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## **Nomura Holdings Corporate Governance Guidelines**

The Company recognizes that the enhancement of corporate governance is one of the most important issues in terms of achieving the management's goal of enhancing corporate value by deepening society's trust in the firm and increasing the satisfaction, beginning with shareholders and clients, of stakeholders.

The Board of Directors, recognizing the perspectives of various stakeholders beginning with shareholders and clients, establishes this Guideline with the aim of defining, and to contribute to realizing, a framework of effective corporate governance as a structure for transparent/fair and timely/decisive decision-making.

### **Chapter 1 Governance Structure**

#### **< Section 1. Organizational Design >**

##### **Article 1. (Company with Three Board Committees)**

The Company's organizational design shall be "the Company with Three Board Committees" structure, where the oversight function is strengthened by separating the management oversight and business execution functions, enabling the Company to realize an expedited decision-making process through the Board of Directors delegating considerable authority for the execution of business functions to Executive Officers, and to realize increased transparency through establishing three (Nomination, Audit, and Compensation) board committees, each comprised of a majority of Outside Directors.

#### **< Section 2. Board of Directors >**

##### **Article 2. (Role of the Board of Directors)**

1. The Board of Directors, upon entrustment from the shareholders, will determine the "Fundamental Management Policy" to seek sustainable corporate growth and maximization of corporate value over the mid-to long-term, and appoint Executive Officers who will manage the company in accordance with the policy.
2. The Board of Directors shall, as a general rule, delegate its authority to execute business to the Executive Officers, to the extent permitted by law. The main role of the Board of Directors shall be management oversight.
3. The Board of Directors shall ensure fairness and transparency of the management by performing its oversight functions, while making decisions in the best interests of the Company to continue business and to enhance corporate value through the appointment/dismissal of the Group CEO and other Executive Officers based on the company's business results, etc., and determining significant business execution decisions, etc.

##### **Article 3. (Composition of the Board of Directors)**

1. The composition of the Board of Directors shall have a diversity that enables active discussions from diverse perspectives and there shall not be more than twenty directors in accordance with the Articles of Incorporation

of the Company.

2. As a general rule, to perform its management oversight functions appropriately, the majority of the Board of Directors shall be Outside Directors.
3. As a general rule, Directors shall include experts in accounting, corporate management, and law, etc.
4. To make it easier for the Board of Directors to understand the business execution status of the Company, and to ensure the effectiveness of the oversight functions of the Board of Directors, as a general rule, the Group CEO and Group COO shall concurrently serve as Directors.

#### Article 4. (Chairman of the Board of Directors)

1. In light of the business of the Nomura Group, etc., the Chairman of the Board of Directors shall be, as a general rule, a person who is well-versed in the business of the Nomura Group and the practices of the securities industry.
2. The Chairman of the Board of Directors shall endeavor to enhance the quality of the discussions at the Meeting of the Board of Directors and chair the meetings of the Board of Directors effectively and efficiently.

#### Article 5. (Setting the Agenda of the Meeting of the Board of Directors, etc.)

1. As a general rule, Directors shall attend General Meetings of the Shareholders and all Meetings of the Board of Directors, and shall endeavor to facilitate constructive discussions and the exchange of views.
2. The agenda of the Meeting of the Board of Directors shall be determined based on proposals and opinions from the Directors and management.
3. The agenda and materials of the Meeting of the Board of Directors shall be distributed to each Director in advance of the meeting for a full discussion at the Meeting of the Board of Directors.

#### Article 6. (Self-Evaluation)

1. Each Director shall annually evaluate the status of his/her performance and the effectiveness of the Board of Directors as a whole.
2. The Board of Directors shall, based on the evaluation by each Director in accordance with the preceding paragraph, analyze and evaluate the effectiveness of the Board of Directors as a whole and disclose a summary of the results.

#### Article 7. (Internal Controls System)

1. The Board of Directors shall, in accordance with the Companies Act, Financial Instruments and Exchange Act, and other applicable laws, determine the “Structure for Ensuring Appropriate Business Activities (Internal Controls System),” and oversee the status of the maintenance and operation of internal controls through audits by the Audit Committee and activities by the Internal Audit division, which is independent from the business execution functions.
2. For the purpose of further strengthening and enhancing internal controls, the Board of Directors shall establish an Internal Controls Committee in which the Group CEO shall serve as Chairman and there will be participation by the members of the Audit Committee.

Article 8. (Risk Management)

To ensure financial soundness and to maintain and improve corporate value, the Board of Directors shall oversee the effectiveness of the Risk Appetite management framework established by the management.

< Section 3. Nomination, Compensation and Audit Committees >

Article 9. (Role and Composition of the Nomination Committee)

1. The Nomination Committee shall determine director nominees to satisfy the requirements set forth in Article 3.
2. The Nomination Committee shall strive to assess talented individuals and decide director nominees based on certain appointment standards, including personality, insight, ethics, in-depth knowledge, and experience in his/her field of expertise.
3. The Nomination Committee shall establish Independence Criteria for Outside Directors and shall, as a general rule, nominate Outside Director nominees who satisfy such criteria.
4. The Nomination Committee shall determine the reappointment of Outside Directors keeping in mind that the period of service for Outside Directors shall be approximately six years.
5. The Nomination Committee shall confirm that the number of concurrent positions held by a Director is limited to a number which would allow enough time for the Director to fully perform his/her role at the Company. For this purpose, among others, concurrent director/statutory auditor/executive officer positions held at more than three other publicly listed companies by an Outside Director, or such positions held at more than one other publicly listed company by an Inside Non-Executive Director, shall generally be considered not allowing enough time for the Director to fully perform his/her role at the Company.
6. When the Board of Directors submits proposals for the appointment of Directors to the General Meeting of Shareholders, the Nomination Committee shall determine the reasons why each person was designated as a director nominee.
7. The majority of the members of the Nomination Committee shall be Outside Directors.
8. From the view point of ensuring the independence of the Nomination Committee from business execution and improving the transparency of such procedures, the Chairman of the Nomination Committee shall be appointed by the Board of Directors.
9. In light of the responsibilities of the Nomination Committee, for the purpose of enriching the Committee's discussions, one of the members shall be a Director who is well-versed in the business of the Nomura Group and the practices of the securities industry.

Article 10. (Appointment/Dismissal of Officers such as the Group CEO and Succession Plan)

1. The Group CEO shall annually present a succession plan report to the Nomination Committee that includes matters such as Group CEO qualifications based on factors such as the management environment and the business execution structure incorporating the point of view of successor development.
2. The Nomination Committee shall appropriately supervise the succession plan in the preceding paragraph and the status of its implementation from an independent and objective standpoint.
3. The Board of Directors shall resolve to appoint the Group CEO and other Executive Officers based on the

Nomination Committee's reports.

4. The Board of Directors shall dismiss the Group CEO or other Executive Officer in the event that it is recognized that immediate dismissal is appropriate, such as in the event that the Group CEO or other Executive Officer is unable to sufficiently fulfill their role.
5. The Group CEO may submit his/her own succession plan to the Nomination Committee in order to be prepared for his/her absence or disability.

#### Article 11. (Role and Composition of the Compensation Committee)

1. The Compensation Committee shall determine each Director and Executive Officer's compensation in accordance with the "Compensation Policy of Nomura Group" and "Compensation Policy for Directors and Executive Officers".
2. When determining the compensation of Directors and Executive Officers, on the basis of the general rule of paying compensation commensurate with business performance, the Compensation Committee shall seek to enhance objectivity and transparency based on analysis performed by external evaluation institutions, etc.
3. The Compensation Committee shall utilize deferred compensation, such as equity-related compensation with a certain exercise limitation period, to seek alignment with the interests of shareholders and increase long-term incentives.
4. The majority of the members of the Compensation Committee shall be Outside Directors.
5. From the view point of ensuring the independence of the Compensation Committee from business execution and improving the transparency of such procedures, the Chairman of the Compensation Committee shall be appointed by the Board of Directors.
6. In light of the responsibilities of the Compensation Committee, for the purpose of enriching the Committee's discussions, one of the members shall be a Director who is well-versed in the business of the Nomura Group and the practices of the securities industry.

#### Article 12. (Roles and Composition of the Audit Committee)

1. The Audit Committee shall exercise its authority provided for in laws and regulations and shall utilize accounting auditors, auditing firms, and organizations within the Company to audit the legality, validity, and efficiency of the execution by the Directors and Executive Officers of their duties and prepare audit reports. Further, the Audit Committee shall establish evaluation criteria constituting of items regarding independence and expertise that is sought from an accounting auditor, and in accordance with such criteria, shall determine the content of proposals concerning the election, dismissal, and non-reappointment of the accounting auditor, and shall use its authority to consent in determining matters such as the fees to be paid to the accounting auditor.
2. The majority of the members of the Audit Committee shall be Outside Directors, and a Director who concurrently serves as an Executive Officer shall not be a member. All members of the Audit Committee must satisfy the criteria for independence in accordance with the Sarbanes-Oxley Act of 2002, and as a general rule, at least one member shall be a financial expert as provided for in the Act.
3. In order to strengthen the independence of the Audit Committee from execution functions and to enhance the

transparency of audit activities, as a general rule, the Chairman of the Audit Committee appointed by the Board of Directors shall be an Outside Director.

4. In order to enhance the effectiveness of the Audit Committee's audit, the Board of Directors shall appoint a Director who does not concurrently serve as an Executive Officer and who is well-versed in the business of the Nomura Group as a full-time member of the Audit Committee or an Audit Mission Director (a Director who assists audits by the Audit Committee and performs duties in accordance with instructions from the Audit Committee). Further, a department to support audits by the Audit Committee full-time shall be established.
5. Through hearing reports, or exchanging opinions, etc., on the results of the accounting audit and status of internal controls over financial reporting, etc., the Audit Committee shall seek coordination with the accounting auditor.
6. The Audit Committee shall seek to coordinate with the Internal Audit division through activities such as having a member of the Audit Committee attend the meetings of the Internal Controls Committee, hearing reports on the status of the implementation of the internal audit, etc., and providing recommendations, etc., on internal audits. Further, the Audit Committee or a member of the Audit Committee designated by the Audit Committee shall possess the right to consent 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.

< Section 4. Directors and Executive Officers >

Article 13. (Role of Directors)

1. One of the main roles of the Outside Directors shall be to oversee the execution of business by the Executive Officers from an independent and objective perspective, to provide advice to the management, or raise issues as necessary, leveraging each Outside Director's experience and expertise.
2. One of the main roles of the Inside Directors who do not concurrently serve as Executive Officers shall be to provide advice to the management and raise issues at or outside of the Meetings of the Board of Directors, applying their expertise regarding the business of the Nomura Group.
3. One of the main roles of the Directors who concurrently serve as Executive Officers shall be to explain and report the status of overall business execution to the Board of Directors so that the Board can understand the business execution status and the status of the Company and effectively perform its management oversight functions.

Article 14. (Role of the Executive Officers)

1. Executive Officers shall determine management strategy and business execution of the Nomura Group and execute business on the basis of the management organization and division of duties of the Executive Officers established by the Board of Directors.
2. Of the Representative Executive Officers, the Group CEO shall supervise the overall management of the Nomura Group.
3. Of the Representative Executive Officers, the Group COO shall supervise the overall execution of business of the Nomura Group.
4. Within the matters regarding execution of business delegated to the Executive Officers in accordance with the

resolution of the Board of Directors, certain important matters shall be deliberated and determined by management bodies, including the Executive Management Board, or determined through the “*Ringi*” approval process.

Article 15. (Access to Internal Information by Outside Directors and Utilization of Outside Experts)

1. An Outside Director may request an explanation or report and/or request materials from Executive Officers and employees as necessary. Executive Officers and employees receiving these requests must respond to the extent reasonable.
2. An Outside Director may consult legal, accounting, or other outside experts at the Company’s expense, as necessary.

Article 16. (Meetings of the Outside Directors)

1. In order to discuss matters such as the business and corporate governance of the Company, Outside Directors shall hold meetings consisting solely of Outside Directors. The frequency of the meetings of the Outside Directors shall be determined by deliberations of the Outside Directors.
2. Outside Directors shall appoint a lead Outside Director from among themselves. The lead Outside Director shall report matters raised at the meeting of the Outside Directors to the Board of Directors as necessary.

Article 17. (Training of Directors)

1. The Company shall provide necessary explanations on important matters of the Company including business, business plan, financial status, governance structures such as the internal controls system, and Directors’ roles and duties, etc., to newly-appointed Directors.
2. The Company shall, by using occasions such as the briefings prior to Meetings of the Board of Directors, continuously provide updates regarding the matters listed in Paragraph 1 to the Directors after their appointment, and provide supplemental explanations from time to time as necessary.

< Section 5. Establishing Management Strategy, Management Plans, etc., and Appropriate Information Disclosure and Ensuring Transparency >

Article 18. (Management Strategy, Management Plans, etc.)

1. The management, in order to enhance corporate value, shall continually set the management strategy, management plans, etc., and management benchmarks and target levels, and decide on the allocation of management resources to achieve this.
2. The Board of Directors shall monitor the appropriateness and achievement status of the set management strategy, management plans, management benchmarks, and allocation of management resources.

Article 19. (Information Disclosure)

1. The Company shall prohibit preferential disclosure of nonpublic information regarding the Nomura Group and at the same time promote fair, appropriate, and timely disclosure of information externally and provide opportunities for clients, shareholders, and investors to access information regarding the Nomura Group in a

fair manner.

2. The Company shall disclose financial information and non-financial information in a fair, detailed, and plain manner in accordance with laws and regulations such as the Companies Act, the Financial Instruments and Exchange Act, and regulations of financial instruments exchanges.
3. The Company shall establish a “Disclosure Committee” with authority to gather, analyze, and disclose material information.

## Chapter 2. Relationships with the Stakeholders

### < Section 1. Ensuring Shareholder Rights/Equality and Dialogue with Shareholders >

#### Article 20. (Ensuring Shareholder Rights)

1. The Company shall treat shareholders equally based on their shareholdings, and shall disclose information appropriately and timely to avoid information disparity, and shall endeavor to send the Notice of Convocation for the Annual General Meeting of Shareholders early and post the Notice of Convocation on its website prior to mailing.
2. The Company, based on the importance of shareholder rights, shall take necessary measures to ensure that shareholders are not unfairly precluded from exercising their rights. Further, the Company shall endeavor to take measures, such as maintaining an environment to allow all shareholders to appropriately exercise their voting rights, including those who will not attend the general meeting of shareholders, and to allow institutional shareholders, etc., who beneficially own the Company’s shares in the name of institutions such as trust banks to attend or observe the general meeting of shareholders under certain conditions.

#### Article 21. (Dialogue with Shareholders)

1. The Company shall designate an officer in charge of IR and engage in a constructive dialogue with major shareholders for the purpose of sustainable growth of the Company and the mid- to long-term enhancement of corporate value. Directors who concurrently serve as Executive Officers shall also attend these meetings as necessary. When engaging in a dialogue with shareholders, the Company shall fully ensure that a substantive information disparity does not arise amongst shareholders.
2. Regarding dialogue with stakeholders including shareholders, besides individual dialogue, the Company shall endeavor to enhance methods of dialogue, including by holding briefings on financial results for analysts and investors and postings on the Company’s website.
3. The Company shall also provide explanations on various items, including the basic principles underlying the capital policy, management strategy, management plans, management benchmarks, target value for those benchmarks, and allocation of management resources to achieve them.
4. An officer in charge of IR shall engage in these dialogues, coordinating with relevant departments, and shall endeavor to appropriately share the outcomes of such dialogue with the Board of Directors.

### < Section 2. Fulfillment of Corporate Social Responsibilities >

#### Article 22. (Nomura Group Corporate Philosophy and the Code of Conduct of Nomura Group)

1. The Company, based on the “Founder’s Principles” which has been passed on since its founding, shall

contribute to the creation of a truly enriched society by establishing the “Nomura Group Corporate Philosophy” which sets forth the Nomura Group’s mission assumed within society, the ideal state to fulfill such mission, and the values that must be continuously held for the purpose of realizing that.

2. The Company, by establishing the “Nomura Group Code of Conduct” at the Meeting of the Board of Directors as guidelines for each director, officer, and employee of the Nomura Group to comply with, shall endeavor to fulfill its responsibility to various stakeholders, including shareholders, clients, employees, business partners, creditors, and local communities.
3. The Company shall endeavor to enhance corporate value in the long-term by respecting the diversity and different values among the directors, officers, and employees of the Nomura Group, and regardless of matters such as nationality, race, sex, gender identity, sexual orientation, creed, social status, or existence or nonexistence of disability, by establishing a sound workplace to enable all directors, officers, and employees to perform at their full potential.

#### Article 23. (Efforts of ESG)

1. The Company, to fulfill its social responsibility as a corporate citizen, in addition to contributing to expanding securities markets through daily business, shall actively engage in ESG-related activities for the purpose of sustainable growth and solving social issues, including educational activities in economics and finance.
2. The Company recognizes that engaging in ESG-related issues is important for the maintenance and enhancement of corporate value and shall establish an “ESG Committee” for the purpose of appropriately promoting and managing such activity throughout the Nomura Group.

#### Article 24. (Whistleblowing)

1. In order to ensure maintenance of the compliance structure and its effectiveness at each Nomura Group company, the Company shall maintain a structure, including the establishment of a point of contact independent from management, to appropriately receive and respond to whistleblowing from persons such as Nomura Group employees regarding activities such as potential illegal activities, activities that are against the “Nomura Group Code of Conduct,” or suspected activities regarding accounting or accounting audits.
2. Other than the whistleblowing system provided in the preceding paragraph, the Company shall maintain a structure to appropriately receive/respond to acts that are doubtful in light of the purpose of the “Nomura Group Code of Conduct” from the stakeholders’ perspective and/or concerns from stakeholders regarding accounting or accounting audits.
3. The Company shall use methods, such as specifying in internal regulations or ensuring anonymity when using the system, to prevent any unfavorable treatment of stakeholders, including employees, who use the system specified in preceding two paragraphs.

#### < Section 3. Matters regarding Strategic Shareholdings and Related-Party Transactions >

#### Article 25. (Basic Policy for Strategic Shareholdings)

1. Regarding strategic shareholdings held by the Nomura Group, the Company and its core subsidiaries shall consider the risks and costs involved in holding such shares and perspectives of business strategy, such as



opportunities to increase the revenues of the Company's businesses through the expansion of transactions or business alliances with the company whose shares are held, and shall hold such shares only if such shareholdings will contribute to maintaining/enhancing the corporate value of the Nomura Group.

2. The Board of Directors shall establish a Strategic Shareholdings Consideration Committee for the purpose of conducting continuous considerations with respect to the purpose of the holding of strategic shareholdings within the Nomura Group.
3. After consideration of the holding status of strategic shareholdings along the lines of the policy in paragraph 1 by the Strategic Shareholdings Consideration Committee, concerning stocks whose sale has been determined to be reasonable, the Company shall proceed with the sale of such stocks while taking into consideration the impact on the market and other circumstances.
4. The Board of Directors shall assess the content of what was considered at the Strategic Shareholdings Consideration Committee with respect to each individual strategic shareholding.

#### Article 26 (Basic Policy regarding the Exercise of Voting Rights for Strategic Shareholdings)

When exercising voting rights in respect of strategic shareholdings held by the Nomura Group, based on the perspective of whether there will be an improvement in the value of the company and/or the corporate value of the Nomura Group, examining the resolution in the event that any of the following apply, through communication with the company whose shares are held and verification with the department in charge, comprehensively decide whether to approve or disapprove.

- (1) In the event that there is an occurrence of an event such as an event in which the company whose shares are held is in violation of important laws or regulations.
- (2) In the event it is conceivable that shareholder interests are being harmed due to information disclosure being inadequate
- (3) Concerning management strategy and financial strategy, in the event it is conceivable that there is a risk that shareholder interests will clearly be harmed.
- (4) Otherwise, in the event it is conceivable that shareholder interests will clearly be harmed with respect to an atypical resolution

#### Article 27 (Matters regarding Related-Party Transactions and Subsidiaries)

1. When the Company enters into a transaction with the related parties, such as the Company's directors and officers, the Company shall ensure appropriate procedures in accordance with the Companies Act and other laws and regulations to appropriately manage conflicts of interests to prevent any harm to shareholders' interests.
2. To avoid harming the interests of the minority shareholders of subsidiaries, the Company shall not enter into any transaction that is especially favorable to the Company or unfavorable to the subsidiary compared to transactions normally entered into by such subsidiary.

End.

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(Amended on November 30, 2018)

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