions.

(2) The Company shall put in place the Office of Non-Executive Directors and Audit Committee to support the duties of the Audit Committee and Directors. The Audit Committee or a member of the Audit Committee designated by the Audit Committee shall evaluate employees of the Office of Non-Executive Directors and Audit Committee. Regarding the hiring, transfer and discipline of the employees of the Office of Non-Executive Directors and Audit Committee, the consent of the Audit Committee or a member of the Audit Committee designated by the Audit Committee must be obtained.

[Summary of Implementation Status]

The Company has promoted measures to enhance the provision of information to the Directors. During this fiscal year, the “Office of Audit Committee” which was previously set up as a unit dedicated to assisting with the duties of the Audit Committee, has been reorganized as the “Office of Non-Executive Directors and Audit Committee” and its function has been expanded to the assistance for the general duties of the Directors. To secure the independence of the Office of Non-Executive Directors and Audit Committee, employees of the Office of Non-Executive Directors and Audit Committee are evaluated by an Audit Committee Member designated by the Audit Committee.

2. Audit System within the Nomura Group

(1) The Company shall establish a group audit structure centered around the Company (the holding

company) so that the Audit Committee can conduct audits in coordination with the Audit Committees, etc., of subsidiaries.

(2) The Audit Committee shall audit the legality, adequacy and efficiency of the business of the Nomura Group in coordination, as necessary, with the Audit Committee of its subsidiaries.

[Summary of Implementation Status]

As a general rule, meetings of the Audit Committee of the Company and the Audit Committee of Nomura Securities Co., Ltd. are held jointly. Further, efforts are being made to coordinate closely by having persons such as full-time audit committee members of the Company and Nomura Securities Co., Ltd.'s audit mission directors concurrently serve as company auditors and audit committee members of subsidiaries in Japan. Additionally, at the Nomura Group, audit committees have been set up in the holding companies that supervise each of the 3 overseas regions (Europe, the Americas, and Asia) and audit committee members of the Company and the heads of such committees share information regarding the issues and awareness of problems for each region from the audit work perspective.

3. Structures Ensuring the Effectiveness of the Audit

(1) Members of the Audit Committee designated by the Audit Committee or the Audit Mission Director may participate in or attend important meetings including meetings of the Executive Management Board.

(2) The Audit Committee may require an explanation from accounting auditors and accounting firms that conduct audits of financial statements about the audit plan at the beginning of the period, audit status during the period, audit results at the end of the period, and the status of internal controls over financial reporting. Members of the Audit Committee and the Audit Mission Director may exchange opinions with accounting auditors and accounting firms that conduct audits of financial statements as necessary.

(3) A member of the Audit Committee designated by the Audit Committee may investigate the Company or its subsidiaries through, as necessary, himself/herself, other members of the Audit Committee or the Audit Mission Director.

(4) The Audit Committee in conducting audits may engage attorneys, certified public accountants, consultants or other outside advisors as deemed to be necessary.

[Summary of Implementation Status]

Audit Committee Members designated by the Audit Committee have participated in or attended important meetings such as meetings of the Executive Management Board and the Internal Controls Committee.

The Audit Committee has directly received explanations regarding the audit plan at the beginning of the period, audit status during the period, audit results at the end of the period, and the status of internal controls over financial reporting, from Ernst & Young ShinNihon LLC who is the Accounting Auditor and accounting firm that conducts audits of the Financial Statements. In addition, there have been exchanges of opinions with the Accounting Auditor by, for example, Audit Committee Members seeking the opinions of the Accounting Auditor as necessary.

Furthermore, Audit Committee Members, in addition to carrying out site visits of sites such as retail branches of Nomura Securities and site visits of subsidiaries other than Nomura Securities in person, have received reports from Nomura Securities' Audit Committee Members and Audit Mission Directors who carried out site visits at subsidiaries.

Moreover, the Audit Committee, by entering into an advisory services agreement with an external lawyer, has established a structure whereby expert opinions can be sought from the lawyer as necessary.

4. Coordination with the Internal Audit Division

(1) The Company shall obtain the consent of the Audit Committee, or a member of the Audit Committee designated by the Audit Committee, regarding implementation plans and formulation of the budget of the Internal Audit Division, as well as the election and dismissal of the Head of the Internal Audit Division.

(2) The Audit Committee shall coordinate with the Internal Audit Division by attending meetings of the Internal Controls Committee, hearing reports regarding the status of internal audits, and with regard to internal audits, issuing recommendations, etc., concerning the modification of the implementation plan, additional audits, development of remedial measures, etc.

[Summary of Implementation Status]

The Internal Controls Committee attended by Audit Committee Members deliberates and determines basic matters regarding the establishment and evaluation of internal controls for the Nomura Group's business management structure as well as matters regarding the improvement of corporate behavior.

In addition, the Audit Committee is coordinating with the Internal Audit Division by, for example, receiving reports, as necessary, directly from the Senior Managing Director in charge of internal audits or through Audit Committee Members, regarding matters such as the maintenance/operational status of the internal control structure and the implementation status of internal audits.

<II. Matters Concerning the Executive Officers>

1. Compliance Structure

(1) Thorough Compliance with the Nomura Group Code of Ethics

Executive Officers shall promote lawful management in accordance with laws, regulations and the Articles of Incorporation, and shall swear to comply with the Nomura Group Code of Ethics. At the same time, Executive Officers shall ensure that the Nomura Group Code of Ethics is well known amongst Senior Managing Directors and employees of the Company and shall ensure compliance with the said Code.

(2) Establishment and Maintenance of the Compliance Structure

Executive Officers shall strive to maintain the Nomura Group's compliance structure through, among other means, the maintenance of compliance-related regulations and the installation of responsible divisions and persons. The Company shall install Compliance Managers, etc., or other persons responsible for compliance, in each company within the Nomura Group to take corrective action against cases regarding any conduct considered questionable in light of social ethics or social justice and to thoroughly ensure that business activities undertaken by employees are based on a law-abiding spirit and social common sense, thereby promoting execution of duties in accordance with laws and regulations.

(3) Compliance Hotline

(a) Executive Officers shall put into place a "Compliance Hotline" as a channel through which employees can, with regard to conduct in the Nomura Group that may be questionable based on compliance with laws and regulations, etc., including matters concerning accounting or accounting audits, report such conduct directly to the person appointed by the Board of Directors.

(b) Executive Officers shall guarantee the confidentiality of anonymous notifications, including the content of such notifications, made through the Compliance Hotline.

(4) Severing Relations with Anti-Social Forces

The Nomura Group shall not engage in any transaction with anti-social forces or groups and Executive Officers shall maintain structures that are necessary for the enforcement of this rule.

[Summary of Implementation Status]

The officers and employees of the Nomura Group are required to annually affirm that they will

comply with the Code of Ethics of Nomura Group, which sets forth the Group's basic policy for compliance. In addition, the Group has designated the "Nomura Founding Principles and Corporate Ethics Day" as a day to reconfirm corporate culture and ethics based on Our Founder's Principles.

At the Company, based on the Regulations of the Organization and the Nomura Group Compliance Policy, a Group Compliance Head is appointed and a Group Compliance Department that assists the Group Compliance Head has been put in place. In addition, for the purpose of strengthening the internal control structure so that it can cope with global business expansion, and to maintain/sustain the compliance structure at each group company including overseas locations, a compliance manager has been installed at each company.

In the event that an employee becomes aware of activity such as activity that could be a violation of applicable law or regulation, as a means of directly presenting such information directly to report recipients including outside directors, a compliance hotline has been put in place and all employees have been notified. Regardless of the means by which information is presented, anonymous presentation of information is possible and confidentiality concerning the presentation of information is strictly observed.

At the Nomura Group, within the Code of Ethics of Nomura Group, it is essentially set forth that transactions will never be entered into with anti-social forces and the basic policy is that all relationships with anti-social forces are to be cut off. Based on this, the Group has set up a supervising unit for the purpose of promoting organizational measures to cope with anti-social forces, and at the same time as related information is being gathered/accumulated and strictly managed, whilst consulting/coordinating with attorneys, police, etc., as necessary, anti-social forces are being eliminated and measures for the purpose of ensuring appropriate corporate behavior are being taken.

2. Risk Management Structure

- (1) Executive Officers shall acknowledge the importance of identification, evaluation, monitoring and management of various risks relating to the execution of the Nomura Group's business centered on risks such as market risk, credit risk, liquidity risk, and operational risk and ensure understanding and management of such risks at each company within the Nomura Group.
- (2) Executive Officers shall strive to maintain a system to ensure the effectiveness of risk management in the Nomura Group through, among other means, the maintenance of regulations concerning risk management and the installation of responsible divisions and persons.
- (3) Executive Officers shall report the status of risk management structures within the Nomura Group to the Group Integrated Risk Management Committee. The Group Integrated Risk Management Committee shall analyze the risk management status of the entire Nomura Group based on the report and take appropriate measures to establish the most suitable risk management structures for the business.
- (4) Executive Officers shall maintain a structure that enables the Nomura Group to prevent or avoid crises, ensure the safety of customers, officers and employees of the Nomura Group, protect operating assets, reduce damage and ensure early recovery from any damage by establishing basic principles of business continuity including precautionary measures against crises, such as natural disasters or system failures, and emergency measures.

[Summary of Implementation Status]

At the Nomura Group, taking into account regulatory capital requirements, liquidity, and business environment, the content of permissible risk for the purpose of achieving management policy, strategic objectives and business plans is set forth as the Risk Appetite and the risks attendant to the carrying on of the Nomura Group's business are thereby ascertained and managed.

To prescribe the basic principles, framework, and governance concerning risk management, with the purpose of contributing to securing the financial health and appropriate risk management of the

Nomura Group, the Risk Management Policy has been put in place. The unit in charge of risk management is structured as an organization that is independent from units that execute business, and based on the leadership of the Chief Risk Officer (“CRO”) who presides over all aspects of risk management, the various risks relating to business execution are identified, evaluated, monitored, and managed.

As for risks arising out of business operations, on the basis of the basic policy of restraining within the scope of the Risk Appetite, the Executive Management Board or the Group Integrated Risk Management Committee upon delegation by the Executive Management Board deliberates and determines important matters relating to risk management.

In addition, the Company prescribes the basic principles of crisis management at the Nomura Group in the Nomura Group Crisis Management Regulations. The Company, in accordance with such regulations, has established the Nomura Group Crisis Management Committee made up of crisis management officers from domestic and overseas Group companies, which reports to the Executive Management Board, and is thereby maintaining a structure to allow for the handling of crisis management and business continuity. Besides the above, the administrative office of the Nomura Group Crisis Management Committee, to ensure that the safety of all Nomura Group employees and officers can be ascertained in a time of crisis, conducts training such as safety confirmation training, emergency drills, and business continuity training on a continuous basis in normal conditions, thereby undertaking to bring about an awareness of crisis management and sustaining/strengthening the emergency response structure.

3. Reporting Structure in Relation to Execution of Duties

(1) Executive Officers shall report on the status of their own execution of duties not less frequently than once every 3 (three) months. They shall also maintain a reporting structure that governs reporting with respect to Nomura Group directors, executives, and employees.

(2) Executive Officers shall report the following matters on a regular basis to the Audit Committee directly or through the members of the Audit Committee or the Audit Mission Director:

- (a) The implementation status of internal audits, internal audit results, and remediation status;
- (b) The maintenance and operational status of the compliance structure;
- (c) Risk management status;
- (d) The outline of quarterly financial results and material matters (including matters concerning the selection and application of significant accounting policies and matters concerning internal controls over financial reporting); and
- (e) The operational status of the Compliance Hotline and details of the reports received.

(3) In the event that an Executive Officer, Senior Managing Director, or employee is requested to report on a matter concerning the execution of such person’s duties by an Audit Committee Member designated by the Audit Committee or the Audit Mission Director, such person shall promptly report on such matters.

(4) In the event that a Director, Executive Officer or Senior Managing Director becomes aware of a matter raised below, an immediate report must be made to an Audit Committee member or Audit Mission Director. Moreover, in the event that the person who becomes aware of such a matter is an executive officer or senior managing director, a report must be made simultaneously to the Executive Management Board. The Executive Management Board will deliberate concerning such matter, and in the event that it is admitted as necessary, based on such results, appropriate measures will be taken.

- (a) Any material violation of law or regulation or other important matter concerning compliance.
- (b) Any legal or financial problem that may have a material impact on the business or financial conditions of each Nomura Group company.
- (c) Any order from any regulatory authority or other facts that may potentially cause the Nomura Group to incur a significant loss.

(5) In the event that a Nomura Group director, officer, or employee discovers a matter raised above, the Company must maintain a structure that provides for immediate direct or indirect reporting to an Audit Committee Member or Audit Mission Director.

(6) To ensure that persons making a report prescribed in the preceding paragraph 2 do not receive disadvantageous treatment due to the making of such report, the Company must take appropriate measures.

[Summary of Implementation Status]

Executive Officers provide reports concerning the deliberation status of the Executive Management Board, the Group's financial status, and the business execution status of each division at each meeting of the Board of Directors. Further, Executive Officers provide reports concerning their business execution status directly to the Audit Committee or through an Audit Committee Member. At the same time, as for Executive Officers, Senior Managing Directors, and employees, if an Audit Committee Member seeks a report on matters concerning the execution of their duties, a report is presented on such matters promptly.

The Company routinely disseminates to all officers and employees of the Nomura Group the fact that a report must promptly be made to each company's designated point of contact in the event that activity, such as activity that could be in violation of laws, regulations, or internal rules, is found. Furthermore, at the Nomura Group, in accordance with internal rules such as the Regulations on Management of Nomura Group Compliance Hotline and the Code of Ethics of Nomura Group, in addition to prohibiting any dismissal, demotion, salary reduction, or other disadvantageous treatment due to such a report, the fact that such disadvantageous treatment is prohibited is disseminated to all Nomura Group officers and employees.

4. Structure for Ensuring the Effectiveness of the Execution of Duties

(1) Executive Officers shall determine the Nomura Group's management strategy and business execution, and execute business in accordance with the management organization and allocation of business duties determined by the Board of Directors.

(2) Executive Officers shall determine the allocation of business duties between each Senior Managing Director and the scope of authority of each employee, and thereby ensure the effectiveness of the structure for the execution of duties and establish a responsibility structure for the execution of duties.

(3) Of the matters whose business execution decision has been delegated to Executive Officers based on a resolution adopted by the Board of Directors, certain important matters shall be determined through the deliberation and determination by bodies, such as the Executive Management Board, or through documents requesting managerial decisions.

(4) The Executive Management Board shall determine or review the necessary allocation of management resources based on the business plan and budget application of each division and regional area to ensure the effective management of the Nomura Group.

[Summary of Implementation Status]

Business execution decisions within the Company, to the extent permitted by laws and regulations, are made flexibly and efficiently by Executive Officers to whom the Board of Directors has delegated authority. In addition, to undertake the further strengthening of the business execution structure with regard to the sophistication and specialization of financial operations, Senior Managing Directors to whom Executive Officers have delegated a part of their business execution authority assume the business and operations of the field that each such Senior Managing Director is in charge of.

Out of the matters delegated to Executive Officers by a resolution adopted by of the Board of Directors, concerning the determination of particularly important business matters, bodies such as

the Executive Management Board, the Group Integrated Risk Management Committee, and the Internal Controls Committee have been put in place at which there are deliberations and determinations are made. The Board of Directors receives reports on the status of deliberation from each such body at least once every three months. The Executive Management Board deliberates and determines important matters regarding the business management of the Nomura Group, beginning with and including management strategy, budgets, and the distribution of management resources.

5. Structure for Retention and Maintenance of Information

(1) Executive Officers shall retain the minutes of important meetings, conference minutes, documents regarding requests for managerial decisions, contracts, documents related to finances and other material documents (including their electronic records), together with relevant materials, for at least ten years, and shall maintain access to such documents if necessary.

(2) Executive Officers shall maintain a structure to protect the Nomura Group's non-public information, including its financial information, and promote fair, timely and appropriate disclosure of information to external parties, thereby securing the trust of customers, shareholders, investors, etc.

[Summary of Implementation Status]

All minutes of important meetings, conference minutes, internal approval requests, contracts, documents related to finances, and other material documents (including their electronic records) are appropriately retained in accordance with applicable laws, regulations, and internal rules and are maintained in a condition in which they are available for inspection.

At the Nomura Group, for the purpose of securing the trust of persons such as clients, shareholders, and investors, the basic policy is to comply with laws, and regulations relating to timely disclosure such as the Financial Instruments and Exchange Act and other exchange rules, and in addition to protection of the Nomura Group's non-public information, promotion of fair, timely, and appropriate disclosure of information to external parties. Based on the aforementioned policy, the Company has established the Nomura Group's Statement of Global Corporate Policy regarding Public Disclosure of Information, and the Disclosure Committee has been set up based on the Statement. The Committee, whose chairperson is the Senior Managing Director responsible for Group Corporate Communications, in addition to disseminating the content of the Nomura Group's Statement of Global Corporate Policy to officers and employees, maintains the structure to carry out the fair, timely, and appropriate disclosure of information by taking measures such as establishing/implementing guidelines concerning the disclosure of information.

6. Internal Audit System

(1) Executive Officers shall install a department in charge of internal audit, and by implementing an internal audit program, shall ensure effective and adequate internal controls across the entire business of the Nomura Group.

(2) The Internal Controls Committee shall deliberate or determine basic matters concerning internal controls within the Nomura Group, the annual plan regarding internal audit and the implementation status and results.

(3) Executive Officers shall report on the status of the internal audit within the Nomura Group and the results thereof to the Internal Controls Committee at least once every three months.

[Summary of Implementation Status]

To secure the validity and suitability of internal controls, the Group Internal Audit Department has been put in place within the Company and units dedicated to internal audit have also been put in place at each major subsidiary under the Company. These internal audit departments carry out audits independent from business execution and carry out activities such as the provision of

advice and recommendations for business improvement. The implementation status of internal audits is reported to the Internal Controls Committee at which Audit Committee Members participate and the content of the Internal Controls Committee meetings are reported to the Board of Directors.

<III. The Nomura Group's Internal Controls System>

(1) Executive Officers shall secure the appropriateness of the Nomura Group's business by ensuring that each company within the Nomura Group is fully aware of the Internal Controls System of the Company and by requiring the maintenance of an internal controls system at each company that reflects the actual conditions of each company.

(2) Executive Officers shall ensure the effectiveness of internal controls concerning financial reporting by the Company by, among other means, maintaining the structures listed in I through III above.

[Summary of Implementation Status]

The Company, for every amendment of the internal control system, disseminates the content and meaning of the amendment to each Nomura Group company and provides guidance to maintain internal control systems that fit with each company's actual conditions. In addition, the Company, including for important subsidiaries, identifies and understands the risks related to financial reporting, and based on such understanding, establishes and maintains internal controls over financial reporting. Concerning the status of such establishment and maintenance, the Company receives an evaluation from the internal audit division and an audit and evaluation by the accounting firm.

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, 2017)

	<u>(Millions of yen)</u>
ASSETS	
Cash and cash deposits:	2,972,088
Cash and cash equivalents	2,536,840
Time deposits	207,792
Deposits with stock exchanges and other segregated cash	227,456
Loans and receivables:	3,097,428
Loans receivable	1,875,828
Receivables from customers	148,378
Receivables from other than customers	1,076,773
Allowance for doubtful accounts	(3,551)
Collateralized agreements:	18,729,825
Securities purchased under agreements to resell	11,456,591
Securities borrowed	7,273,234
Trading assets and private equity investments:	15,192,364
Trading assets	15,165,310
Private equity investments	27,054
Other assets:	2,860,373
Office buildings, land, equipment and facilities	349,696
(net of accumulated depreciation and amortization of 445,000 million yen)	
Non-trading debt securities	775,025
Investments in equity securities	146,730
Investments in and advances to affiliated companies	420,116
Other	1,168,806
Total assets	<u>42,852,078</u>
LIABILITIES	
Short-term borrowings	543,049
Payables and deposits:	3,708,435
Payables to customers	1,005,670
Payables to other than customers	1,569,922
Deposits received at banks	1,132,843
Collateralized financing:	19,061,091
Securities sold under agreements to repurchase	17,095,898
Securities loaned	1,627,124
Other secured borrowings	338,069
Trading liabilities	8,191,794
Other liabilities	1,308,510
Long-term borrowings	7,195,408
Total liabilities	<u>40,008,287</u>
Commitments and contingencies	
EQUITY	
Common stock	594,493
Authorized – 6,000,000,000 shares	
Issued – 3,822,562,601 shares	
Outstanding – 3,528,429,451 shares	
Additional paid-in capital	681,329
Retained earnings	1,663,234
Accumulated other comprehensive income	33,652
Common stock held in treasury, at cost – 294,133,150 shares	(182,792)
Total Nomura Holdings, Inc. shareholders' equity	2,789,916
Noncontrolling interests	53,875
Total equity	<u>2,843,791</u>
Total liabilities and equity	<u>42,852,078</u>

Consolidated Statement of Income (April 1, 2016 — March 31, 2017)

	(Millions of yen)
Commissions	327,129
Fees from investment banking	92,580
Asset management and portfolio service fees	216,479
Net gain on trading	475,587
Gain on private equity investments	1,371
Interest and dividends	441,036
Gain on investments in equity securities	7,708
Other	153,626
Total revenue	<u>1,715,516</u>
Interest expense	<u>312,319</u>
Net revenue	<u>1,403,197</u>
Compensation and benefits	496,385
Commissions and floor brokerage	94,495
Information processing and communications	175,280
Occupancy and related depreciation	69,836
Business development expenses	35,111
Other	209,295
Non-interest expenses	<u>1,080,402</u>
Income before income taxes	322,795
Income tax expense	<u>80,229</u>
Net income	242,566
Less: Net income attributable to noncontrolling interests	<u>2,949</u>
Net income attributable to Nomura Holdings, Inc. shareholders	<u>239,617</u>

Consolidated Statement of Changes in Equity (April 1, 2016 — March 31, 2017)

	(Millions of yen)
Common Stock	
Balance at beginning of year	594,493
Balance at end of year	<u>594,493</u>
Additional paid-in capital	
Balance at beginning of year	692,706
Issuance and exercise of common stock options	(11,377)
Balance at end of year	<u>681,329</u>
Retained earnings	
Balance at beginning of year	1,516,577
Cumulative effect of change in accounting principle (1).....	(19,294)
Net income attributable to Nomura Holdings, Inc.'s shareholders	239,617
Cash dividends	(70,810)
Gain (loss) on sales of treasury stock	(2,856)
Balance at end of year	<u>1,663,234</u>
Accumulated other comprehensive income (loss):	
Cumulative translation adjustments	
Balance at beginning of year	53,418
Net change during the year	(5,651)
Balance at end of year	<u>47,767</u>
Defined benefit pension plans	
Balance at beginning of year	(33,325)
Pension liability adjustments	(7,695)
Balance at end of year	<u>(41,020)</u>
Non-trading securities	
Balance at beginning of year	24,887
Net unrealized gain (loss) on non-trading securities	(4,543)
Balance at end of year	<u>20,344</u>
Own credit adjustments	
Balance at beginning of year	—
Cumulative effect of change in accounting principle (1).....	19,294
Own credit adjustments.....	(12,733)
Balance at end of year	<u>6,561</u>
Balance at end of year	<u>33,652</u>
Common stock held in treasury	
Balance at beginning of year	(148,517)
Repurchases of common stock	(61,338)
Sales of common stock	1
Common stock issued to employees	25,796
Other net change in treasury stock	1,266
Balance at end of year	<u>(182,792)</u>
Total NHI shareholders' equity	
Balance at end of year	<u>2,789,916</u>
Noncontrolling Interests	
Balance at beginning of year	42,776
Cumulative effect of change in accounting principle (2).....	11,330
Cash dividends	(1,781)
Net income attributable to noncontrolling interests	2,949
Accumulated other comprehensive income (loss) attributable to noncontrolling interests	
Cumulative translation adjustments	(40)
Net unrealized gain (loss) on non-trading securities	(2,057)
Purchase/sale (disposition) of subsidiary shares, etc., net	(14)
Other net change in noncontrolling interests	712
Balance at end of year	<u>53,875</u>
Total equity balance at end of year	<u>2,843,791</u>

(1) *Cumulative effect of change in accounting principle* is an adjustment to initially apply Accounting Standards Update (“ASU”) 2016-01, “*Recognition and measurement of financial assets and financial liabilities.*”

(2) *Cumulative effect of change in accounting principle* is an adjustment to initially apply ASU 2015-02, “*Consolidation analysis.*”

[Translation]
Report of Independent Auditors

May 12, 2017

The Board of Directors
Nomura Holdings, Inc.

Ernst & Young ShinNihon LLC

Noboru Miura
Certified Public Accountant
Designated and Engagement Partner

Toyohiro Fukata
Certified Public Accountant
Designated and Engagement Partner

Toru Nakagiri
Certified Public Accountant
Designated and Engagement Partner

Kenjiro Tsumura
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, 2016 through March 31, 2017.

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 same provisions in the second sentence of Article 120, section 1 of the Ordinance on Accounting of Companies, as applied to Article 120-3, section 3, and for designing and operating such internal controls as management determines are 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 controls 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 same provisions in the second sentence of Article 120, section 1 of the Ordinance on Accounting of Companies, as applied to Article

120-3, section 3, referred 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, 2017.

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, 2017. 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 113th fiscal year (from April 1, 2016 to March 31, 2017). We hereby report the method, contents and results of the audit as follows:

1. METHOD AND DETAILS OF THE AUDIT

In accordance with the auditing principles and assignment of duties, etc. determined by the Audit Committee, the Audit Committee received reports from the Executive Officers, etc. of the Company regarding to the consolidated financial statements, and asked for the explanations as necessary. In addition, we have monitored and verified whether the Accounting Auditor maintained its independent position and implemented appropriate audit, and we received reports from Accounting Auditor regarding the status of the performance of its duties and, whenever necessary, asked for explanations. Furthermore, we have been notified by the Accounting 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), etc., and when necessary, asked for explanations.

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

2. RESULT OF THE AUDIT

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

3. SUBSEQUENT EVENTS

As referred in III-4. “Other Significant Matters concerning Stock Acquisition Rights” in the Report for the 113th fiscal year, a resolution to issue Stock Acquisition Rights as stock options to executives and employees, etc. of the Company as well as executives and employees, etc. of subsidiaries of the Company was passed on May 12, 2017.

May 15, 2017

THE AUDIT COMMITTEE OF
NOMURA HOLDINGS, INC.

Noriaki Shimazaki, Chairman of the Audit Committee

Toshinori Kanemoto, Member of the Audit Committee

Hisato Miyashita, Member of the Audit Committee

Note: Messrs. Noriaki Shimazaki and Toshinori Kanemoto are Outside Directors as provided for in Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.

Balance Sheet (As of March 31, 2017)

	<u>(Millions of yen)</u>
ASSETS	
Current Assets:	3,121,322
Cash and time deposits	1,902
Money held in trust	77
Short-term loans receivable	3,025,884
Accounts receivable	23,766
Deferred tax assets	907
Others	68,785
Fixed Assets:	3,302,546
Tangible fixed assets:	29,360
Buildings	11,063
Furniture & fixtures	11,896
Land	6,402
Intangible assets:	108,063
Software	108,063
Others	0
Investments and others:	3,165,122
Investment securities	141,255
Investments in subsidiaries and affiliates (at cost)	2,320,920
Other securities of subsidiaries and affiliates	5,953
Long-term loans receivable from subsidiaries and affiliates	574,083
Long-term guarantee deposits	25,342
Deferred tax assets	62,943
Others	34,649
Allowance for doubtful accounts	(23)
Total assets	<u>6,423,868</u>
LIABILITIES	
Current Liabilities:	1,115,352
Short-term borrowings	745,300
Bond due within one year	171,999
Collaterals received	100,361
Accrued income taxes	424
Accrued bonuses	1,860
Others	95,408
Long-term Liabilities:	2,781,754
Bonds payable	983,296
Long-term borrowings	1,797,117
Others	1,341
Total liabilities	<u>3,897,106</u>
NET ASSETS	
Shareholders' equity:	2,429,524
Common stock	594,493
Additional paid-in capital:	559,676
Capital reserves	559,676
Retained earnings:	1,457,389
Retained earnings reserve	81,858
Other retained earnings	1,375,531
Retained earnings carried forward	1,375,531
Treasury stock	(182,034)
Valuation and translation adjustments:	61,006
Net unrealized gain on investments	49,108
Deferred gains or loss on hedges	11,898
Stock acquisition rights	36,231
Total net assets	<u>2,526,761</u>
Total liabilities and net assets	<u>6,423,868</u>

Statement of Income (April 1, 2016 - March 31, 2017)

	<u>(Millions of yen)</u>
Operating revenue	437,187
Property and equipment fee revenue	112,146
Rent revenue	30,598
Royalty on trademark	24,444
Dividend from subsidiaries and affiliates	193,839
Interest income from loans to subsidiaries and affiliates	64,470
Others	11,692
 Operating expenses	 213,435
Compensation and benefits	19,404
Occupancy and equipment costs	38,094
Data processing and office supplies	53,886
Depreciation and amortization	44,450
Taxes	1,900
Others	5,481
Interest expenses	50,220
Operating income	<u>223,753</u>
Non-operating income	5,584
Non-operating expenses	<u>20,115</u>
Ordinary income	<u>209,221</u>
Extraordinary income	6,725
Gain on capital reduction of subsidiaries and affiliates	4,620
Gain on liquidation of subsidiaries and affiliates	150
Gain on sales of investment securities	1,152
Gain on sales of fixed assets	4
Gain on reversal of subscription rights to shares	799
 Extraordinary losses	 820
Loss on liquidation of subsidiaries	36
Loss on sales of investment securities	60
Loss on valuation of investment securities	13
Loss on retirement of fixed assets	712
Income before income taxes	<u>215,126</u>
Income taxes - current	<u>5,988</u>
Income taxes - deferred	<u>3,202</u>
Net income	<u><u>205,936</u></u>

Statement of Changes in Net Assets (April 1, 2016 - March 31, 2017)

	<u>(Millions of yen)</u>
Shareholders' Equity	
Common stock	
Balance at beginning of the year	594,493
Balance at end of the year	<u>594,493</u>
Additional paid-in capital	
Capital reserve	
Balance at beginning of the year	559,676
Balance at end of the year	559,676
Total capital reserve	
Balance at beginning of the year	559,676
Balance at end of the year	<u>559,676</u>
Retained earnings	
Retained earnings reserve	
Balance at beginning of the year	81,858
Balance at end of the year	81,858
Other retained earnings	
Retained earnings carried forward	
Balance at beginning of the year	1,215,789
Change in the year	
Cash dividends	(42,833)
Net income	205,936
Disposal of treasury stock	(3,362)
Total change in the year	159,741
Balance at end of the year	1,375,531
Total retained earnings	
Balance at beginning of the year	1,297,647
Change in the year	
Cash dividends	(42,833)
Net income	205,936
Disposal of treasury stock	(3,362)
Total change in the year	159,741
Balance at end of the year	<u>1,457,389</u>
Treasury stock	
Balance at beginning of the year	(146,493)
Change in the year	
Purchases of treasury stock	(61,338)
Disposal of treasury stock	25,797
Total change in the year	(35,541)
Balance at end of the year	<u>(182,034)</u>

	<u>(Millions of yen)</u>
Total shareholders' equity	
Balance at beginning of the year	2,305,324
Change in the year	
Cash dividends	(42,833)
Net income	205,936
Purchases of treasury stock	(61,338)
Disposal of treasury stock	22,436
Total change in the year	124,200
Balance at end of the year	<u>2,429,524</u>
Valuation and translation adjustments	
Net unrealized gain on investments	
Balance at beginning of the year	42,211
Change in the year	
Other-net	6,897
Total change in the year	6,897
Balance at end of the year	49,108
Deferred gains or loss on hedges	
Balance at beginning of the year	25,722
Change in the year	
Other-net	(13,824)
Total change in the year	(13,824)
Balance at end of the year	11,898
Total valuation and translation adjustments	
Balance at beginning of the year	67,933
Change in the year	
Other-net	(6,927)
Total change in the year	(6,927)
Balance at end of the year	<u>61,006</u>
Stock acquisition rights	
Balance at beginning of the year	47,904
Change in the year	
Other-net	(11,672)
Total change in the year	(11,672)
Balance at end of the year	<u>36,231</u>
Total net assets	
Balance at beginning of the year	2,421,160
Change in the year	
Cash dividends	(42,833)
Net Income	205,936
Purchases of treasury stock	(61,338)
Disposal of treasury stock	22,436
Other-net	(18,599)
Total change in the year	105,601
Balance at end of the year	<u>2,526,761</u>

[Translation]
Report of Independent Auditors

May 12, 2017

The Board of Directors
Nomura Holdings, Inc.

Ernst & Young ShinNihon LLC

Noboru Miura
Certified Public Accountant
Designated and Engagement Partner

Toyohiro Fukata
Certified Public Accountant
Designated and Engagement Partner

Toru Nakagiri
Certified Public Accountant
Designated and Engagement Partner

Kenjiro Tsumura
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 113th fiscal year from April 1, 2016 through March 31, 2017.

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 controls as management determines are 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 controls 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 above present fairly, in all material respects, the financial position and results of operations of Nomura Holdings, Inc. applicable to the fiscal year ended March 31, 2017 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, 2017. Ernst & Young ShinNihon LLC have not audited the English language version of the financial statements for the above-mentioned year.

Report of the Audit Committee

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 113th fiscal year (from April 1, 2016 to March 31, 2017). We hereby report the method, contents and results of the audit as follows:

1. METHOD AND DETAILS OF THE AUDIT

Based on the auditing principles and assignment of duties, etc. determined by the Audit Committee, with the cooperation of the Company’s departments in charge of internal control, etc. the Audit Committee has investigated the procedure and details of the decision making at the important meetings, etc. 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 other significant employees, etc. 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 (v) of the Companies Act and the internal control system maintained based on such resolution, we received reports from the Directors, Executive Officers, Senior Managing Directors and significant employees, etc. periodically, and 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 reports from the Executive Officers, etc. and Ernst & Young ShinNihon LLC regarding the assessment of such internal controls and status of the audit, and asked for explanations as necessary.

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

Furthermore, we have monitored and verified whether the Accounting Auditor maintained its independent position and implemented appropriate audit, and we received reports from the Accounting Auditor regarding the status of the performance of its duties and, whenever necessary, asked for explanations. In addition, we have been notified from the Accounting 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), etc. and when necessary, asked for explanations.

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

2. RESULT OF THE AUDIT

(1) Result of the audit

1. We have found that business report and its 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 facts that violate 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 content of the business report and 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 Financial Statements and Supplementary Schedules

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

3. SUBSEQUENT EVENTS

As referred in III-4. “Other Significant Matters concerning Stock Acquisition Rights” in the Report for the 113th fiscal year, a resolution to issue Stock Acquisition Rights as stock options to executives and employees, etc. of the Company as well as executives and employees, etc. of subsidiaries of the Company was passed on May 12, 2017.

May 15, 2017

THE AUDIT COMMITTEE OF
NOMURA HOLDINGS, INC.

Noriaki Shimazaki, Chairman of the Audit Committee

Toshinori Kanemoto, Member of the Audit Committee

Hisato Miyashita, Member of the Audit Committee

Note: Messrs. Noriaki Shimazaki and Toshinori Kanemoto are Outside Directors as provided for in Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.

Fiscal Year..... April 1 to March 31

Annual General 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.