

Nomura Announcement on Stock Options (Stock Acquisition Rights)

Tokyo, May 15, 2009—Nomura Holdings, Inc. (“the Company”) today announced that its board of directors resolved to submit a proposal to the 105th Ordinary General Meeting of Shareholders to be held on June 25, 2009, seeking approval for power to determine the solicitation plan on the issuance of stock acquisition rights as stock options to executives (directors and executive managing directors), senior managing directors (“*shikko yakuin*”) and employees of subsidiaries of the Company to be delegated to the board of directors or to executive officers delegated by resolution of the board of directors, in accordance with provisions of Articles 236, 238, and 239 of the Companies Act of Japan.

The maximum number and terms and conditions of the stock acquisition rights are the as same as last year.

1. Outline of stock acquisition rights to be issued as stock options to executives, senior managing directors and employees of subsidiaries

Two types of stock acquisition rights are to be issued.

Stock Option A Plan

The “value of assets to be paid-in upon the exercise of stock acquisition rights” shall be determined based on the market price at the time of issuance of common shares of the Company. These stock acquisition rights are “qualified stock acquisition rights” under the taxation law of Japan.

Stock Option B Plan

The “value of assets to be paid-in upon the exercise of stock acquisition rights” shall be one (1) yen per share.

In order to structure Stock Option B Plan with the same economic effect as restricted stocks, which are commonly used in Europe and in the United States, the exercise price will be one (1) yen and a non-exercise period of two (2) years or longer from the determination of solicitation plan will be set.

Grantees who retire voluntarily prior to the beginning of the exercise period will, in principle, forfeit their stock acquisition rights.

A portion of compensation will be paid by granting stock options in lieu of paying cash, which will reduce cash payment as a result.

Introducing an element of quasi-deferred payment will be effective to retain talented personnel over the medium to long term. Linking a portion of compensation to the price of Company's shares will align the interests of grantees with those of shareholders.

This compensation system, which is commonly used in Europe and the United States, will be satisfied by stock options structured with stock acquisition rights.

2. Reasons for soliciting persons to subscribe for stock acquisition rights

By issuing two types of stock acquisition rights, Stock Option A Plan and Stock Option B Plan, to executives, senior managing directors, and employees of subsidiaries of the Company working in different business divisions and regions, a portion of compensation will be linked to the market price of the shares of the Company. This will align the interest of grantees with those of shareholders, and share a common incentive plan in terms of improving performance of Nomura Group as a whole. This system is aimed at improving performance and retaining talented personnel. Issuance of stock acquisition rights will be determined by executive managing directors, after appropriate deliberation by the Compensation Committee of the subsidiaries of the Company in relation to profit levels of the subsidiary, the contribution and compensation levels of each of executive, senior managing director and employee.

3. Maximum number of stock acquisition rights that can be determined under delegation by resolution at this Ordinary General Meeting of Shareholders

By resolution at the Ordinary General Meeting of Shareholders, the maximum number of stock acquisition rights that can be issued as Stock Option A Plan and Stock Option B Plan will be 175,000 stock acquisition rights in total, the same number as last year.

In addition, the maximum number of common shares of the Company which could be issued through the exercise of the stock acquisition rights for Stock Option A Plan and Stock Option B Plan will be 17,500,000 shares in total (0.66% of outstanding shares as of March 31, 2009), also the same number as last year. The breakdown for Stock Option A Plan and Stock Option B Plan is

as outlined below.

(1) Maximum number of stock acquisition rights for Stock Option A Plan

Maximum number of stock acquisition rights

A maximum of 25,000 stock acquisition rights are to be issued.

In addition, the maximum number of common shares of the Company to be issued upon exercise of the stock acquisition rights is 2,500,000. However, in accordance with 4 (1) (i) below, should an adjustment be made to the number of shares granted under a stock acquisition right, the number of shares will be determined by multiplying the adjusted number of shares granted under a stock acquisition right by the maximum number of stock acquisition rights above.

(Reason)

A maximum of 25,000 stock acquisition rights for Stock Option A Plan were authorized last year and a total of 20,880 stock acquisition rights had been issued as of April 30, 2009. As in the past, the Company would like to again propose an arrangement for a maximum of 25,000 stock acquisition rights be issued in order to be utilized as incentives for executives and employees of subsidiaries of the Company.

(2) Maximum number of stock acquisition rights for Stock Option B Plan

Maximum number of stock acquisition rights

A maximum of 150,000 stock acquisition rights are to be issued.

In addition, the maximum number of common shares of the Company to be issued upon exercise of the stock acquisition rights is 15,000,000. However, in accordance with 4 (2) (i) below, should an adjustment be made to the number of shares granted under a stock acquisition right, the number of shares will be determined by multiplying the adjusted number of shares granted under a stock acquisition right by the maximum number of stock acquisition rights above.

(Reason)

A maximum of 150,000 stock acquisition rights for Stock Option B Plan were authorized last year and a total of 109,946 stock acquisition rights had been issued as of April 30, 2009.

Stock Option B Plan is effective in controlling payments of cash compensation and is becoming well established within Nomura Group as a means to retain talented personnel over the medium to long term, as equity-linked compensation is commonly used outside Japan. The Company will

make effective use of Stock Option B Plan as a means to hire and retain talented personnel globally.

Further, in regard to stock acquisition rights exercised during the 105th fiscal year, treasury stocks were issued in lieu of issuing new shares.¹

4. No payment shall be required for stock acquisition rights.

5. Terms and conditions of stock acquisition rights

(1) Terms and conditions of stock acquisition rights under Stock Option A Plan

(i) Number of shares under stock acquisition rights

The number of shares under a stock acquisition right shall be 100 shares of common stock of the Company.

If the shares are split (including allocation without charge of common share of the Company; the same shall apply hereinafter) or consolidated after the allotment of the stock acquisition rights, the number of shares granted under a stock acquisition right which has not been exercised at the time of the stock-split or stock-consolidation shall be adjusted in accordance with the following formula. Any fraction of less than one (1) share resulting from the adjustment shall be disregarded

$$\text{Adjusted Number of Shares Granted} = \frac{\text{Number of Shares Granted before Adjustment}}{\text{Ratio of Split or Consolidation}}$$

In addition to the above, after the allotment of the stock acquisition rights, in the event of a merger of the Company with another company, a company split, a capital reduction of the Company, or any similar event in which an adjustment of the number of shares granted under a stock acquisition right is required, the Company may appropriately adjust the number of shares granted under a stock acquisition right to a reasonable extent.

(ii) Value of assets to be paid-in upon the exercise of stock acquisition rights, or the method of calculating such value

The value of assets to be paid-in upon the exercise of stock acquisition rights shall be the amount per share to be issued or transferred by the exercise of the stock acquisition rights multiplied by

¹ As of March 31, 2009, the Company had 55,127,845 shares as treasury stock.

the number of shares granted under a stock acquisition right.

The exercise price shall be an amount equal to the product of (i) the higher price of either the average of the daily closing price of the common shares of the Company in regular transactions at the Tokyo Stock Exchange, Inc. during the calendar month immediately prior to the month when the stock acquisition rights (excluding dates on which no trade is made) are allotted or the closing price of the common share of the Company in regular transactions at the Tokyo Stock Exchange, Inc. on the allotment date (if there is no closing price on the allotment date, the most recent closing price prior to the allotment date shall apply), (ii) multiplied by 1.05. Any fraction of less than one (1) yen resulting from the adjustment shall be rounded up to the nearest yen.

If the shares are split or consolidated after the allotment of the stock acquisition rights, the exercise price shall be adjusted in accordance with the following formula, and any fraction of less than one (1) yen shall be rounded up to the nearest yen.

$$\text{Adjusted Exercise Price} = \text{Exercise Price before Adjustment} \times \frac{1}{\text{Ratio of Split or Consolidation}}$$

If new shares of common stock are issued or the common stock held by the Company is disposed of at a price below the market price of the common stock of the Company (excluding any cases of the exercise of stock acquisition rights and any request for the purchase of additional less-than-a-full-unit shares), the exercise price shall be adjusted in accordance with the following formula, and any fraction of less than one (1) yen shall be rounded up to the nearest yen.

$$\text{Adjusted Exercise Price} = \text{Exercise Price before Adjustment} \times \frac{\text{Number of Outstanding Shares issued} + \frac{\text{Number of Newly Issued Shares} \times \text{Paid-in Amount per Share}}{\text{Market Price per Share}}}{\text{Number of (Outstanding + Newly Issued) Shares}}$$

If the common stock of the Company held by the Company is disposed of, “Number of Newly Issued Shares” in the formula above shall read “Number of Shares of Common Stock of the Company to be Disposed,” and “Paid-in Amount per Share” in the formula above shall read “Disposal Value per Share.”

In addition to the above, after the allotment of the stock acquisition rights, in the event of a merger of the Company with another company, a company split, a capital reduction of the Company, or any similar case in which an adjustment of the exercise price is required, the Company may appropriately adjust the exercise price to a reasonable extent.

(iii) Exercise period for the stock acquisition rights

The board of directors or an executive officer designated by the resolution of the board of directors shall determine the exercise period for the stock acquisition rights within the period from the allotment date of the stock acquisition rights to the seventh anniversary of such allotment date. In principle, the stock acquisition rights may not be exercised for two years subsequent to the determination of the details of the stock acquisition right.

(iv) Matters concerning capital and additional paid-in capital that will increase if shares are issued by the exercise of stock acquisition rights

- (a) The amount by which the capital will increase if shares are issued by the exercise of the stock acquisition rights will be half of the amount of the limit on increase of capital, etc. calculated in accordance with Article 17, Paragraph 1 of the Corporate Calculation Regulations, and any fraction of less than one (1) yen as a result of calculation shall be rounded up to the nearest yen.
- (b) The amount by which capital reserves will increase if shares are issued by the exercise of the stock acquisition rights shall be the amount of the limit on increase of capital, etc. as stated in (a) above less the amount of capital to be increased as prescribed in (a) above.

(v) Restriction on the acquisition of stock acquisition rights by transfer

Approval by the board of directors shall be required for the acquisition of stock acquisition rights by transfer.

(vi) Events for acquisition of stock acquisition rights

When the Ordinary General Meeting of Shareholders approves a merger agreement in which the Company is to be the extinguished company or a share exchange agreement or share transfer proposal in which the Company is to become a wholly-owned subsidiary, the Company may acquire the stock acquisition rights for no value on a day separately determined by the board of directors of the Company or an executive officer designated by the resolution of the board of directors.

(vii) Any fractions of less than one (1) share out of the shares to be issued or transferred to a person owning the stock acquisition rights who has exercised stock acquisition rights shall be disregarded.

(viii) Other conditions for the exercise of the stock acquisition rights

- (a) Partial exercise of the respective stock acquisition rights shall not be possible.
- (b) Other conditions for the exercise of the rights shall be determined by the board of directors of the Company or an executive officer designated by resolution of the board of directors.

(2) Terms and conditions of stock acquisition rights under Stock Option B Plan

(i) Number of shares under the stock acquisition right

Same as Stock Option A Plan.

(ii) Value of assets to be paid-in upon the exercise of stock acquisition rights, or the method for calculating such value

The exercise price shall be 1 yen, multiplied by the number of shares granted under a stock acquisition right.

(iii) ~ (viii) Same as Stock Option A Plan.

Ends

Nomura

Nomura is a leading financial services group and the preeminent Asian-based investment bank with worldwide reach. Nomura provides a broad range of innovative solutions tailored to the specific requirements of individual, institutional, corporate and government clients through an international network in over 30 countries. Based in Tokyo and with regional headquarters in Hong Kong, London, and New York, Nomura employs about 26,000 staff worldwide. Nomura's unique understanding of Asia enables the company to make a difference for clients through five business divisions: retail, global markets, investment banking, merchant banking, and asset management. For further information about Nomura, please visit www.nomura.com.