

NOMURA

Connecting Markets East & West



Nomura Report 2019

Nomura Holdings, Inc. Integrated Report



“Place our clients at the heart of everything we do”

A commitment that remains unchanged since our founding

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Path to Value Creation

Challenges

Low birthrate and aging population (aging demography)

Shrinking domestic market

Prolonged low interest rate policy

Digitalization

Geographical risk

Strengths

Japan	
Top client base in Japan	Accounts with balance 5.34 million accounts ^{*1}
	Retail client assets ¥114.7 trillion ^{*1}
	Percentage of Japanese listed companies that name Nomura as lead / deputy underwriter Approx. 60%
Sophisticated proposals of products and services	Assets under management ¥51.4 trillion ^{*1}
	Japan ECM league table No.1 ^{*2}
Trust from clients	JGB client share No.1 ^{*3}
	Trading share in Japan stock No.1 ^{*3}
	Japan investor satisfaction study (full-service securities category) No.1 ranked for 7 consecutive years ^{*4}
	Corporate access provider No.1 ^{*5}
Global business platform	Overseas business with a history of over 90 years
	Business sites in more than 30 countries
	International business covers over 30% of total revenue
Global development of asset management business	Operations in North America, Latin America, Asia, Europe, etc.
Recognition of Nomura Brand	US Equity Flow Derivatives revenue share No.1 ^{*6}
	Trading share in US Treasury No.6 ^{*3}
	Duration weighted volume of EGBs traded electronically No.1 ^{*7}
	AEJ EM Credit revenue share No.3 ^{*8}

Opportunities

Responding to diversifying client needs

Shift to asset building from savings

Growing momentum for overseas expansion by Japan-based companies

Growing demand for asset management amid low interest rates

Capturing growth in overseas markets

Overseas

Value creation

Social value

Contributing to economic growth and creation of a prosperous society through financial services

Example of social value creation

P05 / P06 Trajectory of Nomura's Growth
P29-40 Business Divisions

Economic value

Improving economic value by creating an operating platform capable of delivering consistent growth

Indicators for measuring progress in economic value

P23-26 Financial and Non-Financial Highlights

Trust from stakeholders

Enhancing the trust of clients, shareholders, employees and other stakeholders through business development and various systems and structures that support it

Examples of trust from stakeholders

P05 / P06 Trajectory of Nomura's Growth
P41-74 Strengths supporting value creation

Platform that supports our strengths

Human resources

Officers and employees of the Nomura Group include approx. 90 nationalities

Corporate governance

In 2003, we became a "Company with Committees, etc." (Currently referred as a Company with Three Board Committees). From 2019, all three of our committees have an outside director as the chairman.

After 2010, majority members of Board of Directors are outside directors

Risk management

Building a multi-layered risk management system

Compliance

Internal management system for global business development
Comprehensive training for all employees

^{*1} As of March 31, 2019

Source:

^{*2} Refinitiv, April 2018 to March 2019

^{*3} Greenwich, January 2018 to December 2018

^{*4} J.D. Power Japan 2012 to 2018

^{*5} Institutional Investor (Based on commission weighted investor voting), January 2018 to December 2018

^{*6} McLagan, January 2018 to December 2018

^{*7} Bloomberg, November 2018

^{*8} Coalition, January 2018 to December 2018



History of the Nomura Group

Since its inception in 1925, the Nomura Group has continually expanded its product and service offerings, developed its global operations and reinforced its corporate governance systems. Our Founder set 10 principles that, even today, lie at the heart of Nomura's operations. Among these founding principles is a description of Nomura's raison d'être or mission to "enrich the nation through the securities business."

We will continue to contribute to economic growth and a more fulfilling society by delivering superior services and solutions to meet all of our clients' investment needs.

Trust from stakeholders

Social value

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

- 1927 Operations centered on underwriting and sale of public and corporate bonds
- 1941 Sale of Japan's first investment trust products
- 1947 Public offering of 8 power stocks (currently electricity stocks)
- 1949 Issuance of Japan's first convertible bonds (I unit Takashimaya convertible bonds)

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

- 1961 First American Depositary Receipts issued by Japanese company (Sony Corporation)
- 1962 First overseas issuance of convertible bonds by a Japanese company (Shin Mitsubishi Heavy Industries [currently Mitsubishi Heavy Industries])
- 1968 Nippon Gakki (currently Yamaha) conducted public stock offering by issuing Japan's first shares at market value
- 1970 First issuance of samurai bonds by overseas entity (Asian Development Bank)
- 1972 Deregulation of foreign investment trust sales in Japan
- 1980 Development and commencement of sales of the Medium-Term Japanese Government Bond Fund

Supported privatization of public utilities and public enterprises

- 1987 Nippon Telegraph and Telephone (NTT) listed on stock market
- Early 1990s Adoption of Open Architecture: offering products managed by a wide range of asset managers
- 1994 First global offering conducted by Japan Telecom when it listed on stock market

Providing solutions to meet diversifying clients' needs

- 2001 Expansion of systems and services in line with the introduction of defined contribution pension plans (DC)
- 2003 Commence of government bond issuance targeting individual investors by Ministry of Finance
- 2014 Start of services under the Nippon Individual Savings Account (NISA) program
- 2015 Japan Post Group 3 companies listed on stock market

1920 1930 1940 1950 1960 1970 1980 1990 2000 2010 2019

History of the Nomura Group

Retail client assets
March 31, 1975

¥3.3 trillion

Assets under management
March 31, 1989

¥17.0 trillion

Retail client assets
March 31, 2000

¥62.4 trillion

Assets under management
March 31, 2000

¥20.0 trillion

Retail client assets
March 31, 2019

¥114.7 trillion

Assets under management
March 31, 2019

¥51.4 trillion

- 1925 The Securities Department of Osaka Nomura Bank split off into a separate company, Nomura Securities
- 1927 Opened representative office in New York
- 1959 Founded Nomura Securities Investment Trust

- 1961 Nomura Securities listed its shares on the Tokyo Stock Exchange, Osaka Securities Exchange, and Nagoya Stock Exchange
- 1967 Established Nomura International (Hong Kong)
- 1969 Established Nomura Securities International, a U.S. subsidiary

- 1981 Established Nomura International, a U.K. subsidiary
- 1993 Established The Nomura Trust and Banking

- 2001 Formed a holding company structure: Nomura Holdings listed its shares on the New York Stock Exchange
- 2008 Absorbed the personnel of Lehman Brothers Asia Pacific and its European and Middle Eastern divisions
- 2016 Entered into a strategic alliance with American Century Investments

As a responsible financial institution

- 2008 Established CSR Committee
- 2009 Established Environmental Statement and Environmental Policy
- 2018 Reorganized the CSR Committee into the ESG Committee chaired by the Group CEO

Established ESG Statement [Details ▶ P41](#)

Enhance compliance

- 1991 Loss compensation issues
- Reform measure: Enforcement and expansion of the internal management framework
- 1997 Payoff issues
- Reform measures: Clarification of order distinction between proprietary trading and brokerage orders; establishment of the Compliance Hotline [Details ▶ P56](#)

Financial and economic education

- 1990s The cumulative number of participants in the program : 570,000 as of March 31, 2019

[Details ▶ P26](#)

Enhance compliance

- 2004 Established statement: The Code of Ethics of Nomura Group
- 2012 Insider trading issues regarding capital increase
- Reform measure: Review and enhancement of the compliance framework [Details ▶ P53](#)
- 2015 Established Nomura Founding Principles and Corporate Ethics Day [Details ▶ P53](#)

Enhance governance

- 2003 Transition to "Company with Committees" (Currently referred as a Company with Three Board Committees) [Details ▶ P45](#)
- 2015 Formulated Nomura Holdings Corporate Governance Guidelines

Message from Group CEO

Koji Nagai
Group CEO



Restoring trust

On May 28, 2019, Japan's Financial Services Agency issued a business improvement order against Nomura Holdings and Nomura Securities in connection with the improper communication related to the listing and delisting criteria for the Tokyo Stock Exchange. We take this matter very seriously and we regret the embarrassment brought upon our clients and all other stakeholders.

When I became the Group CEO in 2012, the company was in the midst of dealing with an insider information incident (violations of laws and regulations related to the control of corporate-related information concerning public offerings). My top priority was creating a new Nomura by returning our focus to the basic philosophy of "placing our clients at the heart of everything we do." I have worked to enhance and strengthen the internal control system and raise employee awareness throughout the Group. August 3 has been designated as the Nomura Founding Principles and Corporate Ethics Day since 2015, and we have since renewed our determination to prevent the recurrence of misconduct and to earn and maintain the trust of society. As a result, we have improved our compliance system to a certain degree, including the management of corporate information.

However, those involved in this improper communication incident viewed compliance as limited to legal compliance, and did not observe social common sense or values based on societal expectations. In addition, a survey of employees' attitudes revealed that, for a small minority of our employees, the actions of those involved were viewed as "not an issue," indicating that the true meaning of compliance has not yet permeated to all employees. This shows that we are still in the middle of reforming our mindset to prevent a recurrence. This is a serious issue for us.

On May 24, we announced an improvement plan to address this matter, which consisted of the following three points. It is my responsibility to take the lead in making steady efforts to complete improvement measures and take all possible steps to prevent the recurrence of such incidents. At the same time, we will do our utmost to ensure that each and every employee considers and acts with common sense centered around a code of conduct, which always recognizes that our social mission is to contribute to the development of sound capital markets.

We will continue to strengthen and enhance our legal, compliance and internal control systems to prevent a recurrence and restore trust.

Three pillars of improvement measures which we announced on May 24, 2019

- I. Adopt a mindset aligned with the Code of Conduct that fulfills the role the public expects financial institutions to play, and create an environment to maintain and improve self-discipline.
- II. Reorganize the Wholesale Equities business to ensure that our people are incentivized to contribute to the development of the capital markets.
- III. Establish a framework to tightly control not only corporate confidential information, but also non-public information that could materially affect investment decisions.

Urgent need to respond to uncertainties and structural changes

In the past few years, I have been saying that the business environment surrounding us is an “advent of an age of uncertainty.” In the last year, that uncertainty has increased, and structural changes have become more apparent in the environment we operate in.

Although macroeconomic conditions have remained firm, US and China trade frictions, uncertainties surrounding Brexit, and turbulence in the emerging markets in the course of normalizing US monetary policies became apparent in the past year. Those geopolitical issues and monetary policies of central banks have shaken financial markets in a number of ways. In Japan, the economy remains on a moderate growth track, but because of the magnitude of risks associated with overseas economies, the Bank of Japan maintained its ultra-aggressive monetary easing, including a negative interest-rate policy. Against this backdrop, market volatility declined significantly, and market participant activities remained sluggish throughout the year.

In the longer term, financial institutions are facing several structural changes. After the financial crisis, major central banks shifted to ultra-low interest rates and we entered an era of zero interest rates. Moreover, the massive purchases of government bonds under quantitative easing policies have significantly reduced market liquidity and weakened the role of financial

institutions as liquidity providers.

With the Federal Reserve Board (FRB) starting to raise interest rates at the end of 2015, the market expectation is that these non-traditional monetary policies may finally head for an exit. However, the US and China trade frictions intensified in 2018, and concerns over an economic slowdown, and a plunge in stock prices emerged in autumn. These factors forced the FRB to change the monetary policy. Other central banks such as European Central Bank stopped tightening monetary policy, and the path to the normalization has become distant.

It goes without saying that as digital innovation advances and the proportion of electronic transactions increases, financial institutions are facing margin pressures.

Against the backdrop of such market uncertainties and structural changes surrounding financial institutions, in the third quarter of the fiscal year ended March 2019, we took a goodwill impairment charge (approx. ¥81 billion) relating to the past acquisitions of Wholesale related businesses. We took these actions to clear our financial uncertainties with an eye on the future. But, at the same time, we had to face up to the fact that we had not done enough to reorganize ourselves and move swiftly to address those changes. It also attests to the fact that we understand that we could not continue on the same path as the past if we want to get out of the current situation.

We reported a net loss of more than ¥100 billion in the fiscal year ended March 31, 2019, as we booked one-off costs of around ¥120 billion to liquidate the negative legacies collectively, including the goodwill impairment as well as legal expenses related to past transactions around the time of financial crisis. As part of the management team, I take it very seriously.

Even in the absence of these one-time costs, profit levels are by no means satisfactory. Earnings were down 25% year-on-year, but pre-tax income declined by 75%. If profitability remains as challenged as last year, there is clearly a problem with the cost structure, and we have to take immediate measures to reduce the break-even point. Based on these difficult financial results, we must concentrate our management resources on growth areas, recognizing various structural changes as new opportunities for us, rather than as a troublesome fait accompli.

Focus on growth

In light of these structural changes, Nomura Group aims to strategically strengthen three growth areas; i.e. (1) Our HNW business mainly in Japan, (2) Our approach to asset builders, and (3) Our China business opportunities.

Three growth areas

Focus area
1

HNW business mainly in Japan

One of our strengths is our relationships with corporate owners and HNW clients who have been supported through face-to-face services. Many of them are elderly and interested in efficiently passing on their total assets - financial assets, real estate, company stock, etc. – to the next generation. Since 2012, we have been developing a comprehensive services platform including real estate, insurance, inheritance and tax planning in addition to asset management, in order to enhance our services to these clients. Although the HNW market is very competitive where megabanks and trust banks are also strengthening, we are able to offer our SME owners a range of solutions such as transfer and sale of own stocks, IPOs, MBOs and the effective use of their real estate assets. If regional business owners have needs to make alliances because there is no successor, we can leverage our nation-wide network in Japan as well as our global business platform.

In 2018, we launched the Principal Business (Merchant Banking), which primarily provides equity to clients as a solution for business reorganizations and revitalization, business succession and management buyouts, and we currently receive many requests for consultation. We will continue adding functionality and flexibility to the platform to quickly meet client needs.

Focus area
2

Approach to asset builders

Our challenge is growing our non face-to-face business. Our target clients are asset builders in their 20s-40s, who have the advantage of a long investment horizon and a high affinity to accumulated investments through NISA and iDeCo. However, we have not done enough to attract customers from this group until now. This layer is characterized by its large population and high IT literacy, including digital natives. Therefore, the provision of services that utilize digital interfaces rather than human interaction is required.

In April 2019, we launched a new cross-functional Future Innovation Company to unify resources scattered across the Group and expand our core services by leveraging digital innovation. We are hiring external talent from various backgrounds to build a platform that is easy to use with different ideas and values from conventional face-to-face services.

Focus area
3

Full-scale entry into the Chinese business

We are also working to develop new markets.

In 2018, the Chinese government eased restrictions on foreign ownership, and in May 2018, we submitted an application to the China Securities Regulatory Commission (CSRC) for the establishment of Nomura Orient International Securities as a joint venture with a leading local company. In March 2019, we became the first Japanese securities company to be approved for establishment, and we are now preparing to launch operations later this year.

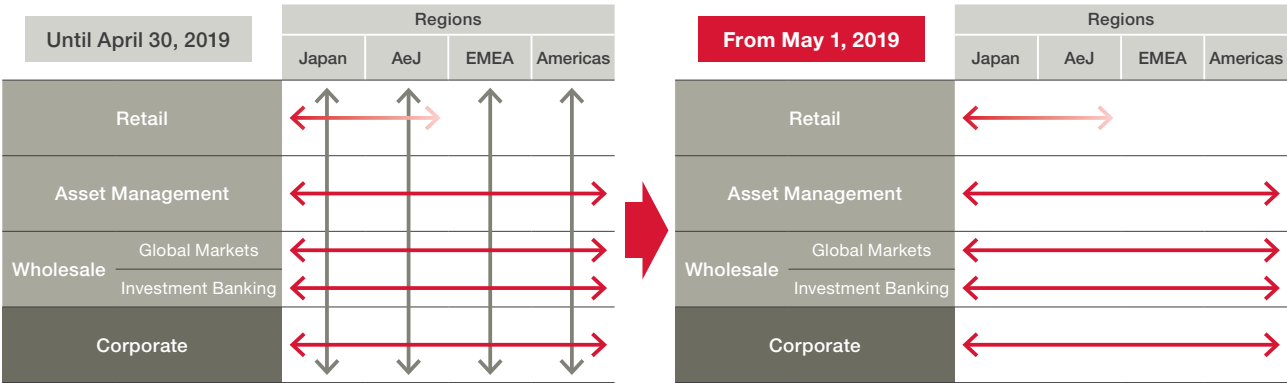
China is by no means an easy market, but we will initially focus on the HNW business by leveraging the services and client base we have developed for the HNW clients in Japan. Thereafter, we will seek to expand into Wholesale business.



Management's responsibility is to lower the break-even point and return to a growth trajectory as soon as possible

In order to restart as a new Nomura, in April 2019, we announced a plan to rebuild our business platform so we can swiftly move to a leaner structure capable of responding to the new environment. The essence of our rebuilding plan is to simplify and eliminate inefficiency. This covers three areas; (1) our management structure, (2) Corporate functions, and (3) the core businesses.

First is our management structure. We adopted a matrix structure covering regions on the vertical axis and



Secondly, the same rationale applies to Corporate functions. We had 11 functions, or 10 excluding Internal Audit. These will be folded into five. While control

functions should never be neglected, such as compliance, we are eliminating the buffers that other functions have at each layer and eliminating duplication.



*1 excl. Internal Audit *2 Indirect cost ratio is ratio of Corporate costs to total cost base for Wholesale Division

And for the third focus, the core businesses, we decided to rebuild our platform so that we could more accurately and effectively address client needs. This applies to both Wholesale and Retail.

Wholesale has streamlined costs several times over the years, but these reductions were primarily in certain products and services on the front office side, in order to focus on our core strengths. This time, we will downsize businesses with low growth potential and profitability while maintaining our global franchise. At the same time, we will drastically review the supporting functions, i.e. Corporate.

Actually, we received many questions including, "Why don't you cut more?" or "Why do you keep your loss-making international business?" In fact, we have had candid internal discussions, and finally decided on this option to minimize the impact on our domestic and international client base.

In 2008, we took over ex-Lehman Brothers operations in Asia and Europe, and acquired a client base, which we never had access to prior to the acquisition. Since then, we have been able to hire talented people from our global peers at reasonable costs and significantly strengthen our international business platform. When we compare our platform to

other domestic financial institutions, we can say that one of Nomura's competitive advantages is our international client base. We cannot provide optimal solutions and products to our Japanese clients without having a global platform. Our businesses are built upon our clients, and that's why our decision was made around supporting our clients.

In terms of regions, we will focus our management resources on large single markets such as Japan and the US, and over the medium term, China. Also, in addition to institutional investors, who are the main revenue contributors, we will focus on corporate clients by enhancing our origination businesses (Advisory, Primary, and Solution). In the secondary trading business, we will utilize AI and data science to analyze large sets of high-frequency historical and real-time data to provide more efficient quotes and recommendations, alongside reducing execution costs as well as front office optimization.

Through those initiatives, Wholesale aims to reduce costs by \$1 billion (approx. ¥110 billion) from the levels at the fiscal year ended March 2018, while shifting its focus to the client business and growth areas, thereby increasing revenues.

In Japan, structural changes and certain trends such as lower birthrates, an aging population, and the shift of money and population from rural areas to urban areas, will continue. As digital innovation advances, the way consumer behavior changes drastically, and the ways in which financial institutions deliver services to their customers become much more diverse.

When I became Group CEO in 2012, there were 178 branch offices in Japan, but in light of these structural changes, we have already reduced the number of branches by about 20. With technological advances allowing clients to easily withdraw cash without having to go to a bank, cashless transactions are becoming increasingly common. Moreover, services from securities companies like ours are not essential regular functions for most users, so there are branches in urban areas where the number of visits per day is minimal. There is no need to maintain the traditional branch network anymore as many of our clients are not visiting physical locations. Therefore, we decided to consolidate 25 more branches, mainly small ones with overlapping

areas in Tokyo, Nagoya, and Osaka in August and September 2019.

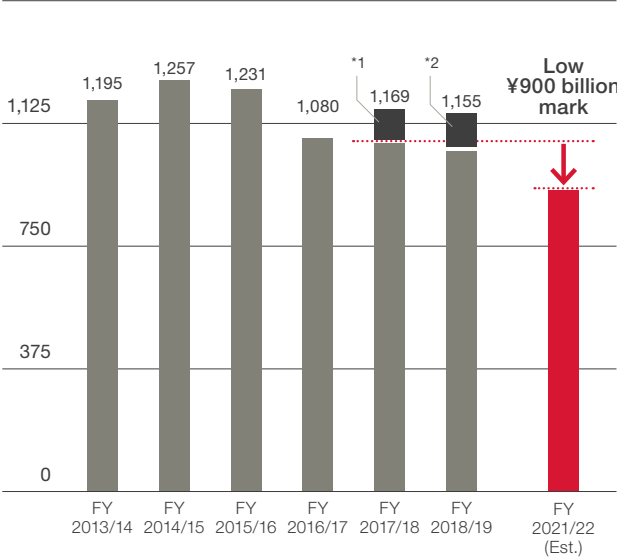
In addition to properly provide added value that meets the needs of each client, Retail will simplify its business platform. The needs of corporate clients, business owners, HNW clients, and clients who can build their assets by utilizing longer investment horizons are all different. That means the services, products, or even the salespersons' skillset should be differentiated. In the past, one salesperson has been responsible for a wide range of clients, but starting this August, we will change the organization and align channels to client needs. This is also the reason behind consolidating small branches. In order to realign channels with client types, it is better to have a larger concentration of salespeople per branch.

Along with rebuilding the platform, Retail will also reduce costs by approximately 10% or ¥30 billion from the cost level at the fiscal year ended March 2018.

Combined with the aforementioned cost reduction measures for Wholesale, we expect to reduce firm-wide costs to about the low ¥900 billion mark by March 2022.

Non-interest expenses

Reduce firm-wide costs to about the low ¥900 billion mark by March 2022
(billions of yen)



Another important theme is improving capital efficiency. Since 2012, we have sold approximately ¥360 billion of securities and used part of the sale proceeds to deliver shareholder returns through dividends and share buyback. We have also been considering the optimal capital relationship with Nomura Research Institute (NRI), and in June 2019, we agreed to sell a portion of our holding shares by tendering the shares under a self-tender offer by NRI. We plan to use the sale proceeds ([¥160] billion) to enhance our corporate value through shareholder returns and investments to further grow our business. On the same day, we announced we would set up a share buyback program with an upper limit of ¥150 billion or 300 million shares of common stock for the period ending March 31, 2020.

In 2014, we set out to build a business foundation capable of generating sustainable growth in any market environment. Regrettably, for the fiscal year ended March 2019, EPS (net loss attributable to NHI shareholders) fell sharply, and key performance indicators of the businesses were well off target.

Given the market environment and the progress we have made thus far, it is highly likely that we will postpone our goal of ¥100 EPS in 2020. However, rebuilding our platform will be our top priority and we will make every effort to return to an upward growth trajectory as soon as possible.

Building a sustainable business foundation

We cannot rebuild our business platform or focus on growth areas without talent in the firm. In our business, we don't deal with tangible products. Our clients buy financial products based on the values and individual qualities of each of our employees. To this end, we focus on creating a work environment in which employees can make the most of their abilities and individuality.

In April 2020, Nomura Securities will introduce a new personnel system, which will provide more opportunities for talented employees, regardless of age or length of service, and evaluates them based on their performance.

Also, in 2017, we launched the Nomura Work Style Innovation initiative as part of our efforts to reform working styles and promote health and productivity management. The core concept is centered on adding value for clients. Our output is determined by multiplying the amount of time and productivity. As the amount of time is limited, it is necessary to raise the quality of work while paying attention to productivity in order to provide new added value to clients. To this end, Nomura is committed to improving both "human skills" and "productivity".

It is important that communication within the organization does not become fragmented. In the past, Nomura had a corporate culture in which superiors and subordinates worked together to achieve their goals. However, in recent years, there have been cases where managers have not been aware of the actions of their direct reports, and even when others around them notice something is wrong, no one raises their voice and points it out. Over the past year or two, there have been some negative incidents caused by inattentive organizational supervision and low morale among employees, which may have been amplified by a lack of communication. Our management takes this matter very seriously.

We can state that the starting point of our corporate governance is to instill a good corporate culture in which all employees share goals and responsibilities while respecting diversity and the opinions of the minority. There is no end in sight to these efforts, but I intend to take the lead in developing our corporate culture and restoring a disciplined organization.

Toward the true integration of Environmental, Social and Governance (ESG) and business activities

An ESG friendly perspective is also essential for medium- to long-term growth. ESG investment is

growing globally, but it is insincere if the only purpose for ESG initiatives is to become an investment option for ESG investors. It is important for ESG values to take root in the organization. As a first step, in the fiscal year ended in March 2019, we reorganized the CSR Committee into the ESG Committee, and I chaired this committee, creating a framework for the Nomura Group to respond strategically to ESG-related issues. We set Sustainable Development Goals (SDGs) as an agenda item for the Nomura Group Executive Meeting, and all the members engaged in group work to discuss the relationship between the long-term management vision and the SDGs. We also invited instructors from within the company and externally to arrange training programs for employees. These efforts are designed to help executives and employees connect ESG / SDGs with their strategies and operations.

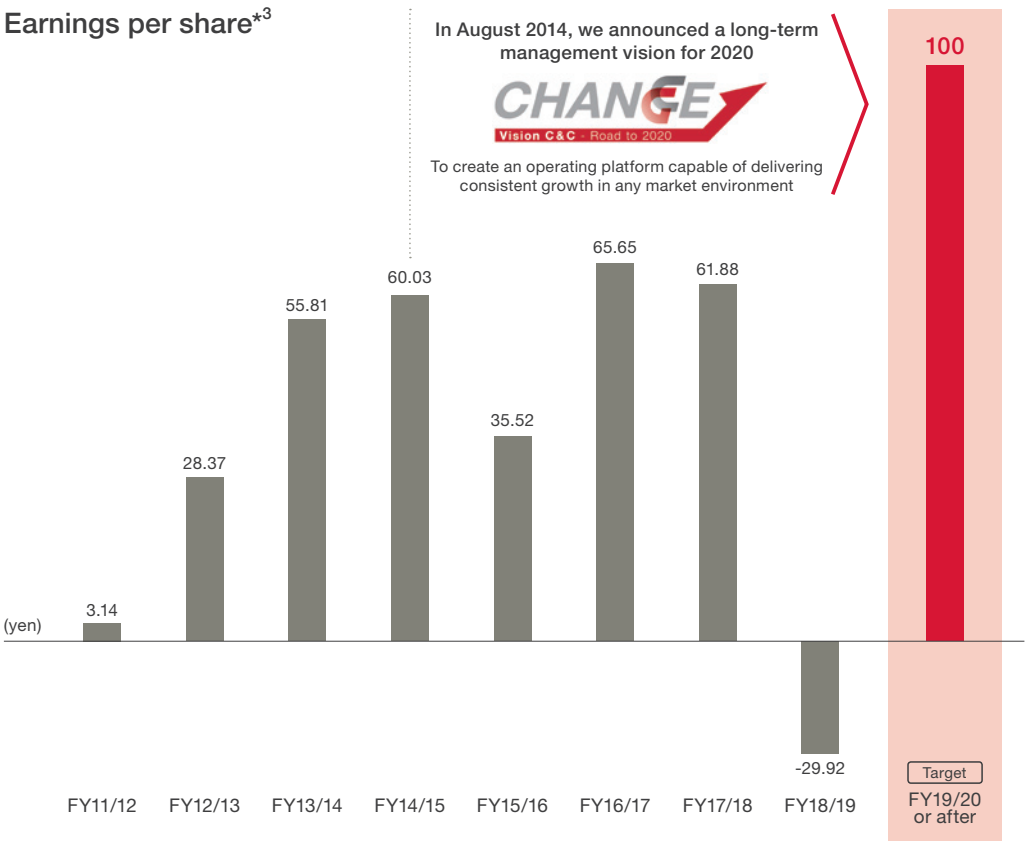
The intensification of global issues such as climate change and social disparities is one of the greatest risks to economic growth. At the same time, economic growth that takes the environment and social issues into consideration is more important than ever in order to achieve international goals such as the SDGs and our "2°C target*". Financial markets can create a flow of funds that contributes to creating a favorable environment and society, where Nomura Group plays an important role. Based on this recognition, we established the Nomura Group ESG Statement in January 2019. We hope to further promote the realization of a sustainable society and environment while sharing with our stakeholders how we will respond to environmental and social risks.

As part of our efforts to integrate ESG with our management policies, the ESG Committee has been discussing this issue since last year. We have added management and business perspectives to our existing ESG Materiality and have comprehensively reviewed the issue and reclassified it into Materiality of Nomura Group. Going forward, we will continue to measure the progress of each issue and strive to achieve our corporate philosophy of "helping to enrich society through our expertise in capital markets," while striking the right balance between ESG and management strategy.

Our reforms are still ongoing, but we know what we have to do. We will first focus on rebuilding our platform and return to growth as soon as possible, while also regaining the trust of clients, communities, and society as a necessary partner.

We ask for your continued support of Nomura in creating Enterprise Value.

Earnings per share^{*3}



^{*1} Legal expenses related to legacy transactions, and expenses of consolidated subsidiary which were not consolidated in FY2018/19 and afterward.
^{*2} Legal expenses related to legacy transactions and goodwill impairment charge attributable to Wholesale
^{*3} Diluted net income (loss) attributable to Nomura Holdings shareholders per share.

*A goal set by an international agreement on climate change adopted at the 15th Session of the Conference of the Parties (COP15) to the United Nations Framework Convention on Climate Change in Copenhagen, Denmark in December 2009 and strengthened in the Paris Agreement in 2015. It is a long-term goal shared globally to keep the global average temperature increase sufficiently below 2°C and make further efforts to limit it to 1.5°C compared to pre-industrial levels in the Paris Agreement.

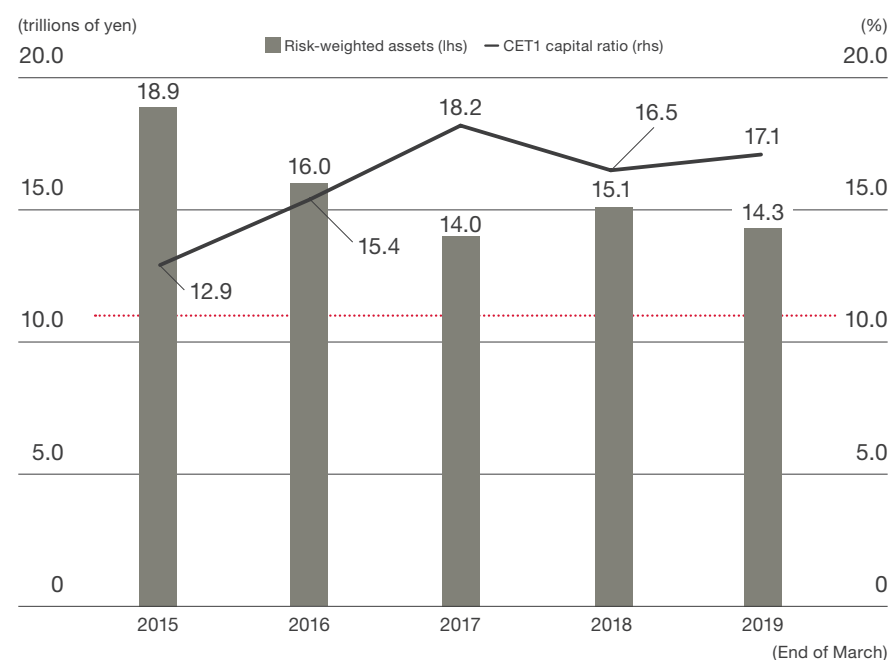
In 2014, we announced a plan to build a business platform capable of delivering sustainable growth in any environment. However, progress has been challenging. Looking back over the past fiscal year, we've reviewed our performance and identified and addressed the issues that impacted our results.

Results of FY2018/19 and Challenges

Last year, I discussed three key areas of focus as CFO. Those are (1) supporting Nomura Group's sustained growth from a financial perspective, (2) maintaining an appropriate financial base that enables compliance with regulations, and (3) providing appropriate shareholder returns. One achievement from the past fiscal year is that (2) we have solidified our financial base and have become more responsive to various financial regulations.

There are several global financial regulations that Nomura Group must comply with. Above all, the capital adequacy regulations set by the Basel Committee have a direct impact in conducting our business. As we anticipate the minimum consolidated Common Equity Tier1 ("CET1") capital ratio at approximately 8%, we are

Consolidated Capital Adequacy Ratio



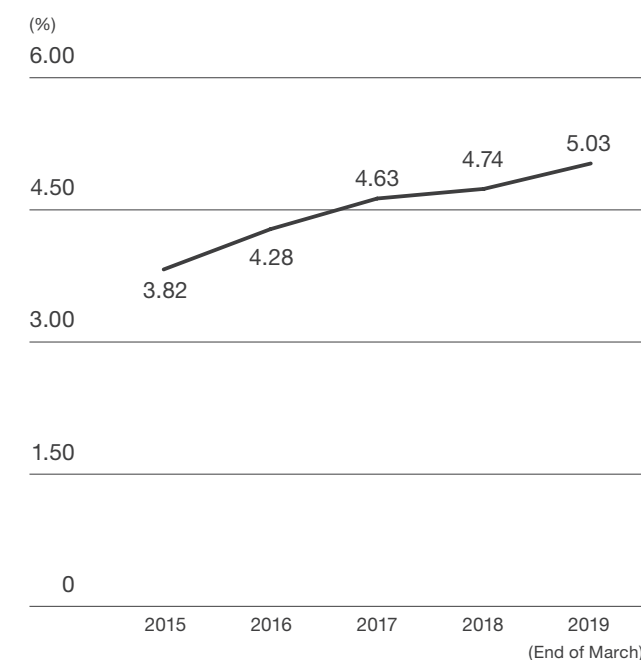
CET1 capital ratio
(medium term target)
more than **11%**

*CET1 capital ratio is defined as Tier1 capital minus Additional Tier1 capital divided by risk-weighted assets.

aiming to maintain a CET1 capital ratio of 11% or higher over the medium term, which includes a discretionary management buffer. Against this target, our CET1 capital ratio, as of March 31, 2019, was 17.1%, up from 1 year ago (16.5%). In 2022, a major revision will be made to the calculation of risk-weighted assets, the denominator of the CET1 capital ratio. Despite this impact, we can maintain a level where we can sustain our business and remain flexible going forward.

The consolidated leverage ratio has also improved steadily. As of March 31, 2019, our consolidated leverage ratio was 5.03%, up 0.29% from 4.74% a year ago, and we have sufficiency to meet the minimum requirement by the FSA disclosure (3%).

Consolidated leverage ratio*



*Tier1 capital divided by exposure (sum of on-balance sheet exposures and off-balance sheet items).



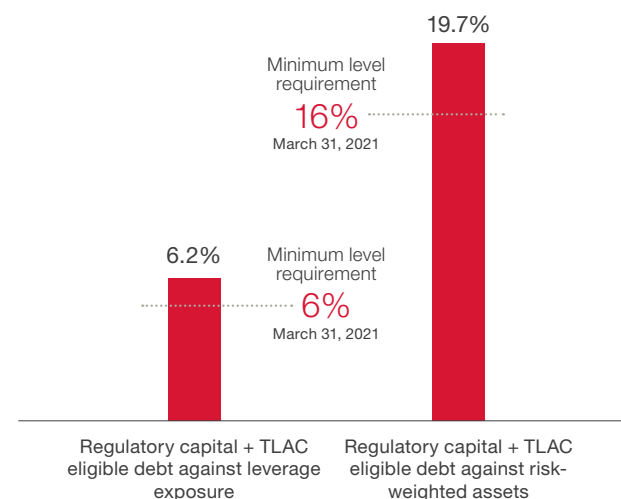
Takumi Kitamura
Chief Financial Officer

In April 2018, it was announced that our company, in addition to Japan's G-SIBs^{*1} 3 megabanks, would be subject to the Total Loss Absorbing Capacity (TLAC^{*2}) requirements. Although there still is time before requirements are implemented, we have already started to review some of the existing liabilities and secure TLAC eligible debts^{*3} before March 31, 2021. Over the past year, we have raised about ¥240 billion in TLAC eligible debts and have worked to ensure disciplined balance sheet management. As a result, we've managed to have "Regulatory Capital + TLAC-eligible debts" that meet the minimum level of TLAC requirements as of March 31, 2019. We will continue to implement this plan in a systematic manner so that we can meet our company's demands without difficulty.

^{*1} Global Systemically Important Banks designed by the Financial Services Agency of Japan based on the list published by the Financial Stability Board.
^{*2} Abbreviation for Total Loss Absorbing Capacity. Sufficient Total Loss-Absorbing Capacity aims to promote financial stability.
^{*3} Liabilities, etc. that satisfy requirements for loss absorbing capacity as defined by the Financial Services Agency of Japan.

Response to meet TLAC requirements

(Calculation based on the balance sheet as of March 31, 2019)



At the same time, our business model and profitability remains challenged by the overall market environment. The year ended March 2019 was very challenging for us due to economic uncertainties in addition to our delay in responding to structural changes, resulting in sluggish performance in our core businesses and one-off items. In April 2019, we announced our business platform review and restructuring effort in order to quickly build a solid foundation for a new era. Of course, improving profitability is our top priority, but we can't just rely on a market recovery. We will transform ourselves and adapt to the rapidly changing environment, recover earnings strength, and optimally allocate the resources necessary for this purpose. At the same time, we will carry out straightforward cost control.

Cost control and optimization of resource allocation

Ahead of the fiscal year ending March 2022, we are working to reduce costs by US \$1 billion (approx. ¥110 billion) in the Wholesale Division and approx. ¥30 billion in the Retail Division. As of the end of July 2019, we had already achieved approx. 50% of our targeted cost reduction. Initiatives in the Corporate departments are essential going forward since almost all corporate costs are allocated to the front side. In the past, Corporate departments were divided into 11 functions, but in May 2019, we reorganized 10 functions (excl. Internal Audit) into 5. Under the newly restructured organization, each function head is now working to reduce business processes and duplicated functions and layers.

For example, I was previously in charge of the Finance as CFO, but now I am also in charge of middle office functions. Currently, the Risk Management and Finance are engaged in risk management and production of disclosure data based on the transaction data coming from Operations. However, because the range of data handled and the flow of data differs, data incompatibilities and inefficiencies remain. We've integrated the 3 functions as one "Middle Office" and expect to reduce the duplication of business processes to make our organization structure simpler and more efficient. In the medium term, we believe that by updating the system using an agile approach, we can ensure data compatibility and make useful proposals to business and management based on more elaborate data analysis.

Optimizing resource allocation is also an important role for the CFO. We allocate risk-weighted assets, economic capital, unsecured funding, leverage exposure, and other resources to businesses, and regularly monitor profitability relative to the resource usage while engaging in dialogues with businesses.

This restructuring of the business platform reduced risk-weighted assets used by the Wholesale Division by approximately 10% by resizing businesses with low profitability or negative revenue. We will strive to achieve optimized resource allocation while constantly reviewing and utilizing those reduced resources efficiently.

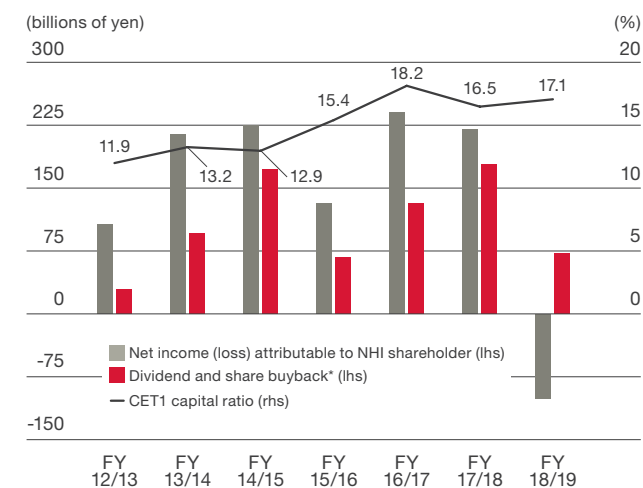
When making investments for growth, we will evaluate their success from determining whether they can supplement existing businesses, whether synergies can be achieved, or whether they can generate new revenues. At the same time, we will not be afraid to challenge into new areas.

Striking a balance between the pursuit of capital efficiency and shareholder returns

We strive to deliver a ROE of 10% or greater by conducting disciplined financial management while satisfying external and internal requirements including responding to regulations, allocating resources to businesses, pursuing capital efficiency and maintaining financial and investment buffers.

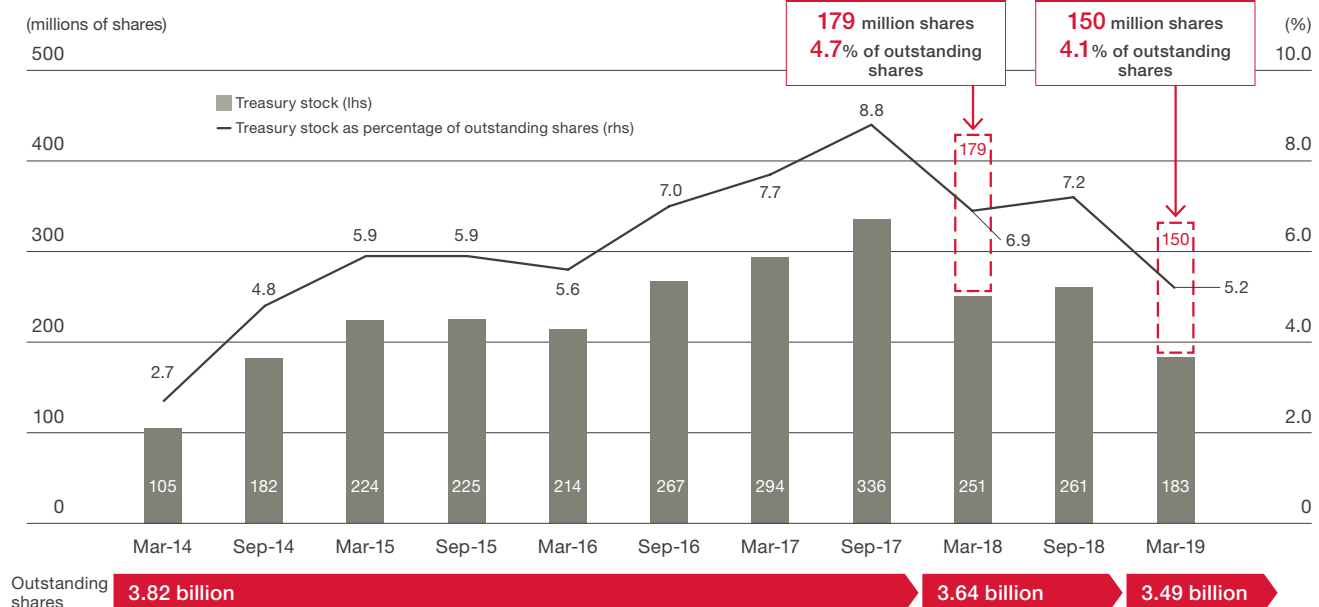
At the same time, we are reviewing our assets. Over the past year, we have reduced our strategic stockholdings by 21 company shares. As of March 31, 2019, we held 276 company shares, representing only 4.3% of Tier1 capital. In July 2019, we sold a portion of Nomura Research Institute for approximately ¥160 billion.

Strengthening capital base, while returning to shareholders



* Including treasury stock to deliver as stock-based compensation

Retirement of treasury stocks



Since the fiscal year ended March 2014, we have also strengthened shareholder returns by actively purchasing treasury stock in addition to dividend payments. Over the past 5 years, we have acquired approximately 570 million shares of treasury stock worth approximately ¥350 billion, including the portion allocated for stock grants. Out of these shares, 329 million shares were cancelled (number of shares issued decreased 9% from 3.82 billion shares to 3.49 billion shares). In June 2019, we've announced the share buyback program to purchase up to ¥150 billion or 300 million shares until March 31, 2020.

We strive to maximize our corporate value by balancing our profits between shareholder returns and investment opportunities.

Clarification of capital policy

- Nov. 2017** Establishment of a policy for the holding and retirement of treasury stock
 - Upper limit of treasury stock holdings**
Target at around 5% of outstanding shares
 - Retirement policy**
In principle, retire treasury stock held above upper limit
- Apr. 2018** Establishment of total return ratio
 - Total return ratio that includes shareholder returns from share buyback**
more than 50%

9

¥1,116.8 billion



MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with **RobecoSAM** 



FTSE Blossom
Japan



2018 Constituent
MSCI Japan Empowering
Women Index (WIN)

Nomura Group supports and promotes initiatives in Japan and overseas that are related to its business activities including the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labor, the environment and anti-corruption to which Nomura has been committed since 2015.



Signatory of:



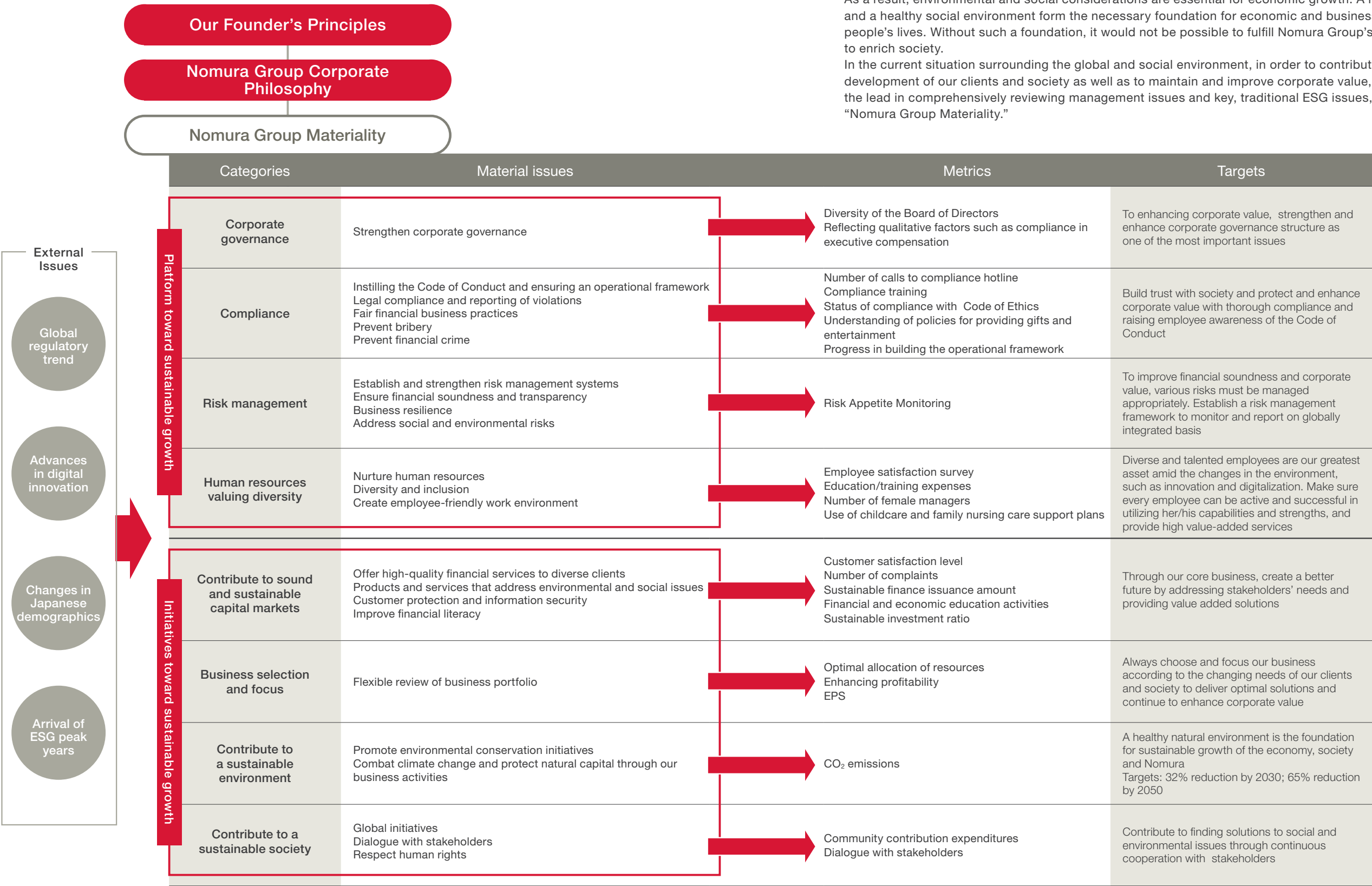
Principles for Responsible Investment



FINANCE
INITIATIVE



Commitment to contributing to the creation of an affluent society since our founding



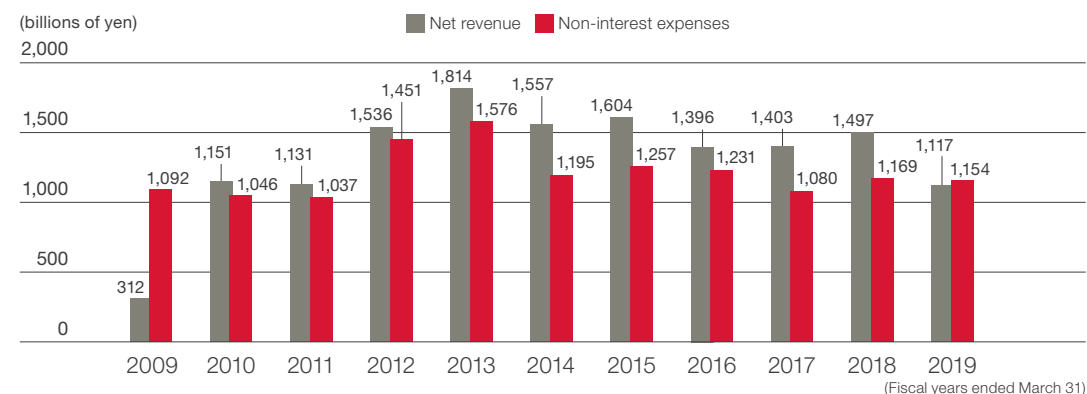
As a leader in Japan's finance industry, since its founding in 1925 Nomura Group has contributed to economic growth and social value creation by supporting the development of capital markets and promoting the circulation of capital. At the core of these efforts is our social mission to help enrich society through our expertise in capital markets, based on "Our Founder's Principles," a set of guiding principles laid out by the Group's founder, Tokushichi Nomura, and ingrained in the Nomura Group Corporate Philosophy.

Environmental and social issues such as climate change and widening social disparities are becoming more serious. As a result, environmental and social considerations are essential for economic growth. A rich natural environment and a healthy social environment form the necessary foundation for economic and business development as well as people's lives. Without such a foundation, it would not be possible to fulfill Nomura Group's social mission of helping to enrich society.

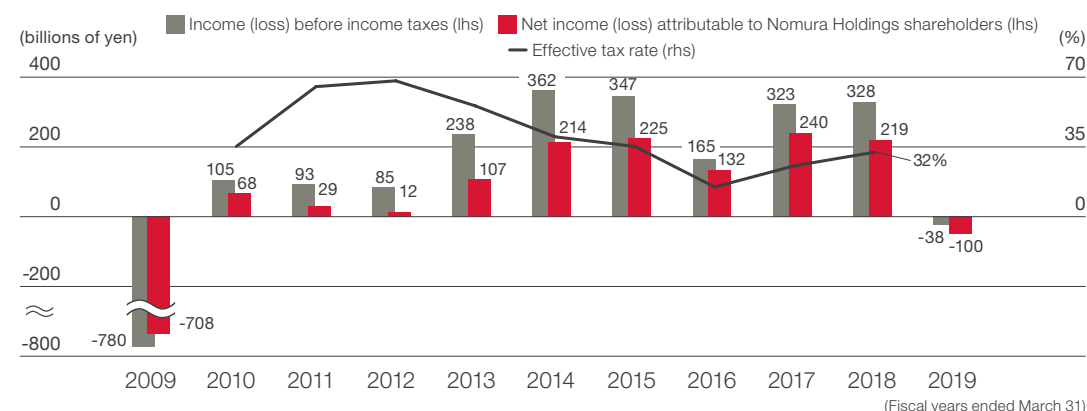
In the current situation surrounding the global and social environment, in order to contribute to the sustainable development of our clients and society as well as to maintain and improve corporate value, the ESG Committee took the lead in comprehensively reviewing management issues and key, traditional ESG issues, identifying the issues as "Nomura Group Materiality."



Net revenue, Non-interest expenses

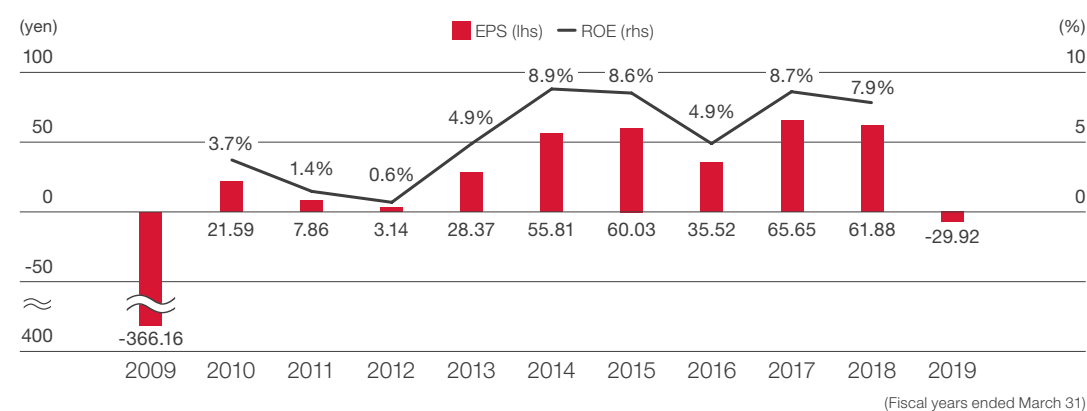


Income (loss) before income taxes, Net income (loss) attributable to Nomura Holdings shareholders, and effective tax rate



In the year ended March 31, 2019, revenues from the three business segments declined 21% year on year due to sluggish core business performance, particularly in the Retail Division and Wholesale Division, due to the uncertain market environment. Revenues other than those in the three segments also declined due to the absence of a one-time factor that had been recognized in the previous year and the transfer of consolidated subsidiaries. As a result, companywide revenues declined 25% year on year. Non-interest expenses decreased mainly due to lower personnel expenses driven by reduced bonus provisions in alignment with business results. However, the yearly decrease was offset by a loss on impairment of goodwill attributable to the Wholesale Division. The results of the fiscal year under review were extremely disappointing, with a loss before income taxes of ¥37.7 billion and a net loss attributable to Nomura Holdings shareholders of ¥100.4 billion.

EPS (Diluted net income (loss) attributable to Nomura Holdings shareholders per share), and ROE



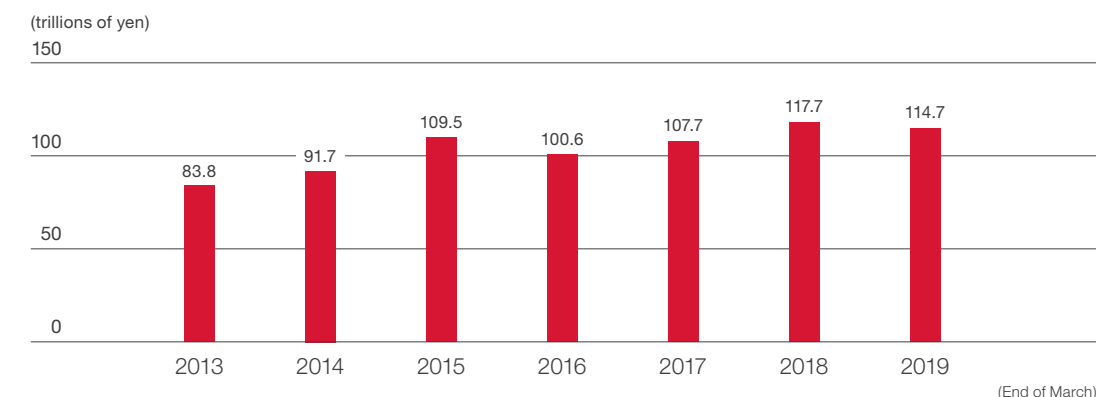
Background of emphasis on this indicator

In August 2014, our 2020 management vision was to create an organization capable of consistently delivering EPS of ¥100 under any market environment, which equates to approximately 10% in ROE.

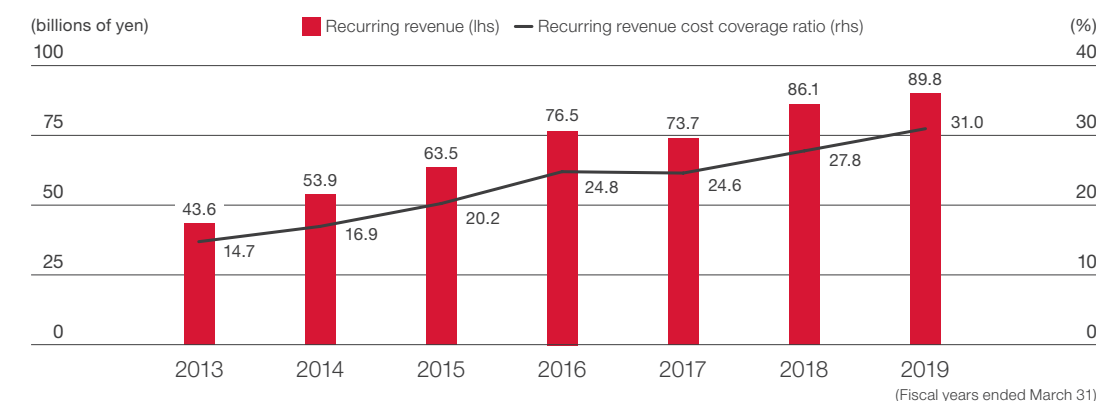
Achievements

EPS for the year ended March 31, 2019, fell sharply to ¥-29.92. Although it is highly likely that we will postpone the achievement of the EPS target of ¥100, we are working to rebuild our business platform on a company-wide basis so that we can return to a growth trajectory as soon as possible.

Retail Division Retail client assets



Retail Division Recurring revenue, Recurring revenue cost coverage ratio



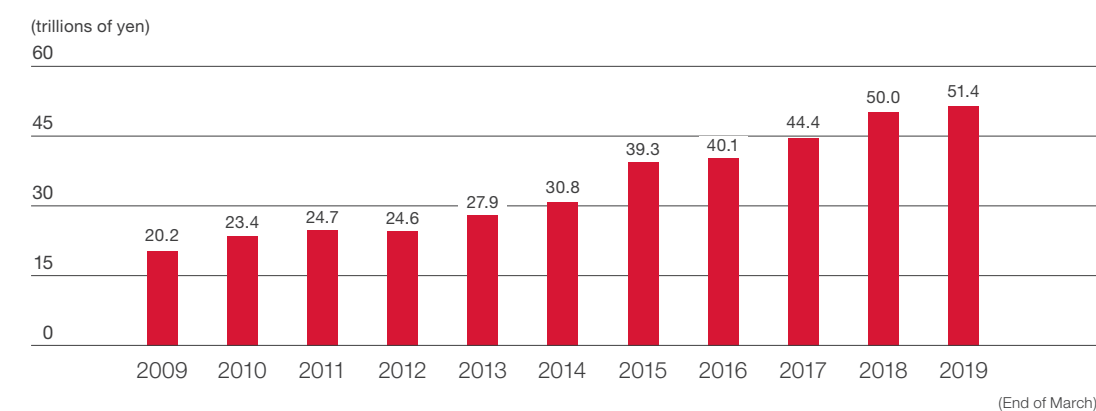
Background of emphasis on this indicator

Aiming towards “winning client trust” and “business expansion,” our Retail Division has been working to transform its business model since August 2012. As key performance indicators (KPI) for the fiscal year ending March 2020, we have set a target of ¥150 trillion in client assets and a 50% recurring revenue cost coverage ratio. As a result, we aim to build a stable revenue stream that is less susceptible to market fluctuations.

Achievements

As of the end of March 31, 2019, the client assets stood at ¥114.7 trillion, recurring revenue stood at ¥89.8 billion and recurring revenue cost coverage ratio was 31.0%. Although it will take some time to achieve each KPI goal, the direction of our efforts will not change. In fiscal 2020, we will review our channel formation and enhance our product and service strategies to build a more tailored structure to meet client attributes and needs.

Asset Management Division Assets under management



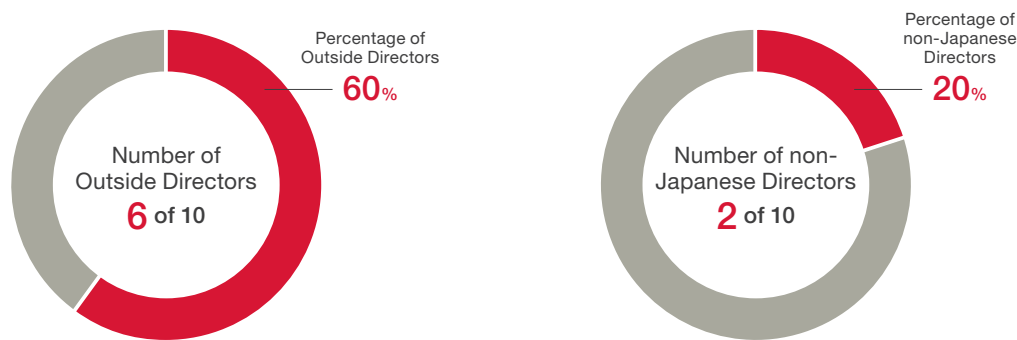
Background of emphasis on this indicator

Asset Management aims to increase the assets under management by offering high-quality products and solutions that meet client needs while delivering the best performance based on the our philosophy of “placing our clients at the heart of everything we do”. As a key performance indicator (KPI) for the year ending March 31, 2020, we have set a target of ¥55 trillion in assets under management.

Achievements

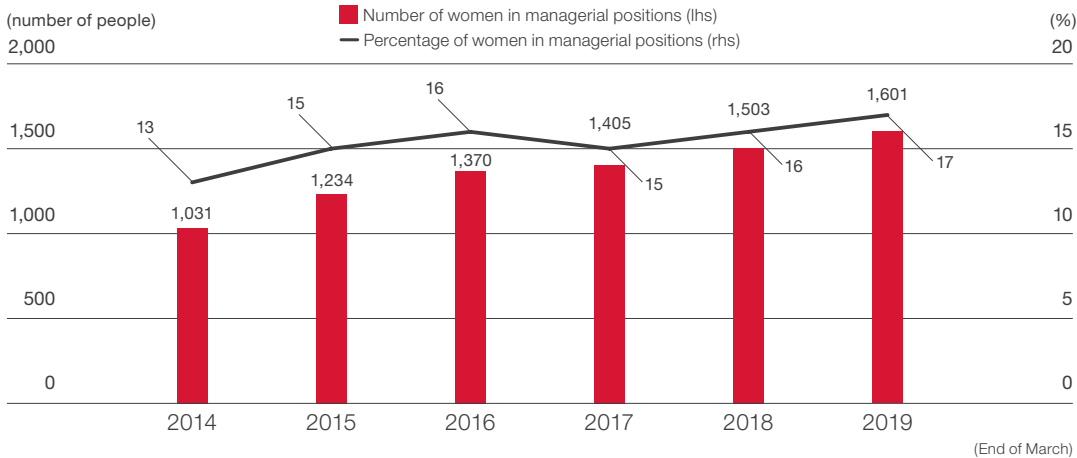
As of the end of March 31, 2019, assets under management reached a record high level of ¥51.4 trillion, and we are making steady progress toward our KPI targets. This is supported by market factors and continued inflows of funds. In addition to improving the performance of asset management products and strengthening our ability to propose asset management solutions, we are also enhancing our ESG initiatives and alternative asset management.

Members of the Board of Directors (As of June 30, 2019)



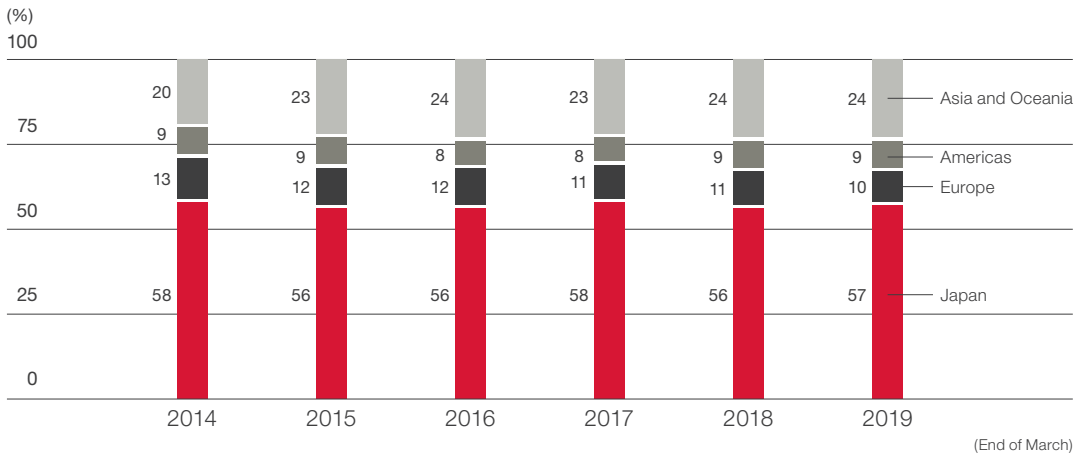
The Board of Directors comprises a majority of Outside Directors, which enables it to conduct highly-transparent management while enabling oversight based on outside perspectives. The Nomination Committee has established the Independence Criteria for Outside Directors to ensure that Outside Directors are sufficiently independent from the Group. We place importance on the diversity of the Board of Directors in order to allow business execution to be supervised from various perspectives and to improve effectiveness. Directors with different nationalities, genders, and backgrounds utilize their extensive experience in a broad range of fields to make decisions on important management matters, and to provide management oversight.

Women in managerial positions



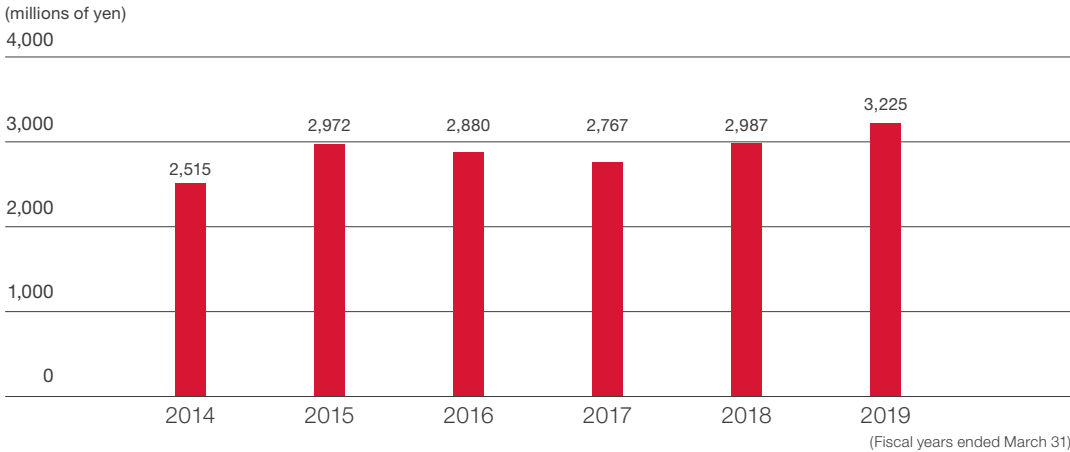
We promote initiatives globally to support women in improving their careers, including training programs to help managerial candidates design their careers, a mentoring program for managers, a sponsorship program in which executive officers support management candidates, along with various other measures.

Ratio of employees by region



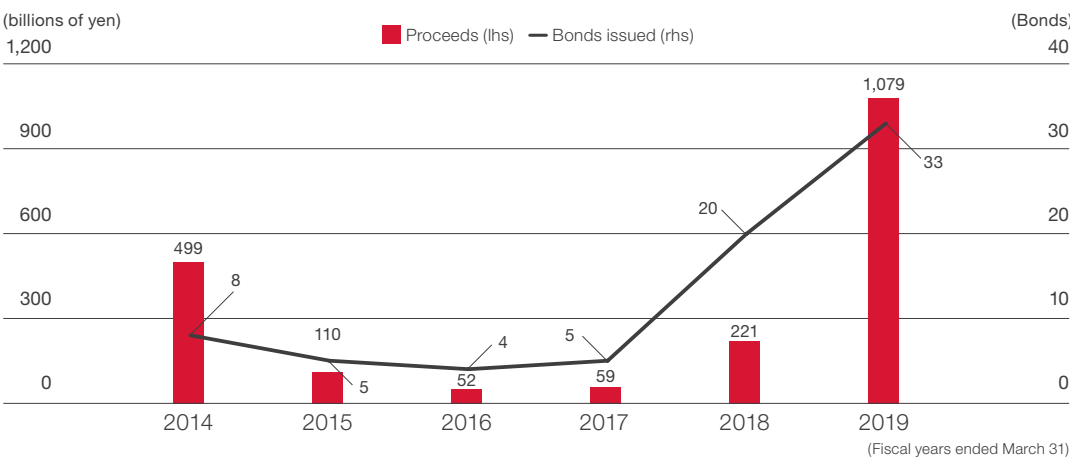
Nomura Group boasts a network consisting of business sites in more than 30 countries and regions staffed by employees of approximately 90 different nationalities. To offer clients a broad range of products to address diverse investment needs, it is important that personnel of different ages, genders and nationalities continue to create new value-added utilizing their unique backgrounds. These diverse personnel are our greatest assets.

Education and training expenses



We are establishing and enhancing human resources development systems to enable employees with diverse backgrounds and values to better display their talents. In addition to offering equal employment, we provide appropriate, performance-based evaluations and feedback. Also, we help employees proactively build their careers by providing fulfilling educational and training programs for all personnel ranks.

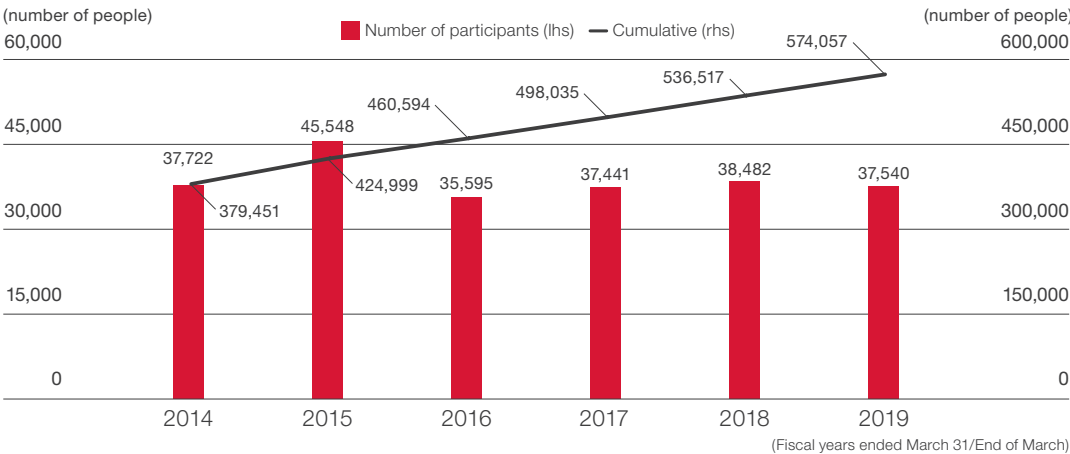
Sustainable finance issuance amount



Nomura offers products that serve as a bridge between investors that seek to contribute to society through investment, and projects and financing needs aimed at resolving social and environmental issues. Nomura also promotes initiatives aimed at achieving the Sustainable Development Goals (SDGs).

*ESG bonds in which Nomura Securities is involved

Participants in financial and economics education



Increasing financial literacy leads not only to enhanced asset formation and improved living standards, but also contributes to the healthy development of capital markets and the proper circulation of capital. Nomura Group has been providing financial and economics education to people of all age groups in order to raise individuals' knowledge and understanding of finance and economics.

*Number of visiting classes (elementary, junior, senior high schools, universities, teachers), financial courses for universities and the general public

Management Interview

Richard Volpe

Global Head of Rates,
Head of Liquid Products, Americas**How has the Americas Rates platform evolved over the past few years?**

Americas Liquid Products, which includes US Rates and Agency Mortgages, is a key component of our Wholesale business offering. Over the years, both the Rates and Agency Mortgages businesses have established strong franchises with solid market share and competitive positioning in the Americas. In Rates, we have built a market-leading franchise across products including US Treasuries, Agencies, and Interest Rate Derivatives. In our client franchise, we have continued to expand and diversify our customer base, and have built deep relationships with real money clients, global macro hedge funds, asset managers, central banks, domestic and global banks, and insurance clients. Our US Agency Mortgages business continues to be a market leader across all our focus products. This is an area in which we have experienced and talented trading, sales, and research teams, which is borne out in our client

*1 Passthrough is a pool of multiple loans of the same type, such as mortgage bonds that is generally guaranteed by a government agency, such as Fannie Mae and Freddie Mac
*2 Bond issued by rearranging cash flows using passthrough securities as collateral *3 CommercialMortgage-Backed Securities

Michael Caperonis

Co-Head of Global Equities; Head of
Equity Trading and Corporate Credit
Trading, Americas**Can you talk about the areas you cover?**

I joined in January 2016 after being at US banks for over 15 years. My background was in convertible bonds, which was more credit focused, but I ended up managing all of Americas Equities Trading. I came here to run both Equities and Credit trading. In Credit, we've pivoted to Structured Credit since then.

share and market positioning. Since the inception of our business in the US, we've maintained top tier positioning in Passthroughs*¹ and Agency CMOs*². In Agency CMBS*³, we have built a market-leading franchise and strong driver of revenues. This sector was identified as a new focus area in 2011 and is a good example of the success our management team has had in developing new business opportunities, diversifying our revenue base, and delivering for clients.

What are the competitive advantages in your businesses?

Our most significant competitive advantage is our talent. As the old saying goes, "in our business, the real assets ride the elevators". We have an experienced and cohesive management team across our US Liquids businesses, many of whom came together at the inception of the US build-out in 2009/10 and have grown together with the US business.

How do you plan to stay competitive as the Fixed Income market shrinks and consolidates fee pools?

We are not as active in some of those areas, such as corporate bond issuances and subsequent derivative hedging around those issuances. Therefore we expect the impact on our business is likely to be limited compared to peers. We are also continuing to find ways to be more efficient and competitive in electronic trading. Through our Wholesale Digital Office, we are investing in Artificial Intelligence (AI). Globally, we'll start to leverage AI into our Euro Government Bonds trading efforts, followed by US Treasuries, and then to Japan Government Bond and Mortgages. Technology is always developing, so we need it to maintain and grow our US treasuries business. We'll need leverage technology across our platform and products to keep pace with our peers.

How does Nomura differentiate itself when attracting and acquiring talent?

We have a very talented team and strong platform. There has been a lot of turnover on the street, but key people here have stayed for a long time, which is a key strength. I believe Nomura has a very entrepreneurial and meritocratic culture. In a smaller, growing firm, the results feel more consequential.

How do you think Nomura can further grow the business in the Americas?

Our focus is on growing the business by offering clients high quality services and ideas from a consistent and talented team. We understand that our platform can't be competitive in every offering and product compared to larger banks, so we have to remain client-centric and focused on areas of strength. We have businesses that generate very solid returns and have an established track record of delivering for clients. We look forward to continuing to build on our recent momentum.

Since 2009, Nomura Group has been rebuilding its business in the Americas, which account for more than half of the global fee pool, as a strategic region. As Nomura Group's customer base has expanded, the recognition of Nomura Group has also increased. In this article, we introduce the growth trajectory and differentiators of the businesses of Global Markets in the Americas.

Samir Patel

Head of Equity Sales and Structuring,
Americas; Co-Chair of Global Markets
Sales Executive Committee**How has the Americas Equities platform evolved over the past few years?**

In the U.S., Equities revenues (excl. Instinet) grew for seven consecutive years prior to FY18/19. The Equities franchise has shown the ability to generate strong profitability in a consistent manner. In FY18/19, our revenues declined slightly due to an absence of major episodes of volatility in FY17/18, but the fundamental business is stronger than ever. In Equity Products in Americas, we have 4 core businesses; i.e. Flow Derivatives, Structured Derivatives, Convertibles and Prime Finance. 3-4 years ago, Structured Derivatives drove majority of the results for the platform, but today, it is much more diversified and balanced. We have continued to grow and diversify our client franchise. In the past, our client base was primarily hedge funds, but now features a diverse mix of private equity firms, asset managers, and corporate clients.

James Chenard

Head of Equity Capital Markets and
Solutions, Americas**What areas do you cover?**

Our business covers broad set of products and solutions for both corporates and equity investors of all types (including HNW/family offices, hedge funds, private equity firms, corporates and other asset managers). For corporates, we assist them in optimizing their equity capital structure through solutions including a) private equity financings (for both private growth companies and established public companies), b) IPOs and follow-on equity raises, c) convertible and other equity-linked financings, and d) dilution management and share repurchase solutions. For investors, we support the full "lifecycle" of a public equity investment, including a) equity stakebuilding transactions, b) hedging and monetization transactions, and c) structured equity disposition transactions.

What are some areas where Nomura holds a competitive advantage?

We have strong market share and product strength across Flow Derivatives, Convertibles, and Equity Financing. For example, our market share ranking in Flow Derivatives (U.S. Listed Options) improved from #11-12 in 2012 to #1 since 2017. It is an impressive result for Nomura, especially given that we have limited ECM, Prime Brokerage, and research offerings in Americas compared to our peers. Our leading position is a result of quality ideas provided by our strong and consistent team.

What areas represent challenges or opportunities for platform?

Our competitors have strong businesses in Prime Finance, Delta One, Structured Notes, and Corporate Derivatives. Nomura is not a deposit taking institution and does not have widely available funding sources like deposits. We are also not active in lending to corporate clients. So we remain a smaller player in these competitive areas. These previously mentioned businesses tend to earn stable revenues compared with other equity related businesses, and can therefore provide a cushion against volatility trading revenues. However, these stable businesses are very competitive, expensive and require infrastructure. Since we don't have scale in these areas, our cushion comes from Structured Solutions and Financing. We have client driven and high value-add businesses such as Equity Structured Financing, which complements secondary trading. As a result, we focus on our execution capability and generating high ROE.

What are areas of focus?

For private equity capital raises and IPOs, we focus on growth companies in a variety of sectors. For convertible issuances, the companies we work with are mostly in emerging, pre-revenue or pre-profit technology or healthcare sectors. Since these companies focus on optimizing cash burn and cannot support material traditional debt loads, engagement with these companies requires limited balance sheet commitment. Additionally, we have earned a reputation for delivering strong ideas with competitive pricing and risk appetite, so we are often invited to provide hedging services associated with convertible issuance even if we don't have a direct underwriting role in the convertible itself.

What do your clients value when working with Nomura?

We focus on providing customized solutions that play to our areas of strength and communicate candidly with our clients around businesses where we are less competitive or have a limited presence. Our clients greatly appreciate that we do not hold ourselves out as a platform that is "good enough" at everything, but instead one that is focused on being the best in the areas where we choose to compete. Our clients also deeply value the infrastructure we have built to maintain client confidentiality on extremely sensitive transactions.



Satoshi Arai
Head of Retail

29 Review of FY2018/19

Retail Division

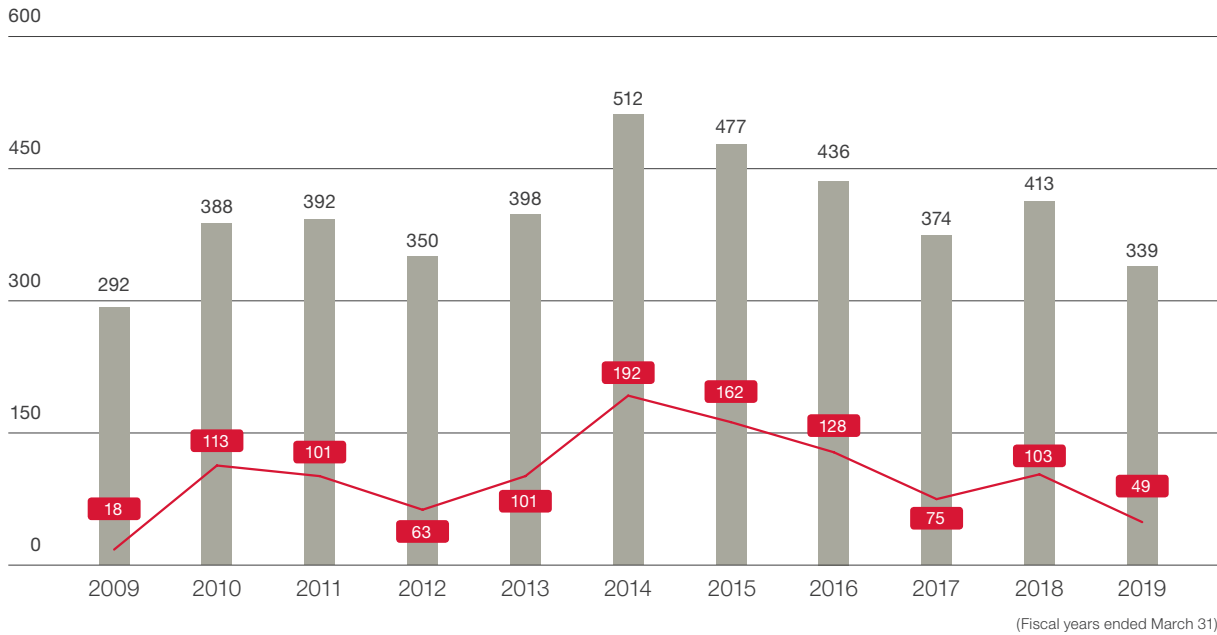
Nomura's Retail Division provides a variety of financial services to individuals and corporate clients in Japan through its headquarters, branches, call centers, and online. In addition to traditional investment products such as stocks and bonds, we offer consulting services such as inheritance planning, business succession, fund-raising, and corporate financial advisory based on client needs, financial assets, and life stages.

In the year ended March 2019, uncertainty widened over the political and economic environment due to US-China trade friction and concerns about a slowdown in the global economy. Net revenue was ¥339.5 billion and income before income taxes was ¥49.5 billion, reflecting a decline from prior year due to a decrease in stock and investment trust transactions from weaker investor sentiment.

Since 2012, our Retail Division has been transforming its business model and enhancing its approach to consulting type businesses by providing products and services that meet client needs. This initiative increased our client satisfaction, leading to asset inflows. Additionally, contribution from large-scale IPOs resulted in net cash inflows over ¥2 trillion.

*Cash and securities inflows minus outflows, excluding regional financial institutions

Business Performance (billions of yen) ■ Net revenue — Income before income taxes



No. of accounts, retail client assets

No.1 in Japan

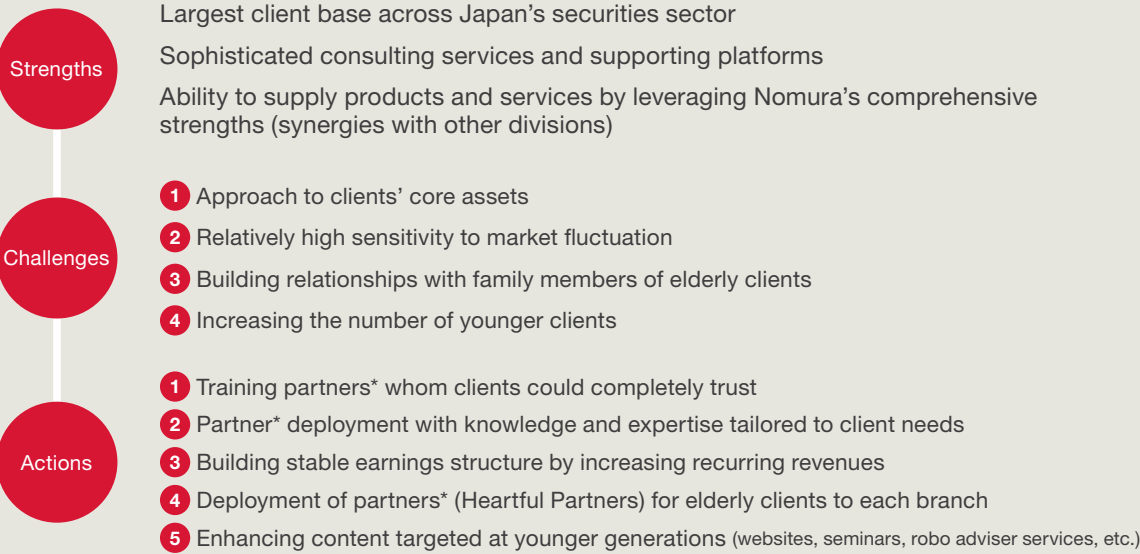
5.34 million accounts with balance
¥114.7 trillion of retail client assets

As of March 31, 2019

Japan Investor Satisfaction Study
(full-service securities category)

No.1 ranked for 7 consecutive years

J.D. Power Japan 2012 - 2018



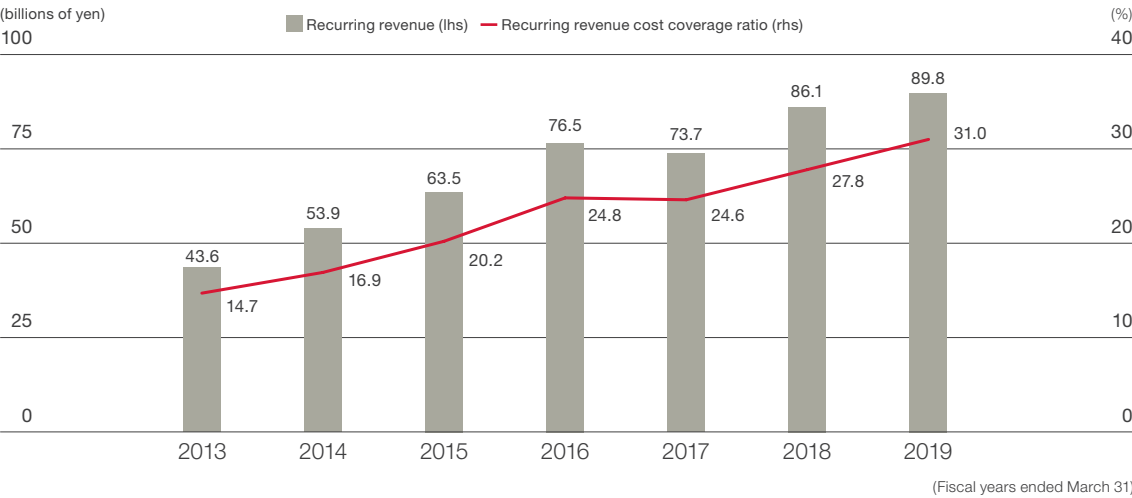
*We call our sales representatives "partner" because we want to be the most trusted financial service group for clients

Measures in response to changes in the environment

Our Company has been working to transform its business model with the aim of becoming a trusted financial institution by many clients. As a result of transforming our business model into more consulting type businesses from our traditional brokerage dependent business, we are steadily increasing the

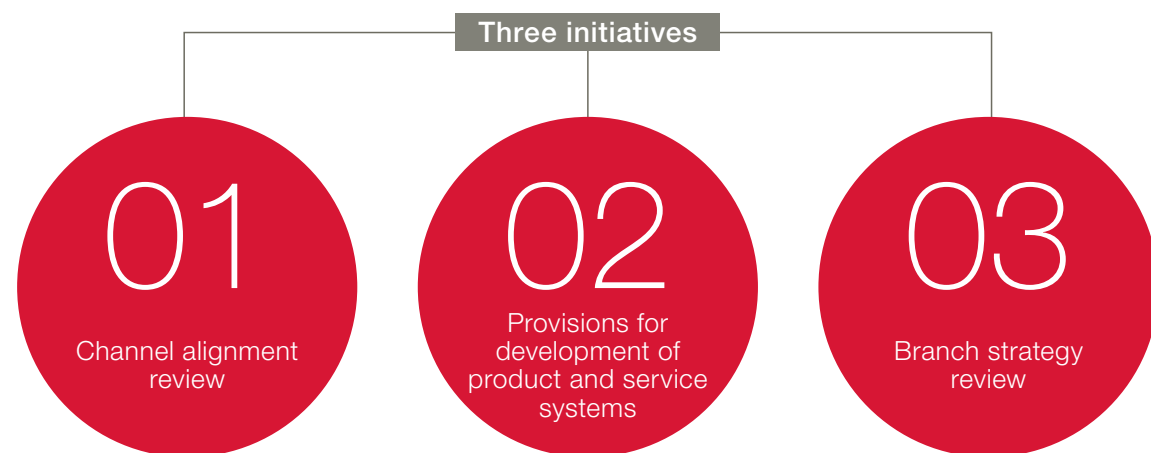
balance of assets under custody, as well as our recurring revenue from endeavor to meet client needs. Moreover, reducing our costs have also contributed to improve our recurring revenue cost coverage ratio. We will continue to build more stable business platform going forward.

Recurring revenue performance



Organizational structure review

Based on the Nomura's philosophy of "Placing our clients at the heart of everything we do," our Retail Division, since 2012, has reformed its business model to offer sophisticated consulting services in order to meet client needs. In response to the changing times and the increasingly diverse and sophisticated needs of our clients, we have restructured our organization so that we can continue growing client trust.



02

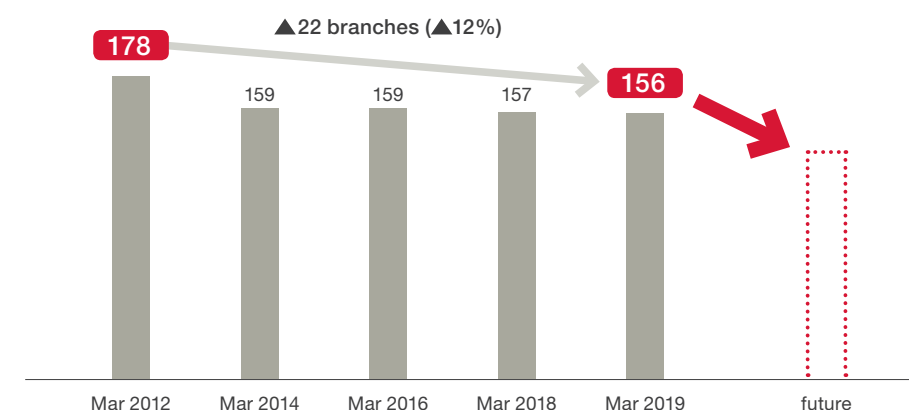
Providing products and services that meet client needs

We will enrich our traditional asset management proposals with stocks, investment trusts and bonds, which are our company's core services. We will also expand our offering of non-traditional products such as solutions centered on real estate and operating leases, and alternatives. Moreover, we will strengthen collaboration between our branch offices and head office to offer products and services that are even better suited to the types and needs of our clients.

03

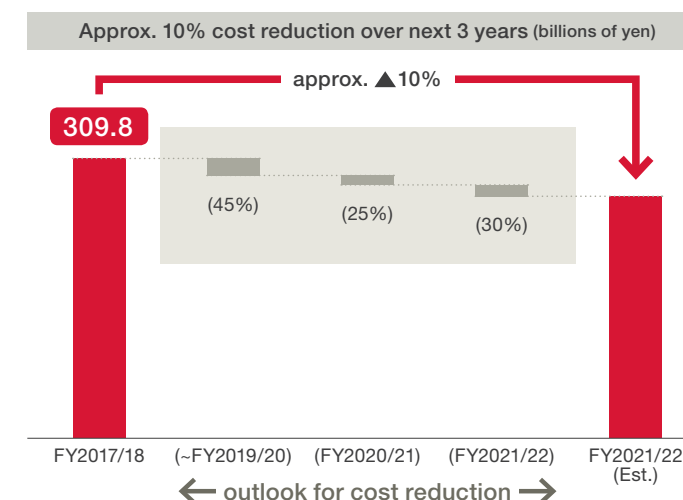
Branch Strategy: Building a structure to meet diversified client needs

Recent advances in technology, changes in age groups of our client base, and diversifying needs have dramatically changed the functions and roles required of our branches. In light of these changes in the business environment, we have decided to reconsider our branch strategy. By September 2019, 25 branches in the Tokyo, Osaka and Nagoya areas will be merged into existing branches in the vicinity. At the same time we will deploy partners to each of our branches based on their knowledge and expertise to meet diversifying client needs. Additionally, we will enhance our branch functions, attractiveness and value to create user-friendly and comfortable spaces.



Cost Reduction

Over the next 3 years, we are planning to reduce Retail Division costs by about 10%, or about ¥30 billion. We are planning to realize cost saves from reviewing our costs of systems, sales and administration, real estate, etc. by fiscal year ending March 2022.

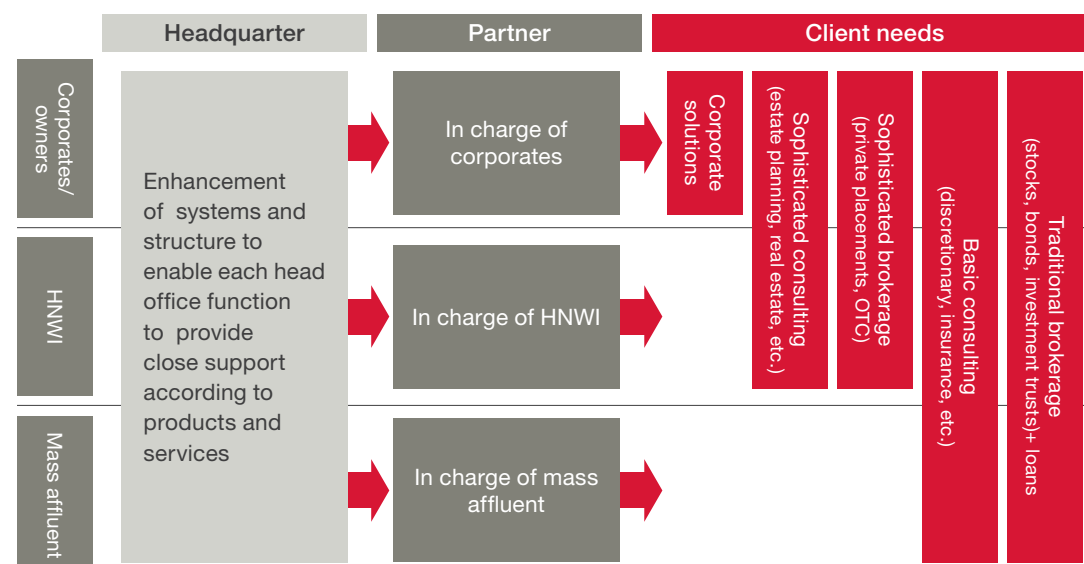


01

Channel alignment review

There were some instances in which partners were not able to adequately provide services to meet client needs since each partner is responsible for a broad range of clients. By reviewing our organizational structure, we clarified the areas of responsibility for each channel and deployed partners with the appropriate knowledge and expertise to each channel in order to provide appropriate services and meet client needs.

We also utilized technology to centralize transaction confirmations, administration, and other operations previously performed by each branch to the head office, further reducing the burden on each branch and partner. This initiative created more time for each partner to interact with clients to provide better products and services.





Junko Nakagawa
Head of Asset Management

Asset Management Division

Nomura’s Asset Management Division, which is led by its core entity, Nomura Asset Management (NAM), employs approximately 1,400 professionals in 12 countries and regions around the world, including Japan. It focuses on delivering high-quality investment strategies, products and services not only to individual investors in their respective regions, but also to a wide range of investors, including pension funds and institutional investors.

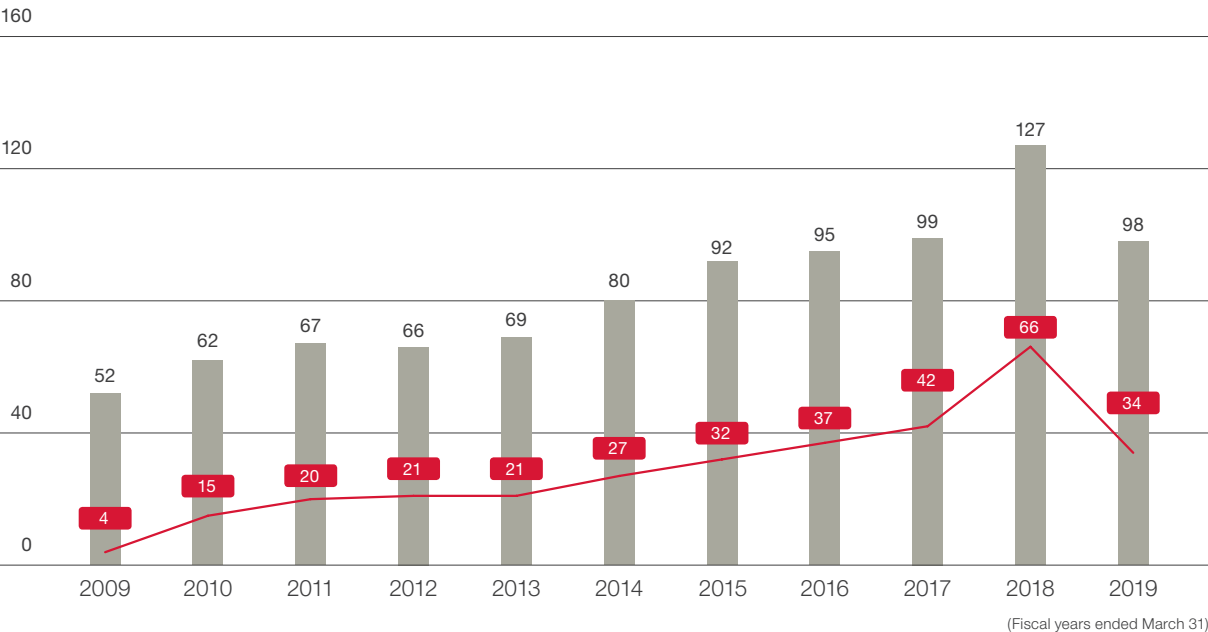
As an asset management firm practicing responsible investment, by accurately identifying the diverse investment needs of clients around the world, we aim to deliver not only superior investment returns, but to contribute to the growth and development of capital markets through stewardship activities, including dialogue with the companies in which we invest.

Review of FY2018/19

In the fiscal year ended March 2019, net cash inflows totaled approximately ¥2.2 trillion. This was due to the expansion of ETF (Exchange Traded Funds) and investment trusts for defined contribution pension plans in the domestic investment trust business, and by winning new mandates overseas in the investment advisory business. As a result, assets under management as of the end of March 2019 increased from the previous fiscal year to ¥51.4 trillion.

Net revenue for the full year was ¥97.8 billion and income before income taxes was ¥34.2 billion. Although revenue grew due to an increase in the assets under management, net revenue and income before income taxes decreased year on year due to outflows of publicly offered investment trusts for individual investors in Japan and valuation losses from changes in the market value of equity interests in strategic partner American Century Investments (ACI).

Business Performance (billions of yen) ■ Net revenue — Income before income taxes



Assets under management

¥51.4 trillion

As of March 31, 2019

ETF asset under management

No.5 in the world
(No.1 in Japan)

As of March 31, 2019

Strengths

High-quality investment management and investment research capabilities on a global basis
Ability to provide investment solutions to meet the various investment needs of domestic and overseas investors
Knowledge and talent to explore new industry challenges, such as the development of advanced investment strategies

Challenges

To enable sustainable growth of the Asset Management Division

- 1 Further increasing its presence in the highly competitive asset management industry in Japan and overseas
- 2 Stimulating the attractiveness of asset management for domestic individual investors and cultivating a new investor base
- 3 Diversifying revenue base and strengthening business base through expansion of overseas business
- 4 Initiatives to implement digital technology, including development of investment strategies and inducing business process transformation

Actions

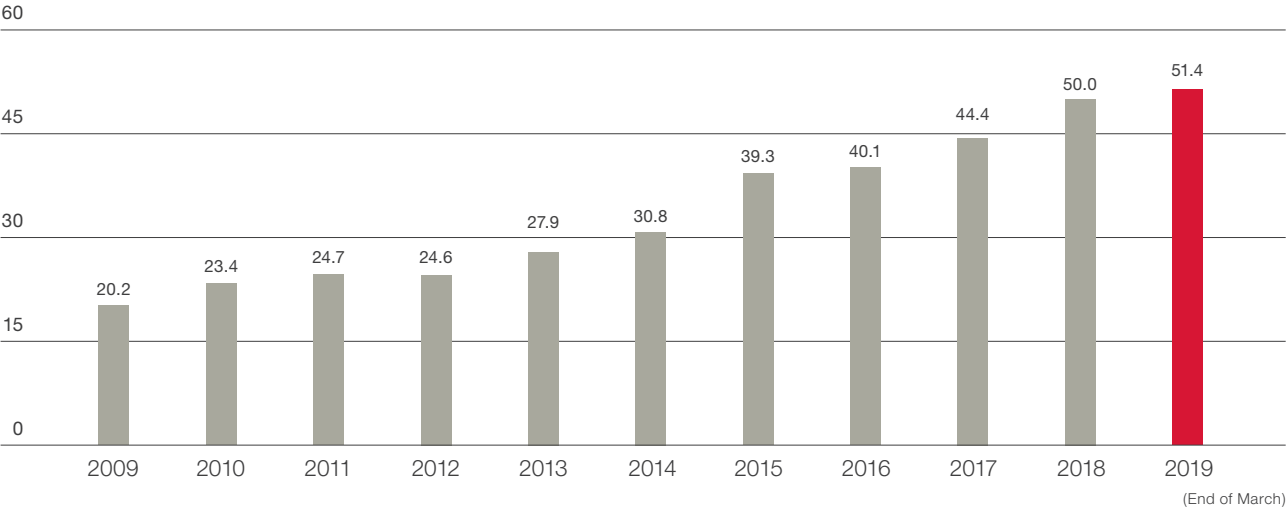
- 1 Clarification of “differentiators” in investment strategies, products and services
- 2 Provide services and products which will draw attention towards investment to investors in various life stages
- 3 Effective resource allocation in overseas business, both in investment and marketing
- 4 Strengthen human resources and development of infrastructure to promote digitization

Measures in response to changes in the environment

Based on our philosophy of placing clients at the heart of everything we do, the Asset Management Division is working to grow assets under management through initiatives that respond to the changing business environment, client investment needs, and social demands. In recent years, we have focused on the following initiatives.

- Enhance marketing efforts to expand the base of domestic individual investors
- Support responsible investing through dialogue with companies and practicing ESG initiatives
- Acquire talent required for promotion of research and development of advanced technology research in asset management

Assets under management
(trillions of yen)



Medium- to long-term strategy in an increasingly competitive environment and diversifying client needs:

The asset management industry expects to continue growing steadily as the global economy develops.

At the same time, the prolonged low interest rate environment in developed countries and other regions as well as increasing political and economic uncertainty has created various challenges to the industry. We are increasingly required to provide differentiated and sophisticated investment strategies, products and services to meet investor demands. Along with the consolidation activities within industry players to expand product lines and to achieve cost competitiveness through scale, the competitive environment within the industry is becoming intense, due to new entry from other industries.

Under these circumstances, the Asset

Management Division aims to provide results that exceed expectations around the world by promoting client-oriented business operations based on Nomura Asset Management's corporate philosophies of "Maximizing Value", "Advanced Expertise" and "Confidence and Responsibility".

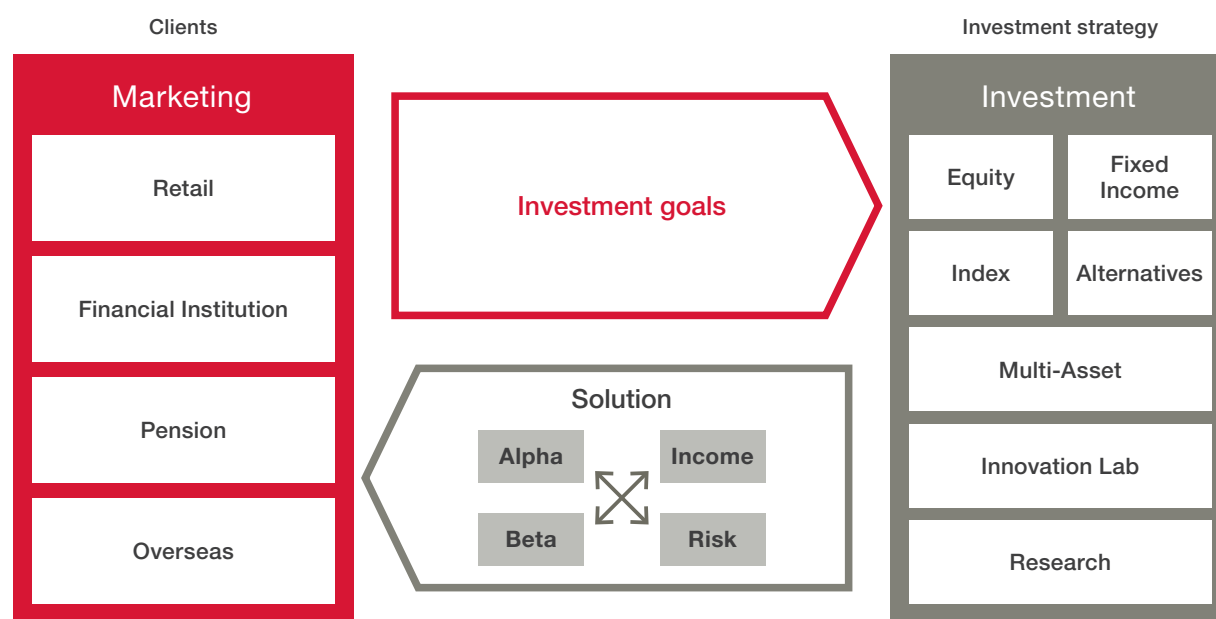
To this end, we not only aim to provide superior investment returns to investors, but also focus on addressing social issues such as the SDGs through our business and by practicing responsible investment. Also, as the trend toward digitization accelerates, along with the development of investment strategies utilizing a wide variety of information and data, we are actively taking measures to respond to changes in the business environment through making full use of technology.

01

Differentiation in asset management services

In response to the diversifying needs of our clients, in addition to providing superior investment returns, the Asset Management Division is working on developing differentiated investment services, including expansion of alternative investment product line-ups and developing investment strategies that combine multiple asset classes.

Provide solution best suited for each client



02

Expansion of client base

The Asset Management Division is carrying out various initiatives, both face-to-face and through online, to persuade a wide range of investors, to understand the benefits of investment. For people without investment experience, we are developing products and services which would fit with the needs for them and to make them become more familiar with asset management and investment trusts. For a wide range of investors, including retirees, we are working to deepen their understanding of investment trusts by offering products and services tailored to their respective life stages and by providing information through seminars and other means.

03

Overseas business initiatives

In the overseas markets where growth is expected to continue, the Asset Management Division is working to strengthen its business presence while allocating management resources effectively. Along with our efforts to improve our investment and research capabilities at our overseas offices, we are working to increase our assets under management by expanding our unique investment strategies for our overseas clients, including clients in developing regions.

04

Promoting activities as a responsible investor

The Asset Management Division contributes to the development of society by fulfilling our social responsibility of supporting the building of wealth of investors. Such activities include, proactive engagement with companies to enhance their corporate value (engagement activities), offering investment products identifying ESG issues and providing investment education.

05

Promotion of digitization

Utilizing "Innovation Lab" established in 2017 as a hub, we are working to implement digital technology into our series of investment products. In order to expand the application of digital technology beyond the investment domain, we are also focusing on the recruitment and training of human resources in the digital field.

Expertise to Exceed¹

Reflecting the spirit of our corporate slogan, "Expertise to Exceed," we will continue to challenge to be successful under a changing business environment. Our employees will strive to achieve further growth and continue to deliver our expertise to satisfy the needs of our clients.



Steven Ashley
Head of Wholesale

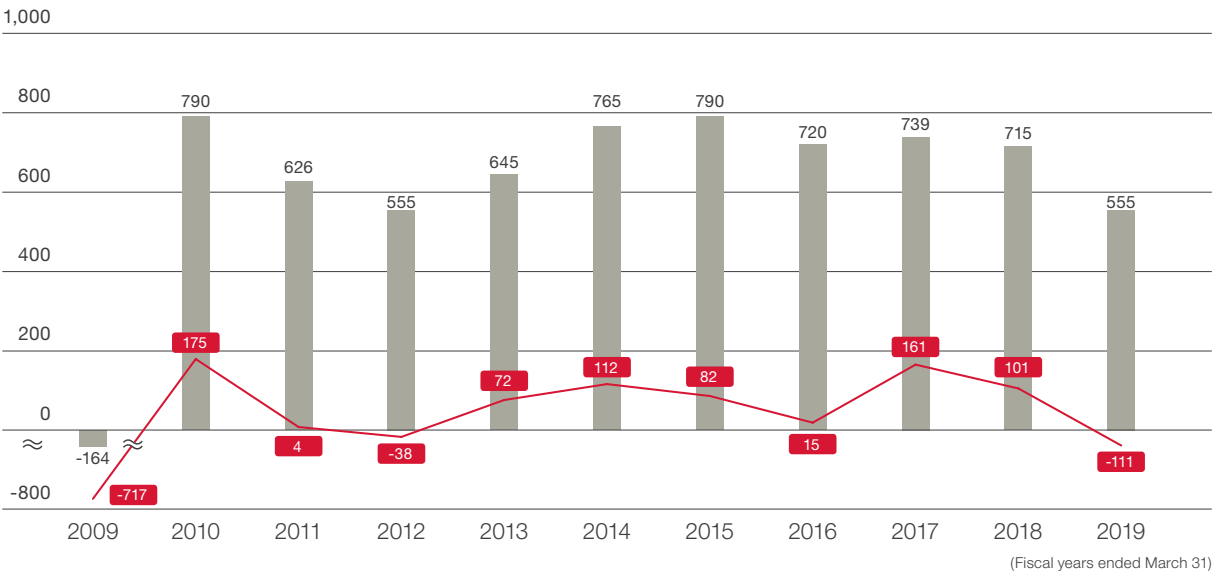
Wholesale Division

The Wholesale Division is comprised of two business units: Global Markets, which provides financial products and solutions and secondary market liquidity, and Investment Banking, which offers capital-raising and advisory services. The Division provides diverse services to a broad range of clients including corporates, government entities and financial institutions both in Japan and overseas.

Review of FY2018/19

The year ended March 2019 was a particularly tough year across the street, characterized by geopolitical uncertainty and persistent low volatility, leading to directionless markets, and low client activity. In this environment, Wholesale revenue declined to ¥555.4 billion year-on-year, particularly in the Fixed Income businesses. Also, we recognized goodwill impairment charge of ¥81 billion in relation to the acquisitions of Instinet in 2007, which is our Wholesale business platform and Lehman Brothers in 2008. As a result, loss before income taxes was ¥111.4 billion.

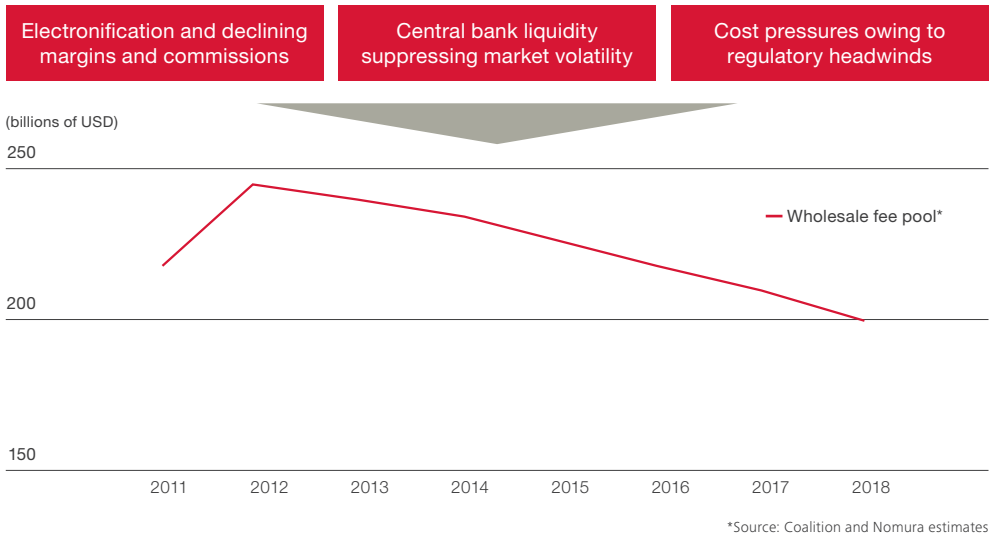
Business Performance (billions of yen) ■ Net revenue — Income (loss) before income taxes



Measures in response to changes in the environment

Contributing to the deterioration in our performance was the relatively stronger susceptibility of our business model to the challenges presented by market turbulence created by geopolitical uncertainty such as US-China trade friction and Brexit opacity. Additionally, looking further back to the period immediately following the financial crisis, factors such as a shift toward increasingly restrictive regulation, declining market liquidity brought about by monetary easing activity by central banks, and an increase in electronic trading coupled with margin and commission rate compression

due to technological advances, have contributed to the continued decline in the global feepool since 2012. To respond to these changes in the operating environment, the Wholesale Division has reviewed its business portfolio and taken cost-cutting measures. At the same time, the Division has made selective investments in growth areas such as origination businesses and the U.S. market. In April 2019, we announced a new business strategy. We restructure our business platform to deliver consistent pretax income of approximately \$1 billion.



Market share / Awards

Japan		Overseas	
#1	Japan related ECM*1	#1	US Equity Flow Derivatives*1
#1	Market share in Japan Stock Exchange*2	#3	Consistently Top 3 player in AEJ Credit*2
#3	Market share in JGB*2	#1	Volatility Derivatives House of the Year*3
#1	Research House*3	#1	Algorithmic Trading: Best Market Access (Instinet)*4

Source: *1: Refinitiv, April 2018 - March 2019 *2: Greenwich, January 2018 to December 2018 *3: Institutional Investor 2018 *4: The TRADE, 2018

Strengths

Challenges

Actions

Leading position in Japan
Core International businesses

- Underrepresented in key large markets in international regions
- Portfolio skew towards secondary businesses, which face market headwinds
- Excessive organizational complexity

- Focusing resources in growth areas
- Building niche strengths in International regions leveraging cross-border synergies
- Strategic actions streamlining uncompetitive secondary businesses
- Overhaul business and regional matrix structure

New Business Strategy

In secondary businesses, many of the recent market challenges emerged and are expected to persist, which is one of the core issues for Wholesale. In order to adapt to the evolving business environment, we have embarked on a new strategy, and we are in the midst of shifting our resources and focus towards the Primary, Advisory and Solutions businesses, where we have traditionally been underweight.

In addition to the aforementioned changes, we have also taken actions to scale back certain international platforms to reduce costs and rebalance our reliance on secondary businesses. We are now in the midst of embedding a client centric Wholesale business, and focus on three strategic objectives:

01

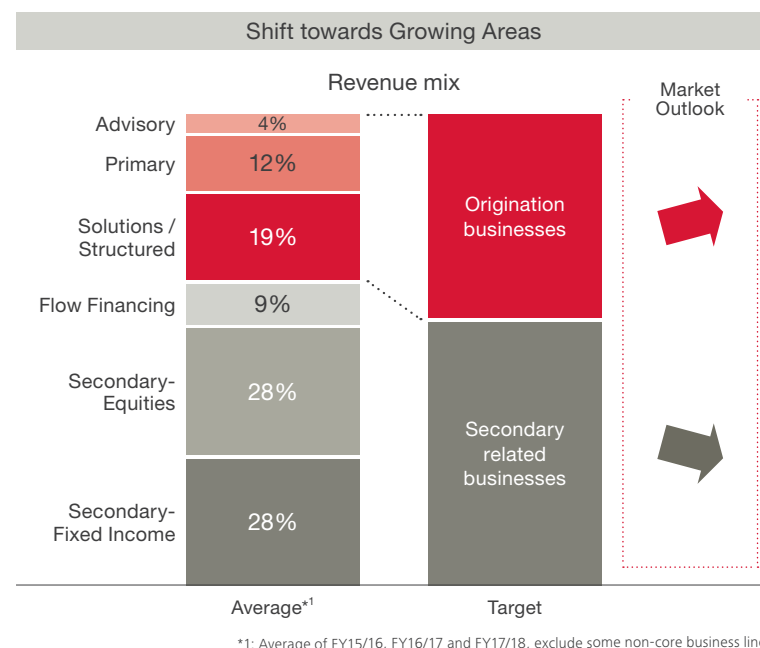
Scaling up presence in large single markets

02

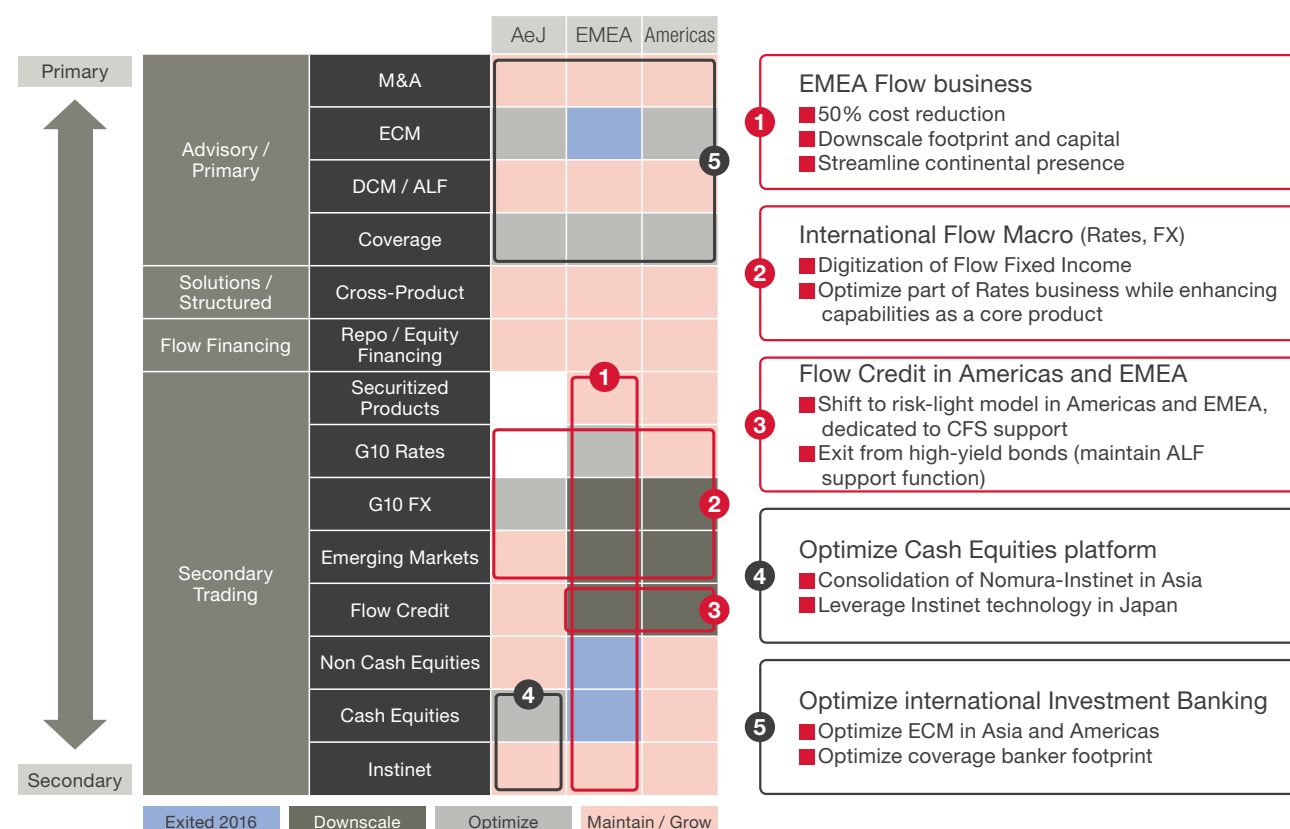
Focused client strategy to underpin growth

03

Pursue growth opportunities by leveraging technology



Overview of Right-Sizing of International Franchise



0-

Scaling up presence in large single markets

While our franchise continues to be dominant in our home market of Japan, we focus on large single markets like US and China. In Japan we continue to further enhance client relationships, particularly with regional financial institutions and Corporates. Internationally, we first focus on areas of competitive strengths and enhance cross-border business in middle market in Americas. In mid-term, we pursue growth opportunities in China.

02

Focused client strategy to underpin growth

Our second strategic objective is focused on ensuring we fully meet the needs of our clients. As the needs of our clients grow increasingly more sophisticated and the pace of globalization continues to accelerate, the importance of delivering the full capabilities of our firm in a bespoke manner to each clients also continues to grow.

Key to achieving this is ensuring we provide a fully integrated offering across Wholesale to serve our clients and grow in strategic areas such as with Corporates. To this end, we have recently created the Chief Client Officer function, responsible for driving unified client approach across Global Markets and Investment Banking. We will leverage our refined cross-business approach to grow our cross-border business.

Additionally, the firm took decisive action to simplify our business and regional matrix structure. This reorganization has simplified business flows which will support our efforts to drive cross-regional activity as well as enable our organization to efficiently deliver the full capabilities of our firm in way which is matched to the specific needs of each client.

03

Pursue growth opportunities by leveraging technology

Digitization is likely to transform the financial sectors industry. Artificial intelligence, automation and further digital adoption are critical to implement in our day-to-day work for productivity gains. We established the Wholesale Digital Office in early 2018 to adopt new technologies to enhance our efforts in both sales and trading execution. From this office we created 'Komainu', a digital asset custody platform and also delivered a joint venture with Brevan Howard for artificial intelligence led market making platform. Going forward we will focus on three main tech areas.

Agency Execution

- Further deepening relationships with largest institutions
- Further expansion of business across regions, and asset classes

AI Led Flow Market Making

- Use of AI to enhance revenue growth potential as well as improve cost efficiency in Flow market making businesses

Digital Asset Custody Solutions

- Custody solutions for digital assets that meet needs of institutional investors
- High-level of security that meets demands of commercial bank clients and can be used for various digital assets

Sustainability



Fundamental approach

To fulfill its social responsibilities as a corporate citizen, the Nomura Group actively engages in ESG activities to contribute to the development of the securities market through its business activities as well as to achieve sustainable growth and resolve social challenges. In addition, recognizing that initiatives to address ESG-related challenges are important to help contribute to its customers and society and maintain and enhance its corporate value, the Nomura Group properly promotes and manages these activities as a group-wide effort. The basic policy on sustainability is set forth in Our Founder's Principles established by founder Tokushichi Nomura, the Nomura Group's Corporate Philosophy and the Code of Ethics of the Nomura Group.

 Code of Ethics of Nomura Group
<https://www.nomuraholdings.com/company/basic/ethics.html>

ESG execution process

The Nomura Group reorganized the CSR Committee chaired by an executive officer into the ESG Committee chaired by the Group CEO in FY2018/19, in an attempt to deal with issues related to ESG in ways that are more strategic than before. Nomura Group executives in charge of businesses and corporate affairs comprise the ESG Committee. The Committee is responsible for developing business policies on ESG-related risks and opportunities for the entire Nomura Group and approving and deciding on related activities. The activities of the ESG Committee are reported to the Board of Directors and the Executive Management Board as the occasion demands. The Committee also examines the operations of specific businesses that contribute to sustainable development

Outline of the ESG Committee		
	Before reorganization	After reorganization
Chairman	Senior Managing Directors	Group CEO
Meeting frequency	Once or more	Twice

goals (SDGs) set by the United Nations. In FY2018/19, we held two meetings of the ESG Committee to discuss the formulation of the Nomura Group ESG Statement, the review of material ESG issues (materiality) and response to TCFD, among other matters.

 ESG Committee
<https://www.nomuraholdings.com/csr/group/>

Established Nomura Group ESG Statement

In January 2019, the Nomura Group established the Nomura Group ESG Statement to further promote the realization of a sustainable environment and society by informing stakeholders of our approach to ESG-related activities and our envisaged response to environmental and social risks. We will continue to contribute to the economic growth and sustainable development of society based on this policy.


 Nomura Group ESG Statement
<https://www.nomuraholdings.com/csr/group/>

Established medium and long-term CO₂ emission reduction targets

In December 2018, we established medium and long-term CO₂ emission reduction targets for the entire Group, including its companies in Japan and overseas. We will work on reducing CO₂ emissions in a concerted effort involving the entire Group as a financial services group that develops business globally.

Medium / Long-term CO₂ emission reduction targets of the Nomura Group (global)

Area	Global	
Target type	Absolute	
Base year	FY2012/13	
Target years	Medium-term	Long-term
	FY2030/31	FY2050/51
Level	32% reduction	65% reduction

 Environmental initiatives
<https://www.nomuraholdings.com/csr/environment/>

Initiatives to foster an awareness of the SDGs

In September 2018, we conducted group work on the subject of the SDGs in the Nomura Group Executive Meeting to examine the association between our long-term vision (Vision C&C) and the SDGs. The participants were divided into groups to discuss how to build a business footing for the Nomura Group to enable it to grow sustainably, regarding the SDGs as a business opportunity, and presented the content of their discussions. We will continue to further our initiatives to foster an awareness of the SDGs among the internal management. We also hold a regular workshop on the SDGs for all employees. To speak at the workshop, we invite Kaoru Nemoto, Director of the United Nations Information Center Tokyo, and Ryobun Santo, a biology teacher at a private high school and an advisor to an NPO named Think the Earth SDGs for School. Employees who have taken part in the workshop have made comments such as, "I consider our future mission to be creating business that will contribute to the achievement of the SDGs." We will work to ensure the penetration of the SGD throughout the entire Group by continuing to hold the workshop.



Conducted group work on the subject of the SDGs in the Nomura Group Executive Meeting.



Held a workshop on the SDGs for all employees by inviting Kaoru Nemoto, Director of the United Nations Information Center Tokyo.

Initiatives for TCFD (Task Force on Climate-related Financial Disclosures)

TCFD is a private sector-driven task force established by the Financial Stability Board (FSB), and it asks companies to enhance the disclosure of information on climate change. Nomura Holdings and Nomura Asset Management pledged their support for TCFD in FY2018/19. They also participate in the TCFD Consortium that was established in May 2019 as a forum for discussions among the companies that have endorsed TCFD on the effective disclosure of information on the opportunities and risks that climate change will bring to business and their initiatives to cause the disclosed information to lead to appropriate investment decisions. We have also established a cross-organizational project team within the Nomura Group to promote investigations for more appropriate information disclosure.



Strengths supporting value creation



Corporate Governance

P43



Compliance

P53



Risk Management

P59



Sustainable Finance

P65



Financial Literacy

P69



Human Resources Strategy

P71

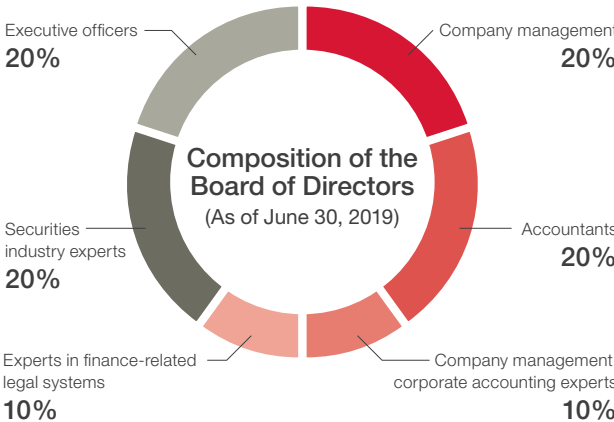
Corporate Governance

Fundamental approach

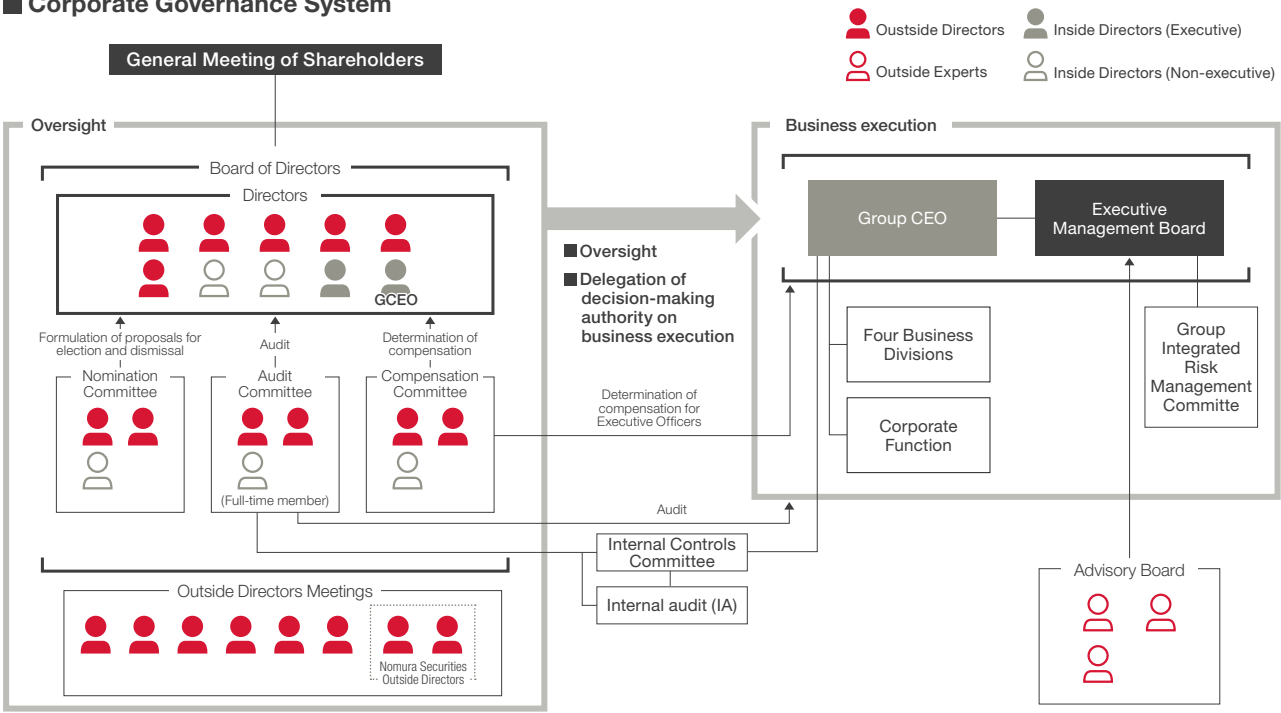
Nomura Holdings recognizes that the enhancement of corporate governance is one of the most important issues in achieving management's goal of enhancing corporate value by deepening society's trust in the firm and increasing the satisfaction of stakeholders, beginning with clients. As a company with Three Board Committees, we have separated management oversight from business execution. This separation of duties strengthens the oversight functions and transfers authority regarding business execution from the Board of Directors to the Executive Officers in a bid to accelerate the Group's decision-making process.

Board of Directors

Nomura Holdings has defined management oversight as the primary task of the Board of Directors, and maximizing corporate value in the medium and long term as their objective. To achieve a high level of impartiality and transparency in management, the Board of Directors has formulated the "Basic Management Policy," in which the Board of Directors elects the Group CEO and other Executive Officers in charge of corporate management, while also making key decisions on business execution. Our Board of Directors is made up of 10 directors, six of whom are independent Outside Directors. In order to properly perform its oversight functions, and to ensure active considerations from various perspectives, it is comprised of diverse members in regards to nationality, gender, backgrounds and other factors such as expertise in financial affairs, corporate management and other areas. It is chaired by a Director who does not serve as an Executive Officer.



Corporate Governance System



Main items discussed by the Board of Directors

The Board of Directors discussed the following matters in FY2018/19. In addition, Outside Directors Meetings were held four times this year to promote free and spirited discussion.

	Main agenda of the Board of Directors	Content of the discussion
Q1	FY2017/18 full year results, dividend payouts	Company overview, performance and market environment by division and region, situation of competitors, etc.
	Changes to the basic policy on dividends of surplus, etc.	Specifying total return ratio of 50% or more in the basic policy
	Business execution report	Current status of the Wholesale Division and future measures
	Key Performance Indicators (KPI) for client-oriented business operations	Key Performance Indicators (KPI) for realizing client-oriented business operations in Nomura Securities and Nomura Asset Management
	Risk management report	Operational status of risk appetite and unauthorized access to the systems of overseas subsidiaries
	Compliance reporting	Recent issues, money laundering and counter-terrorism financing measures
Q2	FY2018/19 1Q results	Company overview, situation by division and region, situation of competitors, etc.
	Business execution report	Establishment of a securities company in China and the outlook for business performance in the second quarter
	Report on audit activity findings	Responses from the executive side to recommendations from the audit committee
	Risk management report	Status of risk appetite management
Q3	Compliance reporting	Recent issues, money laundering and counter-terrorist financing measures
	FY2018/19 2Q results, dividend payouts	Company overview, situation by division and region, situation of competitors, etc.
	Business execution report	Strategies in Wholesale Division and Retail Division to address megatrends
	Revision of Corporate Governance Guidelines	Company's response to the revision of the Corporate Governance Code
	Verification of the appropriateness of strategic shareholdings	Review of the results of discussions by the Policy Shareholding Review Committee
	Risk management report	Status of Brexit compliance and risk appetite
Q4	Compliance reporting	Recent issues, money laundering and counter-terrorist financing measures
	FY2018/19 3Q results	Company overview, situation by division and region, situation of competitors, etc.
	Business execution report	Current status of each division and future measures
	Strategy for non-face-to-face sales	Collecting new clients using digital technology
	Human resources related reports	Introduction of new personnel system
	Business platform restructuring	Review of matrix management structure and corporate restructuring
	Risk management report	Selection of conduct risks, system risks, geopolitical events, and risks related to climate change as themes to be addressed in the Risk Appetite Statement for FY2019/20
	Compliance reporting	Most recent events, money laundering and counter-terrorist financing measures. Establishment of a special investigation team under the supervision of the audit committee for improper communication of information

Reinforcing the corporate governance system

While adopting a holding company structure and listing on the New York Stock Exchange (NYSE) in 2001, we introduced Outside Directors and established three discretionary organizations, namely the Compensation Committee, the Internal Controls Committee and the “Advisory Board,” in which outside experts discuss our Group’s management from various points of view. In 2003, we became a “Company with Committees, etc.,” which is now referred to as a Company with Three Board Committees. Specifically, the Nomination, Compensation and Audit Committees were established with a view to clarify the separation between oversight and business execution and improve transparency. In 2010, two additional Outside Directors from abroad joined the Board of Directors, which is now comprised of a majority of Outside Directors. In 2015, we established “Nomura Holdings Corporate Governance Guidelines” to provide a mechanism for enhancing our corporate governance along with “Outside Directors Meetings” where they discuss matters related to our

business and corporate governance. In addition, we invited Asian experts as members of the Advisory Board, which is designed to upgrade our corporate governance, helping us evolve into an “Asia’s global investment bank.” Moreover, all three of our committees have Outside Director as the chairman from this year. In 2004, the Code of Ethics of Nomura Group was established to be observed by every single officer and employee of the Nomura Group. We strive to fulfill our responsibility to shareholders and all other stakeholders. Our company's continuous efforts to strengthen corporate governance are reflected in the corporate governance framework, which is shown as the “Nomura Holdings Corporate Governance Guidelines”. In addition, the current status of compliance with the Corporate Governance Code is disclosed in the Corporate Governance Report.

-  Nomura Holdings Corporate Governance Guidelines
https://www.nomuraholdings.com/company/cg/data/cg_guideline.pdf
-  Corporate Governance Report
https://www.nomuraholdings.com/company/cg/data/cg_report.pdf

Nomura’s corporate governance initiatives



	2003	2006	2015
Organizational structure	Company with Board of Auditors	Company with Committees, etc. (renamed after the enforcement of the Companies Act)	Company with Three Board Committees (renamed after the revision of the Companies Act)
Committees under control of the Board of Directors	2003 Nomination Committee		
	2003 Audit Committee		
	2001 Compensation Committee (voluntary) → 2003 Compensation Committee		
Measures in enhancing efficiencies of Board of Directors	2015 Evaluation of the Board of Directors (once a year)		
	2015 Regular Outside Directors Meetings		
	Office of Auditors → 2003 Office of Audit Committee*1 → 2006 Group Office of Audit Committee → 2016 Office of Non-Executive Directors and Audit Committee*2		
Other advisory bodies and committees	2001 Established the Advisory Board as an advisory body to the Executive Management Board → 2015 Invited Asian experts to be Advisory Board members		
	2001 Established the Management Controls Committee (the Internal Controls Committee) → 2008 Internal Controls Committee		
	1998 The whistle-blowing system "Compliance Hotline"		
Rules and guidelines	2004 Established the Code of Ethics of Nomura Group		
	2013 announced the Independent Criteria for Outside Directors		
	2015 Established the Nomura Holdings Corporate Governance Guidelines		
Toughening of governance over subsidiaries	2015 Established August 3 as "Nomura Founding Principles and Corporate Ethics Day"		
	2012 Appointed Outside Directors for Nomura Securities with no concurrent posts at Nomura Holdings		
	2015 Appointed Outside Directors for Nomura Asset Management from outside the Group		

*1 Organization supporting Audit Committee, and their members for audit execution *2 Organization supporting duties of Directors including members of Audit Committee and Outside Directors

Evaluation of the effectiveness of the Board of Directors

We have been conducting evaluations on the effectiveness of the Board of Directors since the fiscal year ended March 2016. Each Director assesses the management of the Board of Directors, including the quantity and quality of information offered and discussions by the Board of Directors. They also share their findings at Board of Directors meetings and learn from the results in order to continue strengthening their oversight function. Through evaluation of these discussions and findings, we found our Board of Directors to be an effective and well-functioning group. As a company with a “Three Board Committees” structure, we ensure the flexibility of our Directors’ executions, and we are enhancing the ability to utilize of all members’ expertise either during or outside of Board of Directors meetings, to further enrich the function of the Board of Directors.

- Evaluation items
- Constitution and management of the Board of Directors
 - Information provision to the Board of Directors
 - The Board of Directors’ involvement in management goals and strategy
 - The Board of Directors’ function ability to oversee management
 - Constitution and management of the Nomination, Audit and Compensation Committees
 - Monitoring of the state of dialogues with stakeholders
 - Management of Outside Directors Meetings, etc.
- Response to results
- In response to the growing global interest in preventing money laundering, Nomura Group substantially increased its compliance reporting, including these initiatives at the Board of Directors.
 - At the Executive Officers’ and Executive Officers’ Meeting, where outside directors also attend, the SDGs were taken up as a theme, and discussions were held on the relationship with Vision C & C, the sustainable growth model that Nomura should aim for, priority issues, and measures to solve them.

Succession plans for post Group CEO and other executives

Our Company is constantly striving to develop and select the next generation of management in order to ensure the sustainable development of the company. The Group CEO reports his succession plans to the Nominating Committee each year. The succession plan includes ideas about the qualifications required to be the Group CEO, a business execution system that considers business environment and cultivating successors, an assessment of the current business execution system,

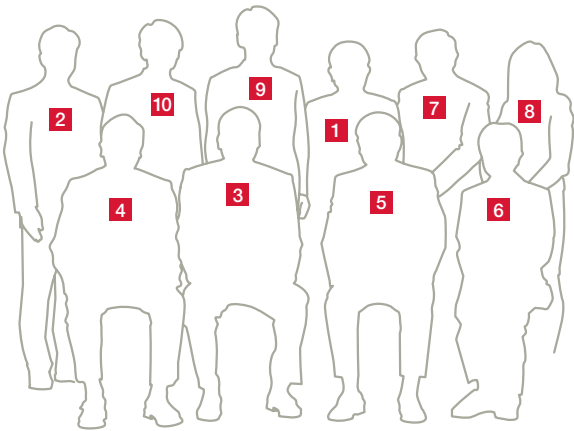


and specific succession plans. The Nominating Committee discusses succession plans and their implementation from an independent and objective perspective. Based on the report of the Nominating Committee, the Board of Directors decides on the appointment of the Group CEO and other Executive Officers. On the other hand, the Board of Directors dismisses the Group CEO and other executive officers when it deems it appropriate to dismiss them immediately, for example, when it determines that the Group CEO or other executive officers may not be able to fulfill their duties sufficiently.

Corporate Information / Data



1	Nobuyuki Koga	Chairman of the Board of Directors	Member of the Nominating Committee/ Member of the Compensation Committee
2	Hisato Miyashita	Director	Member of the Audit Committee (Full-Time)
3	Hiroshi Kimura	Outside Director	Chairman of the Nominating Committee/ Chairman of the Compensation Committee/ Honorary Company Fellow of Japan Tobacco Inc. He 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 then Chairman of the Board, such achievements and related insights have been evaluated highly both within and outside of the Company. He became an outside director of the Company in June 2015, and is now serving as Chairman of the Nominating Committee and Chairman of the Compensation Committee from this year.
4	Kazuhiko Ishimura	Outside Director	Member of the Nominating Committee/ Member of the Compensation Committee/ Director & Chairman of AGC Inc. He has extensive experience with the respect to corporate management, and including the holding in the past positions such as Representative Director and President and CEO, and Chairman of the Board of AGC Inc., such achievements and related insights have been evaluated highly both within and outside of the Company. He has been appointed as an outside director of the Company since June 2018, and is now serving as a member of the Nominating Committee and a member of the Compensation Committee.
5	Noriaki Shimazaki	Outside Director	Chairman of the Audit Committee/ Advisor of the IFRS Foundation Asia-Oceania Office/ Former Representative Director and Executive Vice President of Sumitomo Corporation He 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 from 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. He was appointed as an outside director of the Company in June 2016, and is now serving as Chairman of the Audit Committee.
6	Mari Sono	Outside Director	Member of the Audit Committee/ Certified Public Accountant/ Former Commissioner of the Securities and Exchange Surveillance Commission She 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. She became an outside director of the Company in June 2017, and is now serving as a member of the Audit Committee.
7	Michael Lim Choo San	Outside Director	Former Executive Chairman of PricewaterhouseCoopers, Singapore He 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. He became an outside director of the Company in June 2011.
8	Laura Simone Unger	Outside Director	Former Commissioner and Acting chairperson of the U.S. Securities and Exchange Commission (SEC) She is well-versed in finance-related legal systems, and such achievements and related insights have been evaluated highly both within and outside of the Company by serving as a Commissioner and as Acting Chairman of the SEC, etc. She became an outside director of the Company in June 2018.
9	Koji Nagai	Representative Executive Officer and President Group CEO	
10	Shoichi Nagamatsu	Representative Executive Officer and Deputy President	



Executive Officers and Senior Managing Directors of Nomura Holdings (As of June 30, 2019)

Executive Officers	Representative Executive Officer, President and Group CEO		Koji Nagai	Senior Managing Directors	Future Innovation Company	Head of Future Innovation Company and Brand Strategy (Joint)	Hajime Ikeda
	Representative Executive Officer, Deputy President		Shoichi Nagamatsu			Deputy Head of Future Innovation Company and Innovations	Chuzaburo Yagi
	Deputy President and Group Co-COO		Kentaro Okuda		Corporate	Chief Strategy Officer (CSO)	Toru Otsuka
	Executive Managing Director and Group Co-COO		Toshio Morita			Chief Administrative Officer (CAO) and CEO of Nomura Europe Holdings plc	Jonathan Lewis
	Executive Managing Director, Head of Asset Management		Junko Nakagawa			Group Legal Head	Yoshifumi Kishida
	Executive Managing Director, Chief Risk Officer (CRO)		Yuji Nakata			Global Head of Human Resources	Etsuro Miwa
	Executive Managing Director, Chief Compliance Officer (CCO)		Tomoyuki Teraguchi			Global Head of Group Corporate Communications and Brand Strategy (Joint)	Go Sugiyama
	Executive Managing Director, Chief Financial Officer (CFO)		Takumi Kitamura			Head of General Services	Rikiya Nonomura
						Group IT Head	Jun Yoshimura
Senior Managing Directors	Retail	Head of Retail	Satoshi Arai		Banking	Banking	Kenji Kimura
		Retail Division Asia Wealth Management (based in Singapore)	Yuji Hibino			Executive Chairman of Nomura Holding America, Inc. (based in New York)	Kunio Watanabe
	Wholesale	Head of Wholesale (based in London)	Steven Ashley		Americas	CEO of Nomura Holding America, Inc. (based in New York)	Tsutomu Takemura
		Head of Global Markets	Yutaka Nakajima			Vice Chairman of Nomura Europe Holdings plc (based in London)	Takeo Aoki
		Global Head of Investment Banking	Yo Akatsuka		EMEA	Head of China Committee	Toshiyasu Iiyama
		Deputy Head of Global Markets (based in Singapore)	Rig Karkhanis		Asia ex-Japan	Asia (based in Singapore)	Vikas Sharma
		Deputy Head of Global Markets (based in New York)	Jonathan Raiff			Deputy Head of China Committee (based in Shanghai)	Shinichi Mizuno
		Investment Banking (based in Hong Kong)	Kenji Teshima				
	Merchant Banking	Head of Merchant Banking	Masahiko Maekawa		Internal Audit	Group Internal Audit	Shoji Ogawa

Outside Directors of Major Subsidiaries in Japan (As of June 30, 2019)
(Nomura Securities Co., Ltd. / Nomura Asset Management Co., Ltd.)

Nomura Securities Co., Ltd.

Outside Director	Advisor Attorney of TMI Associates, Former Superintending Prosecutor	Toshiaki Hiwatari
Outside Director	Former Chairman of the Board of Directors of Kao Corporation	Motoki Ozaki

Nomura Asset Management Co., Ltd.

Outside Director	Board Chairperson of NPO Triton Arts Network	Rikio Nagahama
Outside Director	Of-Counsel, Attorney-at-Law, Anderson Mōri & Tomotsune	Akiko Kimura

Compliance

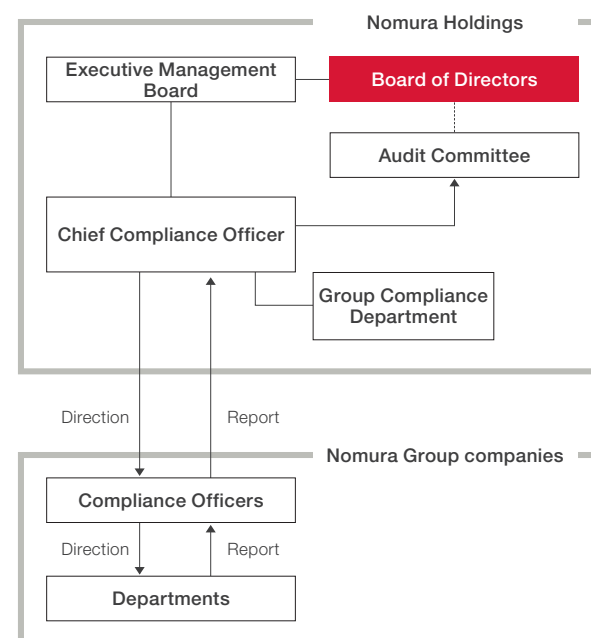


Fundamental approach

Compliance is a top management priority for Nomura Group, and the Code of Ethics of Nomura Group defines our fundamental policy on compliance. The management and employees of the Group pledge to abide by the rules stated in this code once each year. Also, we have established “Nomura Founding Principles and Corporate Ethics Day” as a day for management and employees annually to reaffirm our corporate culture and corporate ethics, underpinned by Our Founder’s Principles, the lessons learned from past incidents, and renew our determination to prevent the recurrence of such incidents and to gain and maintain the trust of society. We will not limit ourselves to compliance with laws, regulations, and other rules. We will ensure that all executives and employees understand that “Compliance” is to act on a principles basis and with good sense in accordance with the norms and ethics required by society as a financial institution, and to fulfill the roles expected by society.

Compliance framework

We have appointed the Chief Compliance Officer to oversee compliance for the Group as a whole along with a Group Compliance Department that provides support. In addition, Compliance Officers, who report compliance-related matters in accordance with the instructions of the Chief Compliance Officer have been assigned to each Group company to strengthen our internal controls in response to global business development, and to develop and maintain the respective compliance structures of each Group company, including overseas offices.



Nomura Securities' compliance structure

In addition to Group-wide initiatives, Nomura Securities has established a “Compliance Program” as a detailed action plan, and put into place a compliance framework based on this program. The Company has established an Internal Control Committee chaired by the President. The Committee oversees Company-wide initiatives and is in charge of establishing and deliberating on important issues related to internal controls. It also has established the post of Internal Administration Supervisor to monitor compliance issues in line with Japan Securities Dealers Association's rule as well as Sales Managers and Internal Administrators. To raise awareness of compliance

among employees in each department and branch and to promote business operations that comply with laws and regulations, Administrative Compliance Officers have been also appointed. The Compliance Division, which strengthens and improves legal and regulatory compliance as well as the internal controls system by formulating internal rules and disseminating them throughout the Company, has been established. It also monitors the status of compliance with rules at each department and branch, and if problems are found, measures are taken to improve the compliance with laws and regulations and the internal control system.

The three lines of defense in risk management

Nomura Group has adopted the following layered structure on the grounds that all employees are accountable for proactively managing risk. As the second line of defense, compliance supports risk

management measures taken by the first line of defense, independently monitor risks, and keep trading and sales departments in check as needed.



Managing compliance risk

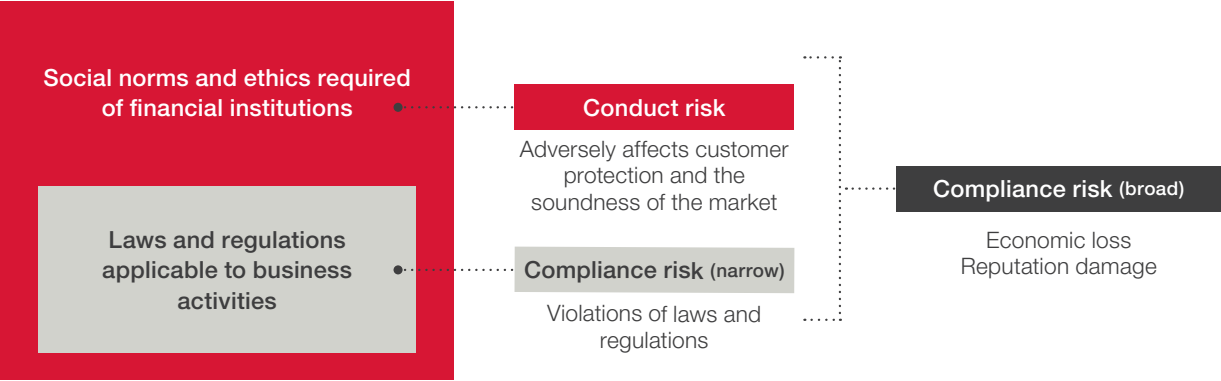
Nomura Group defines compliance risk in its “Risk Appetite Statement”. We are aware that each and every executive and employee is responsible for compliance and risk management, and each of us strives to manage compliance and risk independently. We have also defined conduct risk in the “Risk Appetite Statement” and positioned it as a management theme that we will focus on. Furthermore, in order to disseminate throughout the Group, the concept of the Code of Conduct, which meets the roles expected by society as a financial institution, and to establish a system to maintain and improve self-discipline, we established the “Conduct Risk Management Policy.”

Definition of compliance risk

Compliance risk is the risk that a Nomura Group company incurs economic loss or damage to reputation through any of the following conduct by a Nomura Group executive or employee, regardless of legal or regulatory disposition.

- Violations of laws and regulations applicable to business activities
- Inappropriate behavior that deviates from social norms and ethics required of financial institutions*

*In particular, any risk that a financial institution deviates from the social norms and ethics required of it, and as a result, adversely affects customer protection and the soundness of the market, is referred to as “conduct risk.”



Nomura Securities' Primary Initiatives

- Training for Sales Managers, Internal Administrators, and employees of internal administration department, as well as quality improvement training for securities sales representatives
- Training for branch managers, general administration managers, new employees, newly appointed personnel, and others, aimed at increasing knowledge and deepening the understanding of compliance
- Supplementary compliance education and drills during various training sessions and meetings
- Training for Administrative Compliance Officers
- Monthly Compliance Hour* at branch offices and departments

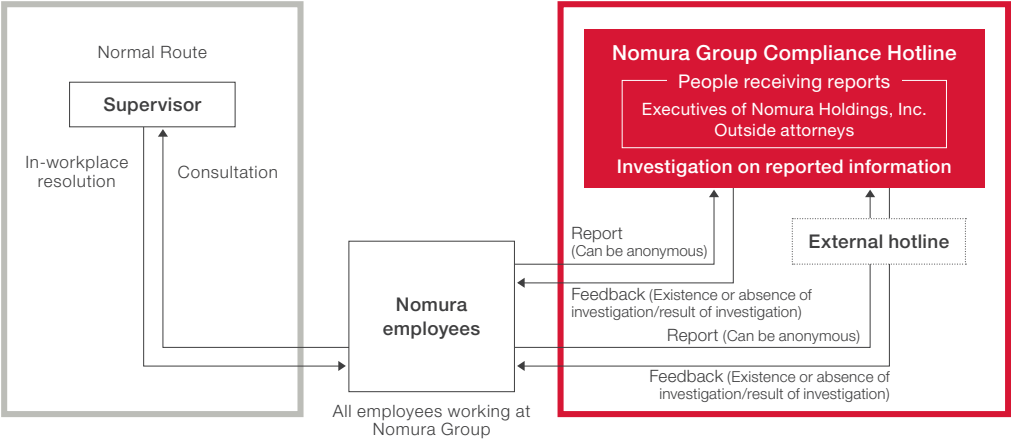
*To ensure that each and every employee throughout the Company understands the need for full compliance, training sessions are held once a month in the branches and offices of Nomura Securities.

Compliance Hotline

In order to ensure an effective compliance framework at each Nomura Group company, the firm has established and implemented a robust structure that includes a point of contact that is independent from management. Nomura

employees who have become aware of potential legal or regulatory violations are able to report their concerns to persons designated by Nomura Holdings, including outside attorneys, through the Nomura Group Compliance Hotline (informants may report through external and independent channels and have the option of remaining anonymous). The hotline is available 24 hours a day, seven days a week, and is fully bilingual (English and Japanese). We use internal communication channels to ensure that employees are familiar with the Compliance Hotline and encourage them to use the reporting system as necessary. We believe this will contribute to building a healthy corporate culture and further enhance awareness of ethics and professional conduct. By promoting the use of the Compliance Hotline, we are working to foster an atmosphere in which anyone who feels something is wrong can "say something." In FY2018/19, there were 84 calls received via the Compliance Hotline, and in all cases a thorough review was conducted and appropriate measures were taken.

Compliance Hotline Flow Chart



Offering High-Quality Financial Services

Nomura Securities seeks to enhance the quality of financial products and services offered to customers under the Guidelines for Financial Instruments Business Supervision. To this end, the firm has implemented various initiatives that include the following:

Nomura Securities' Primary Initiatives

- Appointing officers to oversee internal controls, compliance, etc. including Internal Administrators and Administrative Compliance Officers, and developing systems to ensure compliance and the appropriateness of operations
- Thoroughly screening account openings and conducting proper examinations when underwriting securities
- Carefully reviewing product details and taking action to provide accurate and comprehensive information
- Conducting sales and solicitation activities in compliance with the Financial Instruments and Exchange Act and laws and regulations governing each operation with an overall understanding of the customer's knowledge of financial instruments and financial status
- Structuring systems that establish guidelines for sales to senior customers and requiring compliance with these guidelines
- Ensuring thorough compliance with laws, regulations, and internal rules through compliance training

Ensuring fair financial business practices

Eliminating Anti-Social Forces

In order to eliminate anti-social forces Nomura Group outlines in “Code of Ethics of Nomura Group,” Nomura must reject all transactions with anti-social forces or groups, and our fundamental policy is to eradicate all ties with anti-social forces. The “Code of Ethics of Nomura Group” is applicable to all management and employees globally.

Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT)

Nomura group has established the Code of Ethics, which requires all employees to understand and comply with the letter and spirit of all applicable laws, rules and regulations including AML. Nomura has also established the Nomura Group Anti-Money Laundering and Combating the Financing of Terrorism Policy which is a global regulation on AML/CFT, and specified the common rules to be established in each region and subsidiary, such as customer management programs. The firm continues to enhance its group-wide

a corporate culture that goes beyond legal compliance to pursue appropriate business practices and conduct.

Major Initiatives of Nomura Securities

- Top management sends messages on the company intranet as needed to raise compliance awareness and share information about misconduct.
- Recognizing desirable actions in order to foster employees' efforts to promote compliance
- Stimulating internal communications through initiatives such as promoting dialogue between executives and all employees to share the vision for Nomura's future.
- In order to reflect on past scandals and raise awareness of legal compliance, we set August 3 every year as “Nomura Founding Principles and Corporate Ethics Day” and implemented initiatives to reconfirm our ideals through discussions among employees.

Carrying out Compliance Training

Nomura Securities conducts comprehensive compliance training for all executive officers and employees on topics such as anti-money laundering and combating the financing of terrorism, conflict of interest management, insider trading prevention, firewall regulations, and guidelines for managing customer information. We are working to raise the level of legal knowledge among executives and employees, raise compliance awareness, and foster a corporate culture of pursuing appropriate business practices.

Legal compliance measures

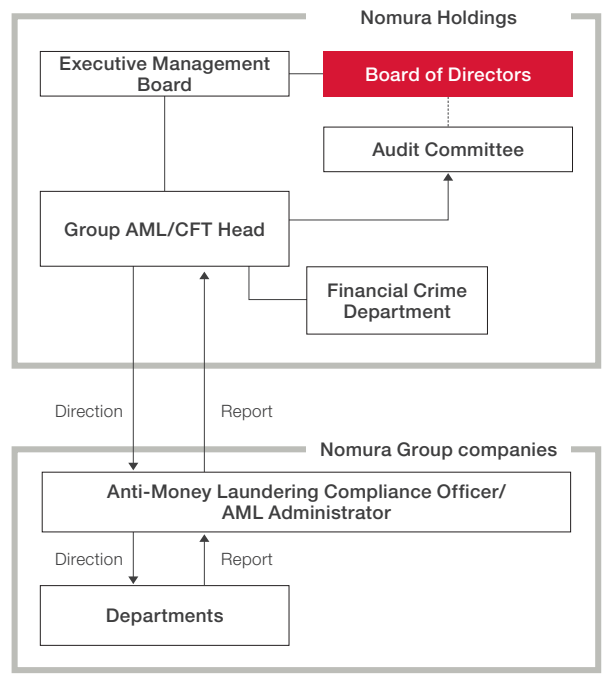
Maintenance of compliance framework and enhancement of management systems

In all Group companies and departments, Nomura Group complies with applicable laws and regulations and endeavors to prevent the occurrence of activities that may be construed as illegal by establishing effective control measures. In the event that such issues arise, they are reported in full to management-level executives without delay, and organizations and systems are structured to respond appropriately. Furthermore, in order to respond to the trust of society and clients in the Group and contribute to the further development of the financial and capital markets, we will continuously review and improve the effectiveness of our internal systems and rules so that all executives and employees can conduct business with a higher sense of ethics in addition to complying with laws and regulations.

Fostering a corporate culture that pursues compliance

Nomura Group aims to earn the trust of its clients, be selected as a true partner, and contribute to the creation of an affluent society through the development of financial markets. To achieve this, we have established a Code of Conduct that protects clients and ensures market fairness. We are working to foster and establish

governance framework through observing international regulatory trends such as the Financial Action Task Force's (FATF) recommendations on AML/CFT. In addition, while giving due consideration to the laws and regulations of each country, we have established specific standards that must be complied with. These standards are applicable to the entire Group covering important areas such as customer due diligence and measures against sanctions. In April 2018, Nomura Group established the "Anti-Money Laundering Department," a department dedicated to AML/CFT. The department was reformed into "Financial Crime Department" in April 2019 with the aim of establishing an integrated governance structure on the initiatives undertaken by Nomura Group as a whole, and establishing an effective compliance framework.



Concrete measure on Anti-Money Laundering
Nomura Securities, in accordance with "Act on the Prevention of Transfer of Criminal Proceeds" and its risk assessment based on a risk-based approach, conducts customer due diligence for individual clients including (but not limited to) name, address, date of birth, purpose of transaction, occupation, etc. For corporate clients, the due diligence covers the name, the location of the head office or principal office, purpose of the transaction, nature of the business and beneficial owners, etc. In addition, we require additional information from the customer and/or the approval of senior management according to the inherent risk in the transaction. For online transactions, additional due diligence is conducted to mitigate risks. Furthermore, a risk-based approach has been adopted to enhance due diligence, which is conducted for high-risk transactions, such as transactions with foreign

Politically Exposed Persons (PEPs) and those who reside in designated high-risk countries from an AML perspective. Overseas offices are also working on preventing unfair trading by taking AML/CFT initiatives based on a risk-based approach through measures such as customer due diligence, suspicious transaction reporting and enhanced due diligence on high-risk transactions. AML/CFT-related documents such as records of verification at the time of transaction and transaction screening are kept in line with regional policies and procedures (for Japan, the retention period is seven years in principle.).

Anti-Bribery and Corruption
As described above, the "Code of Ethics of Nomura Group" stipulates that all applicable laws and regulations, including laws regulating bribery and tax evasion, must be properly understood and observed by all executives and employees. Suspected violations of laws and regulations, including bribery, and acts in violation of the "Code of Ethics of Nomura Group" are subject to reporting under the "Nomura Group Compliance Hotline." At Nomura Securities, we have established the "Guidelines for Gifts and Entertainment" regarding communication with public servants, officers and employees of private organizations, and other external parties, and we strive to prevent bribery and ensure fair transactions by thoroughly disseminating this information. Specifically, as a general rule, meals and gifts are not offered to public officials with domestic interests. In cases where the counterparties are foreign public servants, etc., we confirm in advance whether they are acceptable in light of applicable laws and regulations. Appropriate training is provided to ensure that the guidelines are thoroughly understood. We also monitor the use of entertainment expenses to ensure that they are used appropriately. The Internal Audit Department regularly investigates and evaluates internal controls to prevent bribery from the perspective of design effectiveness and operational validity, and based on the results, recommends and makes proposals for business improvement. Overseas offices have also established procedures for reporting and approving gatherings and gift-giving for public officials to prevent unfair or suspicious transactions.

Measures to prevent conflicts of interest
Nomura Group provides global financial services through a number of Group companies, including securities companies and banks. Since conflicts of interest may arise as a result of transactions by each Group company, we have established a conflict of interest management system based on the "Nomura Group Conflicts of Interest Management Policy" so that customers can conduct transactions with peace of mind throughout the Group. Specifically, each Group company develops its own system to appropriately manage

conflicts of interest, and Nomura Holdings' Group Compliance Dept., which is the department in charge of managing conflicts of interest, examines whether there is a risk of conflicts of interest within Nomura Group. If a conflict of interest is found, the Group Compliance Dept. appropriately manages such transactions that involve conflicts of interest by, for example, setting up information barriers and implementing measures to block information, changing terms or methods of transactions, discontinuing transactions, disclosing information to customers, or monitoring those who share information regarding transactions.

Examination of Unfair Market Manipulation
At Nomura Securities, we examine transactions on a daily basis to determine whether there is a risk that transactions conducted by us or on behalf of us could constitute unfair trading, such as market manipulation, intentional market formation, or insider trading. Trading examinations are conducted in two stages. In the first stage, data extracted based on laws and regulations are added to our own standards to extract transactions suspected of unfair trading. In the second stage, transactions extracted in the first stage are examined from various angles, including account information and market information. Based on the review, we interview and give warnings to those who engage in transactions that are suspected of being unfair, and report suspicious transactions to the authorities. The audit results are recorded and monitored on an ongoing basis when it is determined that a recurrence is likely. In addition, we regularly analyze the examination results and verify the effectiveness of the examination process in order to build and maintain an appropriate trading management system.

Prevention of insider trading
Based on laws and regulations, Nomura Securities prohibits accepting orders knowing that they have violated or are likely to violate insider trading related laws and regulations. Also, in order to prevent insider trading, we have prepared an insider registration card. When accepting an order from a related party of a listed company, etc. (insider), we first confirm that there are no undisclosed material facts and then report the content of the order to the Internal Administrators and obtain his/her approval. Also, we regularly check whether there are any changes or omissions in the content of the insider registration card and whether transactions by insiders are properly approved and reported. Furthermore, Nomura Securities has established the "Regulations on Corporate Confidential Information Management" which provides for the management and reporting systems of corporate information, etc., as well as prohibited acts such as solicitation of securities in the case of corporate information, etc.

Customer Protection and Information Security
In accordance with applicable laws and regulations, including the Financial Instruments and Exchange Act and the Personal Information Protection Act, Nomura Group works to properly protect customers' assets and information.

Proper segregation of customer assets
Nomura Securities properly segregates the assets of its customers from the assets of Nomura Securities itself. Nomura Securities has requested that EY Shin Nihon LLC provide "Assurance related to legal compliance with segregated management of customer assets" in accordance with Practical Guideline No. 54 of the Industry Committee of the Japanese Institute of Certified Public Accountants. As of March 31, 2019, Nomura Securities had received from the auditor a written assurance to the effect that management's arguments in the management report on the segregation of customer assets were consistent with laws and regulations in all material respects. For more information, visit our website.

 Nomura's Segregation Management
<https://www.nomura.co.jp/guide/system/bunbetsu/>

Effective protection of clients' personal information and other information assets of the Group
The Nomura Group Information Security Policy provides the basic principles for appropriately protecting information assets. Each Group company has its own information security-related regulations in accordance with this basic policy. We are also working to enhance the management of information provided to customers in accordance with the characteristics of each company's business activities. In particular, customer-related personal information is handled in line with rigorous standards set out in the Nomura Group Privacy Policy and other information security-related rules, and is handled in full compliance with the Personal Information Protection Act and other related laws and regulations. For further information, please refer to our website.

 Nomura Group Privacy Policy
<https://www.nomuraholdings.com/policy/privacy.html>

Risk Management



Fundamental approach

Nomura Group has established processes to accurately identify risks arising from all types of operations and trading, and is working to bolster risk evaluation and the risk management framework.

Risk culture

Fostering a sound risk culture is essential for Nomura Group to maintain its social credibility and sustain its business activities. At Nomura Group, all employees, irrespective of their function or geographic location, must understand their specific responsibilities related to risk management, and actively work to manage risks.

Risk management policy

Our business activities are exposed to various risks including market risk, credit risk, operational risk and liquidity risk. Properly managing these risks is one of management's top priorities. It is important for us to maintain capital adequacy and achieve business plans under any type of economic environment, to protect our clients, and to comply with laws and regulations. Nomura Group has defined the types and maximum levels of risk that the firm is willing to take, as documented in the Risk Appetite Statement. Our Risk Appetite Statement and risk appetite are approved by the Executive Management Board, and the

risk is monitored daily against a set of risk appetite. If by any chance risk amount exceed risk appetite, the senior management consults with stakeholders and takes actions to solve such excess.

Setting risk appetite and guidelines for:

Capital adequacy and balance sheet measures	to comply with capital regulations imposed on financial institutions and to maintain a strong financial base in continuing to conduct businesses under various economic conditions.
Liquidity risk	to maintain sufficient liquidity to survive a severe liquidity situation and to comply with regulatory requirements.
Market risk and credit risk	to manage market risk and credit risk within wholesale businesses.
Operational risk	to understand and mitigate the impact and likelihood of operational risk events assumed in the course of conducting business.
Compliance risk	to promote proper understanding and compliance with the letter and spirit of all applicable laws, rules and regulations and avoid misconduct.

Key risk types

Risks taken by Nomura Group differ by divisions or businesses. We have established a risk management framework based on risk profiles. Nomura Group has adopted a multi-faceted risk evaluation process to avoid risks that may be damaging to our reputation.

Risk management approach at Nomura Group

Implemented frameworks to evaluate and control the possibility of risks arising from the firm's operations and transactions.

Quantifying risks as much as possible.

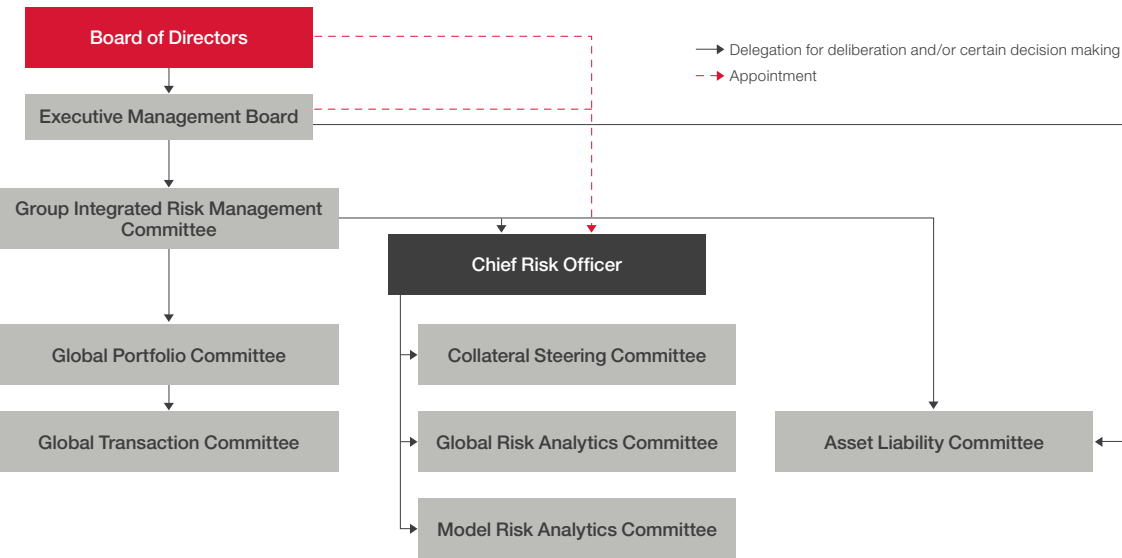
Taking a prudent approach to risks which are outside the area of experience and knowledge, and those that are difficult to control by hedging or other mitigating actions.

Division/Business	Retail	Asset Management	Wholesale	Corporate	Other subsidiaries
Selective risk taking	<div>Market risk</div> <div>Risk of loss in the value of financial assets and liabilities, as a result of market move in risk factors including interest rates, foreign exchange, and price of securities.</div>				
	<div>Credit risk</div> <div>Risk of suffering losses when a borrower is unable to make payment and fail to meet a contractual obligation.</div>				
Unavoidable risks	<div>Model risk</div> <div>Risk of loss arising from model errors, incorrect or inappropriate model application with regard to valuation models and risk models.</div>				
	<div>Liquidity risk</div> <div>Risk of losses arising from a potential lack of access to funds or higher cost of funding than normal levels due to deterioration in Nomura's creditworthiness or deterioration in market conditions.</div>				
	<div>Operational risk</div> <div>Risk of suffering losses due to internal administrative processes, people, or systems being either inappropriate or not functioning properly.</div>				
Risks that must not be taken	<div>Compliance risk</div> <div>Risk that can lead to administrative punishment, economic losses, and reputational damage when Nomura executives or employees violate laws and regulations. Compliance risk also includes risk of losses caused by violating Nomura Group's Code of Ethics and other internal policies and guidelines, including harassment.</div>				

Risk Management Governance and Oversight

Risk management oversight is carried out by the committees comprising members of senior management. The Global Integrated Risk Management

Committee (GIRMC) for example, deliberate and decide on risk management issues material to the firm.



Key Committees

- Group Integrated Risk Management Committee (GIRMC)
- Upon delegation from the Executive Management Board (EMB), the Group Integrated Risk Management Committee deliberates on or determines important matters concerning integrated risk management of Nomura to assure the sound and effective management of its businesses.
 - GIRMC establishes Nomura’s risk appetite and a framework of integrated risk management consistent with Nomura’s risk appetite.
 - GIRMC supervises Nomura’s risk management by establishing and operating its risk management framework.
 - GIRMC reports the status of key risk management issues and any other matters deemed necessary by the committee chairman to the Board of Directors and the EMB.
 - Upon delegation from the EMB, the GIRMC establishes the Risk Management Policy, describing Nomura’s overall risk management framework including the fundamental risk management principles followed by Nomura.

- Asset Liability Committee (ALCO)
- Upon delegation from the EMB and the GIRMC, the ALCO deliberates on, based on Nomura’s risk appetite determined by the GIRMC, balance sheet management, financial resource allocation, liquidity management and related matters.

- Global Portfolio Committee (GPC)
- Upon delegation from the GIRMC, the GPC deliberates on or determines all matters in relation to the

management of a specific portfolio, for the purpose of achieving a risk profile consistent with the risk allocation and risk appetite of Nomura. The portfolio consists of businesses and products that fall within at least one of the three following categories: event financing, term financing and asset-based financing.

- Global Transaction Committee (GTC)
- Upon delegation from the GPC, the GTC deliberates on or determines individual transactions in line with Nomura’s risk appetite determined by the GIRMC and thereby assures the sound and effective management of Nomura’s businesses.

- Collateral Steering Committee (CSC)
- The CSC deliberates on or determines Nomura’s collateral risk management, including concentrations, liquidity, collateral re-use, limits and stress tests, provides direction on Nomura’s collateral strategy and ensures compliance with regulatory collateral requirements.

- Global Risk Analytics Committee (GRAC) and Model Risk Analytics Committee (MRAC)
- The GRAC and the MRAC deliberate on or determine matters concerning the development, management and strategy of risk models and valuation models, respectively. The primary responsibility of these committees is to govern and provide oversight of model management, including the approval of new models and significant model changes.

FORM 20-F
<https://www.nomuraholdings.com/investor/library/sec/>

Stress testing

Nomura Group conducts stress testing to address risks that may spread globally, and to identify risks that are difficult to recognize with statistical methods alone, as well as to prepare for unprecedented risk events. Stress testing uses stress scenarios to assess the

impact on our business and financial soundness should those adverse events occur. These scenarios may include severe deterioration in the economic environment, geopolitical conflicts and natural disasters.

Examples of stress scenarios




Assessment of capital adequacy under the scenario that a serious economic situation that occurred in the past happens again

Example: Financial crisis



Assessment of the impact on Nomura’s earnings of extreme economic conditions that could occur in the future

Example: Economic collapse in a particular country or region



Assessment of the impact on Nomura’s portfolio of political events in Japan or overseas

Example: UK referendum on leaving EU



Assessment of the impact on Nomura’s earnings of a large-scale natural disaster

Example: earthquake directly under the Tokyo metropolitan area

How Stress Testing Works

Case Scenario

Serious global financial crisis triggered by the failure of a major financial institution.

Assumption of Stress Scenarios

Impact on the market is estimated by referring to past cases; i.e., “flight to quality” causing stock prices to plunge, government bond yields to fall, the appreciation of the Japanese yen and depreciation of currencies from emerging economies in FX market. In order to increase the feasibility of the scenario, the latest market environment is reflected.

Analysis of Stress Scenarios

Based on the assumption that the case scenario has just occurred, the amount of potential losses from trading activities, unrealized losses on investment securities, significant decline in profits due to the loss of business opportunities, and losses caused by counterparty defaults are calculated.

Adopting to the Management

Examine if the minimum capital adequacy ratio is maintained under the stressed conditions; also consider the level of capital buffers need to be maintained in normal times.



Risk Culture In Nomura

Yuji Nakata

Executive Managing Director, Chief Risk Officer

Risk is the possibility of suffering unexpected losses caused by any number of reasons. Risks always lurk behind all business activities. Risk management is about getting ahead of the game by estimating the possibilities of “unexpected” things to happen, and preparing for their impact. It’s similar to a physical checkup; checking your vital signs and analyzing data to predict the likelihood of developing a disease, and treating or preventing it as needed. At Nomura Group, we strive to eliminate “unexpected” by analyzing quantified risks and using various measures, including stress tests, to devise contingency plans. However, it is difficult to eliminate “unexpected.” It happens when it happens. Why is that? For one thing, there may be no data to analyze, or too little data to make accurate projections. Another is, that even if the “unexpected” had been expected to some extent, we may have decided that it would not occur or have little impact, and may have lost the flexibility to assume all possibilities. The business environment is constantly

changing, and risks are becoming more diverse and complex. For example, as a result of the globalization of economic activity, the political situation of a certain country can affect the entire world. The rapid digitization of business has led to a complicated and sophisticated cybercrime. We are now entering an era in which “unexpected” is social norm. In other words, the probability of facing “unexpected” may be even higher than ever before. There is no perfect answer to the question of how should we deal with “unexpected.” However, the best way to manage risk and minimize losses is, to use our imagination as much as possible, to know what is likely to happen, how much impact it will have, what preparations we have made, and what is the best way to deal with the “unexpected” should it occur. At Nomura, we will make full use of our imagination, be prepared well in case of emergency, and strive to be a flexible organization capable of responding to changes in the times and environment.

Cyber security measures

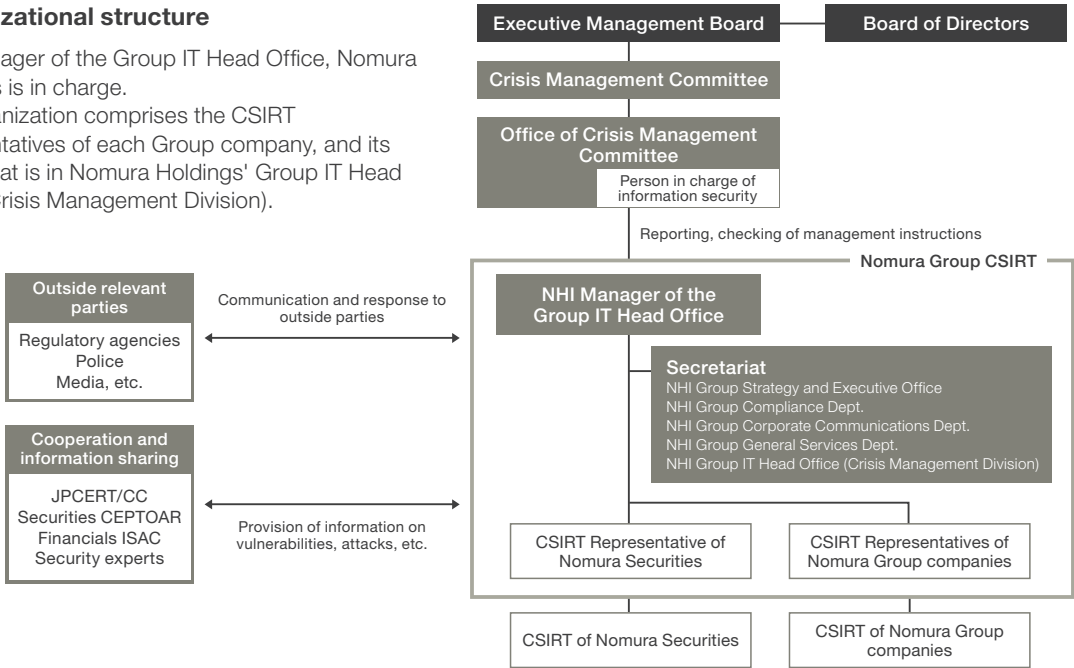
Nomura Group has for some time been undertaking security measures to protect systems against cyber-attacks. However, in light of the increasingly serious cyber security threats throughout the world, we recognize that our current countermeasures may not be sufficient in the future. In addition, in the financial sector digitalization is proceeding at an accelerating pace. The connection of all financial systems to networks may increase the cyber security risk. In order to ensure that clients’ information and assets are securely protected from these increasingly challenging cyber security threats, and to enable clients to conduct transactions with peace of mind, Nomura Group is working to strengthen its cyber security platform, using the Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc. of the Financial Services Agency, and the Cybersecurity Management Guidelines of the Ministry of Economy, Trade and Industry based on ISO27001 and ISO27002, as references.

Cyber security system

Nomura Group, as a whole, has established a global organizational structure to deal with incidents stemming from cyber-attacks and to minimize potential damage. The Nomura Group Computer Security Incident Response Team (CSIRT), formed within Nomura Holdings, has spearheaded the formation of a CSIRT in Nomura Securities and other Group companies, and governs the CSIRT in each Group company. Each CSIRT works to protect its company’s operational and information assets, as well as systems, promoting cyber security measures from four vantagepoints: organizational management, system security measures, human-level response, and coordination with outside organizations.

Organizational structure

- The Manager of the Group IT Head Office, Nomura Holdings is in charge.
- The organization comprises the CSIRT representatives of each Group company, and its secretariat is in Nomura Holdings’ Group IT Head Office (Crisis Management Division).



Organization management	At normal times, we take part in cyber security drills, conduct Threat-Led Penetration Test and monitor actions taken by overseas subsidiaries and outside contractors in a constant effort to heighten our readiness. In the case of an incident such as obtaining dangerous vulnerability information or detecting a cyber-attack, the CSIRT leads the efforts to analyze the cause, minimize damage, and quickly restore systems.
System security measures	We adopt a multi-layered defense system, which includes multiple detection and defense mechanisms against unauthorized access and malicious programs such as computer viruses. We review these countermeasures as appropriate to deal with new threats.
Human-level response	In accordance with the Nomura Group Information Security Policy, relevant seminars and training programs are regularly provided to all executives and employees and they are kept alert in order to raise their awareness and knowledge about cyber security.
Cooperation with outside organizations	Nomura Group is working to build a system for gathering and sharing information on attackers and their approaches through communication with Financials ISAC Japan, the Financial Services Information Sharing and Analysis Center (FS-ISAC) and other information sharing bodies as well as with cyber security vendors.

Sustainable Finance



Fundamental approach

Nomura Group believes that the social mission of the financial services sector is to contribute to economic growth and sustainable social development by facilitating the appropriate flow of funds in the capital markets through products and services that meet the needs of customers. In addition, to fulfill our responsibility as a company that operates globally, we offer financial services that contribute to addressing climate change and social issues and promote initiatives aimed at achieving the Sustainable Development Goals (SDGs).

Toward developing the ESG bond market

Corporate management efforts in E (Environment), S (society), and G (Governance) are closely watched by institutional investors, and ESG elements are seen as essential for the enhancement of corporate value. In FY2018/19, the number of green bonds and social bonds issued increased significantly in the domestic market. There has also been diversification in terms of issuers, including FILP agencies, companies, and REITs. As a result, FY2018/19 was an active year for ESG investment in the bond market. The International Capital Market Association (ICMA) has released a mapping that links ESG investments with the achievement of Sustainable Development Goals (SDGs), which is expected to further promote sustainable finance in the market. Nomura Group is engaged in sustainable finance in Japan and overseas, and is contributing to the achievement of SDGs using capital markets. In 2017, Nomura Securities established a team dedicated to working on ESG bonds in the Debt Capital Markets Dept., and in 2018 the team got stronger by establishing

a global structure. Since February 2018, the Nomura Institute of Capital Markets Research (NICMR) has been holding a series of research meetings comprising outside experts from the public sector, academia, and the private sector to study on the sustainable development of ESG bonds and its market. Following a year of research, the research group released a book entitled “The Era of Sustainable Finance – ESG/SDGs and the Bond Markets” (in Japanese) from Kinzai Institute for Financial Affairs in June 2019. Nomura group will continue to contribute to the development of the ESG bond market.

The book “The Era of Sustainable Finance – ESG/SDGs and the Bond Markets”



Examples of sustainable finance underwriting

First green bonds offering for major general construction company in Japan

In October 2018, Obayashi Corporation became the first major general construction company to issue green bonds, and Nomura acted as bookrunner for the offering. The proceeds from the offering will be used for construction costs of Self Elevating Platform vessels for solar power generation facilities, onshore wind power generation facilities, and environmentally-friendly buildings (Green Buildings). Obayashi will use the funds to promote its renewable energy business and its environmentally-conscious development business.

First green bond offering for residential mortgages in Japan

The Japan Housing Finance Agency (JHF), an independent administrative institution established to improve living standards through the provision of housing loans, issued a green bond for the use on home loans for new, energy-efficient housing in January 2019. Nomura acted as bookrunner for the offering. The JHF Green Bond was selected for the “FY2018 Pilot Project for Green Bond Issuance” by Japan’s Ministry of the Environment (MOE), and was awarded the “Minister of the Environment Award” (Japan Green Innovation Category) at the Japan Green Bond Awards held by MOE.

Sustainability bond offering for the German state of North Rhine-Westphalia

The German state of North Rhine-Westphalia (NRW) issued a 2.25 billion euro (Approximately 300 billion yen) sustainability bond in March 2019. Nomura acted as bookrunner for the offering. The state of NRW formulated a sustainability strategy in 2016, and promotes the SDGs through the issuance of sustainability bonds, the proceeds of which are invested in education and public services.

In addition to underwriting and selling sustainable finance, in FY2018/19 Nomura Group held seminars on sustainable finance in Tokyo and Osaka, inviting a large number of issuers and institutional investors. We are working to expand sustainable finance in the capital markets by actively providing information to clients.



Remarks given by Masahiro Goto, SCMD, NSC, at a seminar held in July 2019 with Bloomberg LP entitled “The Era of Sustainable Finance – ESG/SDGs and the Bond Markets”

Contribution through research

The Nomura Institute of Capital Markets Research (NICMR), an independent research institute in Nomura Group, aims to contribute to the development of financial and capital markets and the financial services sector through the research and analysis of markets, systems, and trends, and by disseminating its highly specialized outputs, both domestically and internationally. NICMR has also been bolstering its research on ESG- and sustainable finance-related topics, and publishing analysis and commentary in the quarterly magazine “Nomura Journal of Capital Markets.” (in Japanese) Nomura Securities’ Fiduciary Service Research Center, which provides asset management consulting services to institutional investors such as corporate pensions and public pensions, also issues reports on ESG investment, both in Japan and overseas. Going forward, as part of our pension investment management consulting, we will continue to provide information that focuses on ESG. Also, in collaboration with Nomura Research Institute, Index Operations Dept. is considering the development and provision of an index that is composed of green bonds, social bonds, and sustainability bonds as a new sub-index for NOMURA-BPI (Nomura Bond Performance Index). The index is scheduled to be released sequentially starting around autumn 2019.

Reports

Global Energy Policy Change and Climate-Related Financial Disclosure

Media Nomura Journal of Capital Markets Fall 2018
Issuer Nomura Institute of Capital Markets Research

Proposed Laws for Accountable Capitalism for Society and the Environment in United States

Media Nomura Journal of Capital Markets Fall 2018
Issuer Nomura Institute of Capital Markets Research

Japanese Retail Investors and ESG Investment

Media Nomura Journal of Capital Markets Winter 2019
Issuer Nomura Institute of Capital Markets Research

Current Status and Key Points of Low Carbon Transport Related Green Bonds

- Focused on Certified Climate Bonds from the Climate Bond Initiative (CBI) -
Media Nomura Journal of Capital Markets Spring 2019
Issuer Nomura Institute of Capital Markets Research

China’s Green Bond Market

Media Nomura Journal of Capital Markets Spring 2019
Issuer Nomura Institute of Capital Markets Research

ESG Indices Today

Media Nomura Pension Management Research Group Pension News No. 801
Issuer Fiduciary Service Research Center, NSC

ESG Investment in Overseas Pension Funds (series)

*Special Feature on ESG Investment by Public Pensions in Europe and North America
Media Nomura Pension Management Research Group Pension consulting 2018/9 to 2019/3
Issuer Fiduciary Service Research Center, NSC

Initiatives for responsible investment (Nomura Asset Management)

As a responsible institutional investor, Nomura Asset Management, aims to support clients in their asset formation and to contribute to the development of a prosperous society. In 2011, we signed onto The United Nations-backed Principles for Responsible Investment Initiative (UN PRI), which provides a framework to incorporate environmental, social and corporate governance (ESG) issues into institutional investors' decision-making processes. We accepted Japan's Stewardship Code in 2014 and expressed our support for the Task Force on Climate-related Financial Disclosures (TCFD) in 2019, and are promoting initiatives on issues related to ESG. In order to provide more insight into Nomura Asset Management's stewardship activities, we also publish a Responsible Investment Report.

Establishment of ESG Statement

In March 2019, Nomura Asset Management published its ESG Statement, clarifying its efforts to promote initiatives related to Environmental, Social and Governance (ESG) issues. We recognize that moves toward addressing ESG related issues are becoming increasingly important in supporting the virtuous cycle of the investment chain. As a responsible investor, we expect the companies in which we invest to manage their operations with an appropriate emphasis on material ESG related issues, while we ourselves also conduct our own business activities with a focus on ESG. More specifically, we are stepping up our initiatives to address issues related to climate change, natural capital and corporate social responsibility, based on the understanding that these are key long-term challenges.

Summary of Nomura Asset Management ESG Statement

We encourage portfolio companies to establish appropriate corporate governance structures that lead to a sustainable increase in corporate value.

We expect portfolio companies to appropriately disclose information regarding their management initiatives aimed at solving environmental and social issues.

We use proprietary criteria to assess the initiatives of portfolio companies regarding ESG and reflect the assessment results in our investment decision-making.

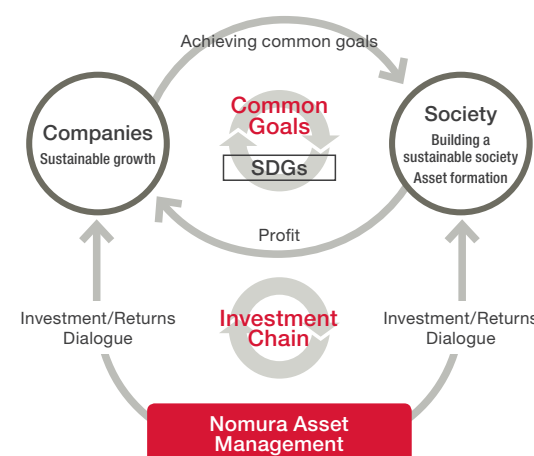
We seek to contribute to asset formation by offering investment products and services that help solve ESG issues.

We strive to minimize risks in the supply chain and help solve problems through dialogue with various stakeholders.

Responsibilities of institutional investors to achieve the SDGs and ESG integration

With the rise in ESG investment around the world, including Japan, corporate activities aimed at achieving the United Nation's Sustainable Development Goals (SDGs) have become a major focus of attention. We consider corporate activities that contribute to solving the environmental and social issues indicated in the SDGs as new business opportunities and expect portfolio companies to reflect these activities in their management strategies. We believe that the supply of funds to companies from institutional investors will help resolve social problems and generate investment returns at the same time, thereby creating a virtuous cycle in the investment chain and helping to build a sustainable society. Meanwhile, Nomura Asset Management's investment division is working to enhance integration, which is the incorporation of non-financial information in the investment process. This is based on our belief that a portfolio company's management performance from a financial perspective and its approach to ESG, which is non-financial information, are closely related and impact one another. With respect to ESG assessment, which is the criteria for this, we give our own ESG ratings to portfolio companies based on ESG issues identified by our corporate analysts by individual sector and/or individual companies, as well as information on evaluation results from several external sources. We use these ratings in product origination and management.

Virtuous Cycle targeted by Nomura Asset Management



Nomura Asset Management ESG Statement
https://global.nomura-am.co.jp/responsibility-investment/pdf/esg_statement.pdf

Revitalizing regions across Japan

In Japan, the number of companies has been decreasing due to the aging of executives and difficulty in finding successors. The Small and Medium Enterprise Agency (SME Agency) estimates that if the current situation is left as is, there might be a total of approximately 6.5 million jobs and approximately 22 trillion yen in GDP lost over the 10 years up to around 2025. Nomura Group is engaged in a variety of initiatives to facilitate "business succession," which is a serious social issue in terms of revitalizing regional areas.

Estate Planning Association Seminar

Nomura Group has a think tank called the Nomura Institute of Estate Planning, which comprehensively studies specialized fields such as legal and regulatory systems, taxation, real estate, financial products, and planning related to estate and business succession. The Institute engages in both research and consulting. The Institute serves as the secretariat for the "Estate Planning Association Seminar," whose members are tax accountants and certified public accountants, who are the closest partners for company executives and their successors. The number of members has been steadily increasing since the establishment of the Association three years ago. As of June 2019, the Association provided information to nearly 500 members nationwide through seminars held twice a year and its quarterly magazine, the Estate Planning Quarterly. Through these activities, we are helping create a system that allows business succession needs to be handled and solved within regions.



Many tax accountants and certified public accountants from across the country participate in a seminar

Support for "Taking-over Family Business as a Startup"

Nomura Group supports the activities of "Taking-over Family Business as a Startup" (Representative directors: Chie Yamano and Tsukasa Horio). This organization was established in June 2018 to support the development of new businesses for young successors of companies across Japan with the aim of "Creating a culture in which young people can think 'Entrepreneurs are cool, but business successors are also cool.'" The name "Taking-over Family Business as a Startup" refers to the creation of new value in society through the pursuit of sustainable management by a successor who boldly confronts risks and barriers while challenging new areas such as new business, business transformation, and entry into new markets by utilizing tangible and intangible resources inherited from

the previous generation. By collaborating with various organizations in the public and private sectors, the organization aims to create an "Ecosystem for taking-over start-up businesses" that supports the viability of companies that form the foundation of Japan's competitiveness. At present, Nomura provides venues in Osaka and Tokyo for seminars planned and managed by Atotsugi (the Japanese term for a family business successor), who are members of the organization's online forum.



Atotsugi Venture Summit, 2019 Spring (April 20, 2019)

SME Agency-commissioned project: National Secretariat for push-type project for supporting business succession

The Business Succession Plan of the SME Agency defines its goal in five years as "Establishment of a regional platform through which local supporters can work together to support individual companies." In order to achieve this, the national government has been working to build a network (Business Succession Network) to undertake "business succession diagnosis" as part of its support for business succession in regional areas. The network is designed to facilitate "awareness" by corporate executives in preparation for business succession in an early stage. Furthermore, we are strengthening our support system for business succession by providing thorough support, including the formulation of succession plans and the assignment of experts to resolve issues, in response to the needs identified in the business succession diagnoses. The National Secretariat, which Nomura Securities is serving as, has established a business succession network for each prefecture, and is carrying out activities such as activity monitoring and evaluation, strengthening cooperation across a wide area, and sharing information. In addition, we provide support to ensure smooth operations by subcontracting to regional secretariats that are engaged in business succession support on a regional basis.

Financial Literacy



Fundamental approach

Increasing financial literacy leads not only to enhanced asset formation and improved living standards, but also contributes to the healthy development of capital markets and the proper circulation of capital. Nomura Group has been providing financial and economics education to different generations of people, so as to raise individuals' knowledge and understanding of finance and economics.

Financial literacy for a wide range of people

Nomura Group was among the first in Japan to provide financial and economics education to young people who will lead the next generation, and has been continually doing so over the years. In 2001, we began offering courses for university students, and today, more than 400 employees from our branches all over Japan give lectures at more than 100 universities. In FY2018/19, in addition to classroom study, we introduced new courses that incorporate elements of active learning through group study and discussion, so that students can learn more actively with interest. We also hold classes at elementary schools, junior high schools and high schools throughout Japan. As the government's curriculum guideline which will be gradually introduced from FY2019/20 aims to enhance "career education," "entrepreneurship," and "financial education," and to lower the age that people become adults in Japanese society, the number of requests from high schools, particularly for large groups of students, such as entire grades and entire schools, is increasing. In addition to the "Talk about your future and money" for

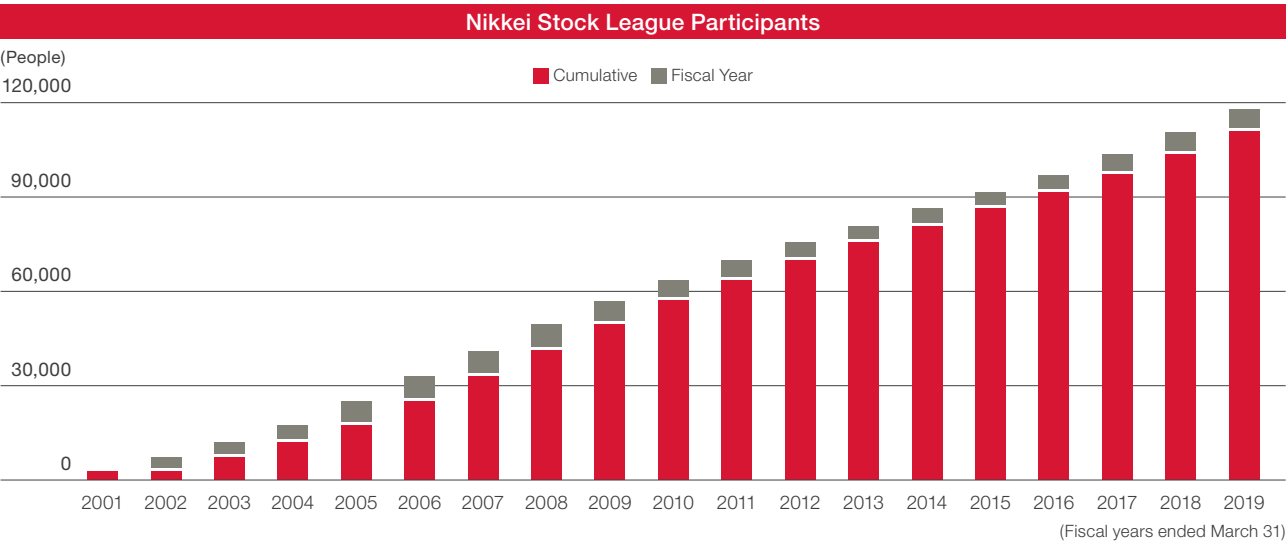
learning the basics of asset building, we are providing our original entrepreneurship education program "NOMURA Business Challenge." Through communication between Nomura Group employees and students, we not only improve financial literacy but also contribute to career education. In addition, as an opportunity for adults to learn about finance and the economy, we provide employees of private companies and government employees with opportunities to enhance their financial literacy, including offering life planning seminars and workshops on defined contribution pension plans for individuals. In November 2018, we launched "Nomura Financial Academy," a course that students pay for which allows them to systematically gain practical knowledge in financial matters such as life planning and asset management. This program is not limited to our clients with securities accounts in Nomura Securities, but is available to the general public as well. In addition to a classroom-based program, we also offer a web-based program. Nomura Group will actively work to improve financial literacy and contribute to the promotion of "From savings to asset formation through investment" in Japan.

Nikkei Stock League

Nomura Holdings, Inc. has supported the stock learning contest "Nikkei Stock League" (hosted by Nihon Keizai Shimbun), which will celebrate its 20th anniversary in FY2019/20, as a special partner since the very first year. More than 7,000 students from junior high schools, high schools, and universities participated in the 19th Nikkei Stock League, creating virtual stock portfolios according to their own investment themes and submitting reports. The report written by a group of five first-year students of Senior High School at Komaba, University of Tsukuba, who won the first prize, was titled "Help with Consumption and Overcome Disasters!" The team carefully selected 20 companies that face long-term challenges, such as regional revitalization and reconstruction assistance, and emphasized that support for the disaster-stricken areas through the "supporting consumption" will lead to the sustainability of Japan, a country which frequently faces disasters. Every year, more than 100 Nomura Group employees volunteer to serve as report examiners, evaluating the originality of investment themes and the understanding of economic and social mechanisms. At the same time, employees look forward to reading reports that evaluate Japanese companies from a fresh perspective based on the sensibilities of young people. By participating in the Nikkei Stock League, students are made to consider "Their ideal future and society" and learn the meaning of investing in companies that lead to the realization of that ideal future, and realize that they can even solve social problems through investment, form sound capital markets, and support a prosperous society. In the 20th edition, the Nikkei Asia 300 was added to the list of applicable stocks, with the aim of fostering a global perspective. In addition, the Nikkei Stock League has continued to develop, such as linking up with LINE to facilitate the investment learning experience. We will continue to support the Nikkei Stock League, which is creating better ways to learn, making it easier to participate, and continuing to evolve.

SDGs for School

Nomura Group is working to achieve the goals set out in the "Sustainable Development Goals (SDGs)" adopted at the UN Summit in 2015, from the perspective of financial and economics education. The Nikkei Future Investment Program (hosted by Nihon Keizai Shimbun), for which Nomura Group is a special supporter, encourages participants to focus on solving various global issues when deciding which companies to invest in. In addition, in FY2018/19, we began supporting the "SDGs for School" project to promote SDGs, with the goal of supporting teachers and students who practice education with the aim of creating a sustainable society. In FY2018/19, we held a study session for Nomura employees, inviting Mr. Ryobun Santo, a high school teacher working with Think the Earth, the organization that promotes the program, as an instructor. We put together a video overview of his lecture on the significance of SDGs, expectations for companies, and the possibilities for SDGs education, and posted the video on Nomura Holdings' website. SDGs conform to our corporate philosophy of "Helping to enrich society through our expertise in capital markets." Finance and economics play a role in realizing a sustainable society and environment, and have the power to solve the issues highlighted in the SDGs. We will continue to work on financial and economics education to convey this basic philosophy to the next generation.



Human Resources Strategy

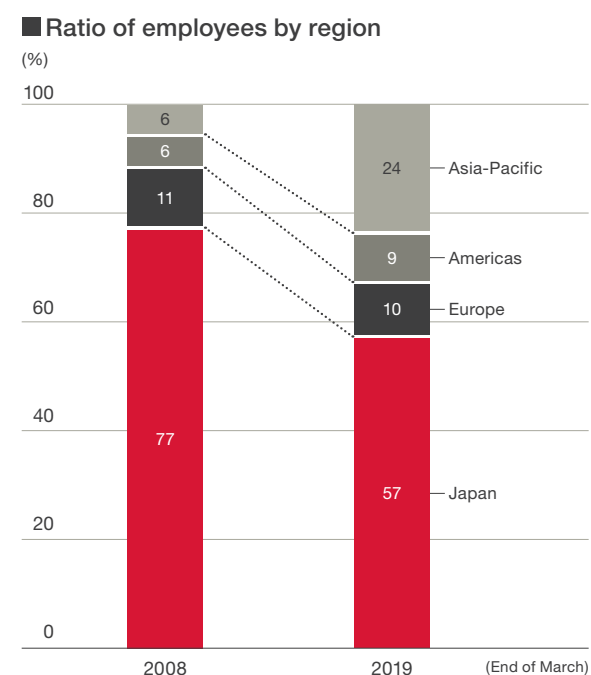


Fundamental approach

Individuals of more than 90 nationalities are currently employed in Nomura Group. This diverse group of people represents our greatest asset. Nomura Group provides equal opportunities, builds a healthy work environment and, under the Code of Ethics of Nomura Group, forbids discrimination based on nationality, ethnic origin, race, gender, age, religion, beliefs, social standing, gender preference, gender identity, disability or any other attribute, so that each and every employee can be active and successful in utilizing her or his capabilities and personal strengths.

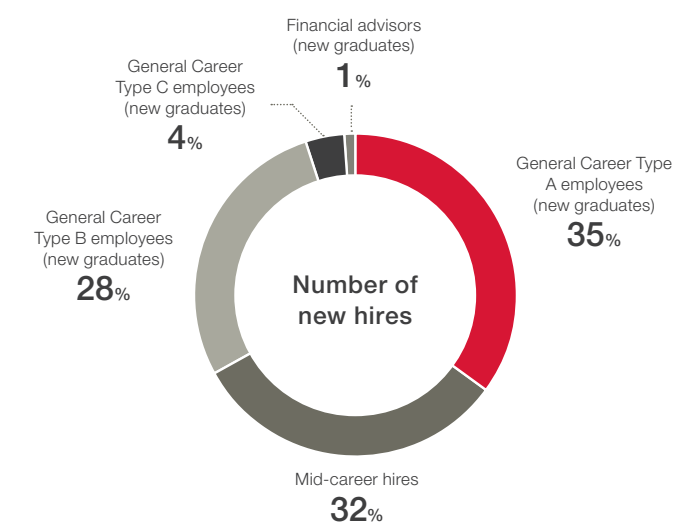
Global human resources framework

Nomura Group takes an integrated approach to human resources management by employing professional personnel around the world who are capable of providing financial services that meet the diverse needs of clients. Having a pool of employees with a wide variety of career paths and values within the Group, we seek to manage our personnel in a flexible and appropriate manner so that each and every one of our employees can thrive as they collaborate with each other and contribute their skills to the workplace.



Recruitment and hiring of talented people

Recognizing that people are our greatest asset, since our founding we have placed particular emphasis on recruitment. In our constant efforts to secure the most talented people, we continue to follow a policy of recruiting people regardless of nationality, gender, and other attributes. We introduced a “career support system” for new graduate hires in Japan, and we have broadened contact points with students by expanding our internship program and other measures. Overseas, we have also begun hiring new graduates by introducing an internship program. In recent years, we have also been actively hiring mid-career professionals capable of contributing immediately, and about 1,000 people in Japan and 1,500 people overseas each year have been joining Nomura through this route. In addition, we have been rehiring employees who previously left Nomura, with the expectation they will hit the ground running. Moreover, Nomura Passport, a new HR program for students enrolled in doctoral programs in science and engineering courses, was introduced in 2018 with the aim of securing personnel with high levels of expertise. By making sure to place these diverse people in positions they are best suited for, we take a personnel management approach that allows each employee to display their capabilities to the fullest.



(Japan: Nomura Holdings, Nomura Securities FY2018/19)

Introduction of new personnel system

Nomura Securities has decided to introduce a new personnel system in April 2020. In an operating environment marked by great change, such as diversified work styles and digital innovation, we aim to be a company that will continue to be selected by competent and motivated people. As described below, the new personnel system scheduled to be introduced will contribute to expanding opportunities for talented and capable employees to leverage their skills and abilities regardless of their age or the number of years with the Group, supporting each person's professional career path according to their aptitude.

Outline of new personnel system

- 1 All General Career Types A, B and C employees will be newly classified (new General Career Types).
- 2 Bonuses and remuneration will be based on a system that will more appropriately reflect each person's job responsibilities and performance, regardless of their age or the number of years with the Group.
- 3 The core of the retirement allowance scheme will be changed from the defined benefits pension plan (DB) to the defined contribution pension plan (DC).

Proper evaluation and compensation

To properly evaluate performance and further the development of personnel, the Group adopts an integrated personnel evaluation system. Employees set their goals at the beginning of each fiscal year, and these goals are aligned with the Group's strategies as well as competency and behavioral requirements. Employees then meet with their supervisors in the middle and at the end of the fiscal year to have frank discussions regarding goal attainment. This approach enables the Group to evaluate its personnel fairly and identify development opportunities suited to their capabilities and competencies.

For certain personnel in managerial-level positions, depending on the business unit the Group also undertakes a 360-degree evaluation.

Every employee is provided, in principle once a year, with the opportunity to be interviewed by the Human Resources Department and directly communicate their thoughts about their career.

The Group has established its Compensation Policy for Group executive officers and employees in order to secure, retain, motivate and nurture outstanding personnel.



Compensation Policy of Nomura Group
<https://www.nomuraholdings.com/csr/employee/capability.html>

Personnel development

To ensure that people with diverse career backgrounds and values can demonstrate their talents, the Group believes that, in addition to human resources development, developing and enhancing a structure for organizational development is important for fostering a vibrant and unified corporate culture. Accordingly, we provide diverse education and training programs to help employees at all levels proactively develop their careers. In Nomura Securities, each division appoints instructors to serve for one year to guide and train new hires and help them develop into independent-minded employees. In the Retail Division, a coach (managerial-level employee) is appointed as a mentor to work with the instructor in nurturing sales staff (partners). Moreover, in April 2019, Nomura Development Curriculum was introduced for partners to acquire within a prescribed period of time the skills and knowledge essential for providing services to clients. To make each employee's development more visible, Nomura has established and utilizes a framework that brings together the necessary actions and skills to improve performance and achieve targets to clearly indicate the skills to be developed by employees and their evaluators through dialogue. In addition to training programs for new hires, our core personnel development programs in Japan include group training programs based on years of service and job position or according to title and on-the-job training. To support self-driven skills development, we have also established a self-study support system that includes a wide range of external training and correspondence

courses and voluntary group training on weekends at our own training facilities. Meanwhile, to develop personnel capable of playing an active role globally, we have established study-abroad programs and overseas training programs in which employees themselves determine where they go and what topics they study.

Communication with Employees

Nomura organizes various forums for direct dialogue between management and employees around the world. Town hall meetings and social gatherings are held regularly in each region to provide opportunities for senior management to share the company's vision, strategy, and philosophy, and for employees to engage in active exchange with senior management with the aim to deepen mutual understanding. As part of our continued efforts to understand how our employees feel about Nomura, we periodically conduct surveys of all Group employees to monitor the status of communication within the organization and their level of satisfaction. We also assess employee engagement through regular surveys, and use the results to enhance ongoing initiatives to help our employees achieve a good balance between work and home and family responsibilities.

Promoting Work Style Innovation and Health & Productivity Management

In July 2016, Nomura Group adopted the NOMURA Health & Productivity Declaration Statement as part of the Group's efforts led by the Group Chief Health Officer (CHO) to maintain and improve the health of employees. In addition, Nomura has launched the "Nomura Work Style Innovation" initiative, which comprises "Work Style Reform" and "Health & Productivity Management," and

has been developing an environment since 2017 that enables diverse employees to demonstrate their talents and play active roles. In this regard, we have developed and internally and publicly announced an action plan with quantitative targets. Nomura has further promoted these initiatives by posting messages from senior management and positive examples on the internal website and appointing people in charge of advancing initiatives in each division.

Diversity and Inclusion

Nomura Group believes that by having employees with diverse backgrounds and values respect one another and work together, the organization is better able to provide high value-added services and satisfy a wide variety of customer needs. Nomura Holdings and Nomura Securities have each established the Nomura Group Diversity and Inclusion Committee, chaired by the Deputy President and Group Co-COO and by the Representative Director, Deputy President respectively. The committee comprises division representatives who regularly discuss the promotion of diversity and inclusion. Nomura adopted the "Declaration on Diversity & Inclusion" in 2016 based on the strong desire to form a working environment that utilizes diverse human resources throughout the entire Group, and adopted "NOMURA's Declaration to Support Employees Balance Work and Family Care" in 2017 to create a workplace where employees who have to take care of a family member are able to continue working. Based on this policy, Nomura provides information to raise employee awareness and offers services to support for balancing work and family care. Nomura has three autonomously and globally run employee networks* to provide a range of information and hold events related to diversity in the workplace. These networks also provide opportunities for interaction both internally and externally.

among other measures to establish an employment environment in which female employees can thrive. These initiatives include a mentoring program for managers, a sponsorship program in which executive officers support management candidates, career design training programs for management candidates, and social events with senior employees who can become role models for young employees. Moreover, we provide training on diversity management, including promoting women's participation in the workplace, to managers including men, as we are striving to foster a climate where female employees can play a more active role. In EMEA, Nomura is working on a range of initiatives to improve the gender balance. We issued a gender pay gap report in the U.K., and became a signatory of the "Women in Finance Charter" spearheaded by the U.K. government, whereby we set a target to increase our senior women by 50% by 2021.

LGBT

At Nomura Securities, we have implemented measures to support lesbian, gay, bisexual and transgender (LGBT) and other sexual-minority employees through training for all employees, activities to increase the number of allies, and by introducing a partnership system. In recognition of these efforts, we were given the highest Gold grade in the Pride Index, Japan's first evaluation of the LGBT-friendliness of work environments run by Work with Pride, a private group, for three consecutive years from 2016 to 2018. Moreover, in May 2019, Nomura signed the United Nations Standards of Conduct for Business for tackling discrimination against lesbian, gay, bisexual, transgender and intersex (LGBTI) people. Nomura is the first firm in the financial services industry in Japan to pledge support for the standards of conduct.

Our People
<https://www.nomuraholdings.com/csr/employee/>

Supporting women's careers

Nomura Securities has set a quantitative target of 550 female managers by 2020 and has announced an action plan to help women thrive in the company. Nomura has also pursued initiatives to achieve quantitative targets, including support for female employees' career-building and support for balancing their careers with life events,

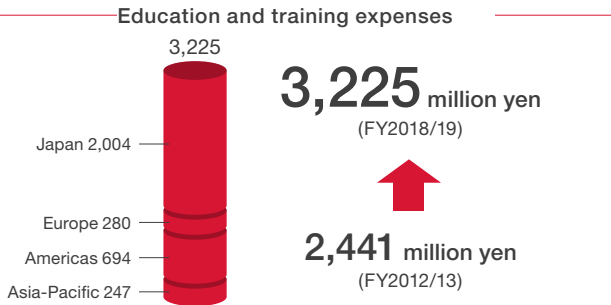
External evaluations



Jun. 2007 ~	Kurumin (Nomura Securities)
Dec. 2015 ~	Certification of Osaka City "Female employees leading company" (Nomura Securities)
Jun. 2016	ERUBOSHI (Nomura Trust and Banking)
Oct. 2016 ~	Tomonin (Nomura Securities)
Oct. 2016 ~	Pride Index, Gold grade (Nomura Securities)
May 2017	AllAboutCareers School Leaver Awards (Nomura International plc)
Dec. 2017	TechWomen 50 (Nomura International plc)
Feb. 2019	Nomura was named as one of the Organizations Recognized under the 2019 Certified Health & Productivity Management Outstanding Organizations Recognition Program (White 500) (Nomura Holdings, Inc. / Nomura Asset Management)
Mar. 2019	Semi-Nadeshiko Brand (Nomura Holdings, Inc.)
May 2019	Kurumin (Nomura Asset Management)

*"Women in Women (WIN)" to promote women's careers, "Life & Family (L & F)" to promote work-life management, and "Multi-culture value (MCV)" to promote multi-cultural, LGBT, and persons with disabilities

Amount invested in employees



In-house training



*Subtotals may not add up to totals due to rounding.



Financial review and analysis of the fiscal year ended March 31, 2019

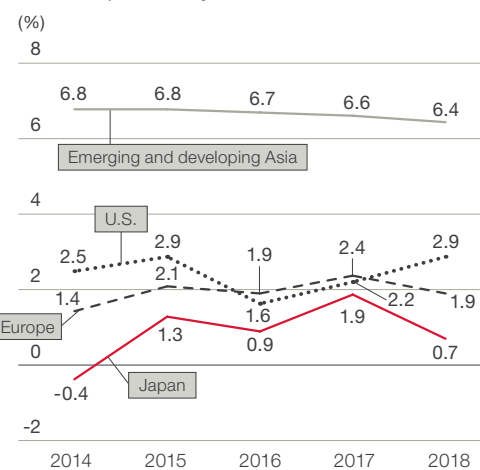
■ Business environment

The global economy grew in both developed and emerging-market nations, but the overall pace of growth in certain countries, regions have slowed. Financial markets were destabilized by concerns over protectionist policies, including the U.K.'s negotiations to leave the EU and U.S.-China trade friction. Major central banks largely acted to tighten monetary policy.

In the U.S., acceleration in real Gross Domestic Product ("GDP") growth continued from 2017. Personal consumption and government spending grew against a backdrop of tax reforms and fiscal expansion, and capital expenditures were at solid levels. However, the exchange of additional tariffs and retaliatory tariffs between the U.S. and China raised concerns about trade friction in financial markets, and stock prices plunged in late 2018. The Federal Reserve Board (FRB) announced it would halt monetary tightening in 2019, and the U.S. postponement of tariff hikes pushed interest rates sharply lower and stock markets recovered. The Dow Jones Industrial Average rose 7.6% to \$25,929 at the end of March 2019, from \$24,103 at the end of March 2018. The yield on 10-year U.S. Treasuries fell 33bps to 2.41% at the end of March 2019, from 2.74% at the end of March 2018.

The Euro area economy slowed down from July-September 2018. The largest economy in the Eurozone, Germany, was adversely affected by the slowdown in the Chinese economy and reduced demand for autos in key Eurozone countries.

Real GDP of the United States, Europe, Emerging and Developing Asia, and Japan over the past five years*1



The DAX index fell 4.7% from €11,526.04 at the end of March 2018 to €12,096.73 at the end of March 2019. In December 2018, the European Central Bank (ECB) decided to end its quantitative easing program at the end of 2018, but in March 2019, it announced that it would maintain its interest rate policy at least until the end of 2019 due to the slowing German economy. With the ECB taking a cautious stance on rate hikes presently, the yield on 10-year German government bonds fell below zero in late March 2019 for the first time since autumn of 2016. In the U.K., companies' willingness to invest in plant and equipment was weak due to the uncertainty around the U.K.'s departure from the EU.

In Asia, real GDP grew 6.6% in China in 2018, down from 6.8% in 2017. Other Asian countries continued to enjoy solid economic growth overall, led by domestic demand. However, markets experienced significant capital outflows as investors avoided risks associated with the U.S. interest rate hike and U.S.-China trade friction.

Japan was also affected by the global economic slowdown driven by U.S.-China trade friction. Personal consumption was also low partly due to a string of natural disasters including heavy rains, typhoons, and earthquakes, which also disrupted supply chains and affected corporate production activity. The Nikkei Stock Average was ¥21,205.81 at the end of March 2019, down 1.2% from ¥21,454.30 at the end of March 2018. In the bond market, the Bank of Japan (BOJ) maintained its framework for quantitative and qualitative monetary easing with yield curve control. The yield on newly issued 10-year Japanese government bonds was largely in the range of -0.10% to 0.15%.

Yields on Japanese government bonds over the past 5 years: 10 years, yen/dollar exchange rate, and Nikkei Stock Average*2



*1 Source: U.S. Department of Commerce; Europe, eurostat; Emerging and Developing Asia, IMF; Japan, Cabinet Office. Fiscal year in Japan and calendar year in other countries

*2 Source: Bloomberg

■ Summary of consolidated results

Net revenue (after deducting interest expenses) for the fiscal year ended March 31, 2019 was ¥1,116.8 billion, down 25% from the previous fiscal year, and Income before income taxes was ¥37.7 billion, and net income

attributable to Nomura Holdings shareholders was ¥100.4 billion. EPS for the current fiscal year (diluted net income attributable to Nomura Holdings shareholders per share) was ¥-29.92.

(billions of yen)		FY2017/18	FY2018/19	Year-on-year	Comments
Revenue	Commission	373.3	293.1	-21.5%	Brokerage commissions and commissions for distribution of investment trusts decreased due to a decrease in sales in stock and investment trusts
	Fees from investment banking	101.7	101.5	-0.1%	Revenues were flat year on year as M & A and ECM businesses contributed to earnings
	Asset management and portfolio service fees	245.6	245.5	0.0%	Asset management fees were flat year on year due to the inflows into private placement investment trusts for financial institutions and discretionary investment products
	Net gain (loss) on trading	442.9	343.0	-22.6%	Both Fixed Income and Equity were weak
	Gain (loss) on private equity investments	-0.9	1.0	-	
	Interest and dividends	585.7	777.0	32.7%	
	Gain (loss) on investments in equity securities	2.7	-7.0	-	Unrealized gains (losses) and trading gains (losses) on stocks held for operating purposes decreased.
	Other	221.2	81.1	-63.4%	This was due to the substantial liquidation of an overseas subsidiary and the gains from the sale of our controlling financial interest in Asahi Fire and Marine Insurance Co., Ltd. recorded in the previous fiscal year booked last quarter were no longer present and a decrease in gain/loss related to American Century Investments
	Total revenue	1,972.2	1,835.1	-6.9%	
	Interest expenses	475.2	718.3	51.2%	
Net revenue (after deducting interest expenses)		1,497.0	1,116.8	-25.4%	
Non-interest expenses		1,168.8	1,154.5	-1.2%	Despite a decrease in personnel expenses due to the control of bonuses and a decrease in legal expenses related to legacy transactions, the recognition of goodwill impairment loss (81.4 billion yen) attributable to Wholesale resulted in a slight decrease from the previous year
Income (loss) before income taxes		328.2	-37.7	-	
Net income (loss) attributable to Nomura Holdings shareholders		219.3	-100.4	-	

As net interest income, which is interest income and dividends minus interest expenses, depends on the level and composition of total assets and liabilities, including trading assets, repurchase agreement and reverse repurchase agreement transactions, as well as the term structure and volatility of interest rates, it is one of the integral parts of trading activities. In the fiscal year ended March, 2019, while interest and dividends including dividends from American Century Investments increased, interest expenses also increased, leading to a year-on-year decrease in net interest income.

■ Performance by business unit

Retail Division

Net revenue for the year ended March 2019 decreased 18% to ¥339.5 billion and income before income taxes decreased 52% to ¥49.5 billion. The decline was due to sluggish trading of stocks and investment trusts as clients' willingness to invest declined due to the uncertain market environment. The Retail Division continues to transform and strengthen its business model by enhancing the trust of our clients and improving their satisfaction, and being a reliable and dependable financial institution that customers turn to. As a result of our continued success in providing services that meet a wide range of client needs, including asset management, real estate, business succession and financing, our consulting related revenues increased 14% year on year. Net inflows of cash and securities was high, exceeding ¥2 trillion, due to the contribution of large-scale financing deals.

Asset Management Division

In the year ended March 31, 2019, net cash inflows totaled approximately ¥2.2 trillion. This was mainly due to the expansion of ETF (Exchange Traded Funds) and defined contribution pension funds in the investment trust business, and the growth of new investment advisory clients in overseas markets. As a result, the assets under management as of the end of March 2019 reached a record high of ¥51.4 trillion. At the same time, total net revenues decreased 23% to ¥97.8 billion, and income before income taxes decreased 48% to ¥34.2 billion. Although an increase in the assets under management contributed to earnings, cash outflows from some publicly offered investment trusts and valuation losses from changes in the market value of equity interests in American Century Investments negatively impacted performance.

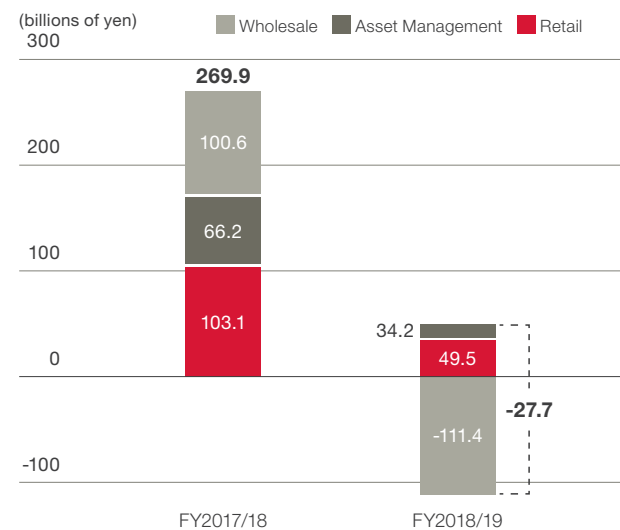
■ Overseas business

Consolidated net loss before income taxes for the year ended March 2019 worsened to ¥165.9 billion. Geographically, although Asia and Oceania secured profits, the Americas recorded a loss of ¥114.1 billion and EMEA a loss of ¥56.9 billion. The decline in revenues were driven primarily from a difficult market environment in Fixed Income in addition to increased expenses, including an impairment loss on goodwill attributable to Wholesale, settlement costs related to legacy transactions with the U.S. Department of Justice, and one-time costs associated with reviewing the business portfolio.

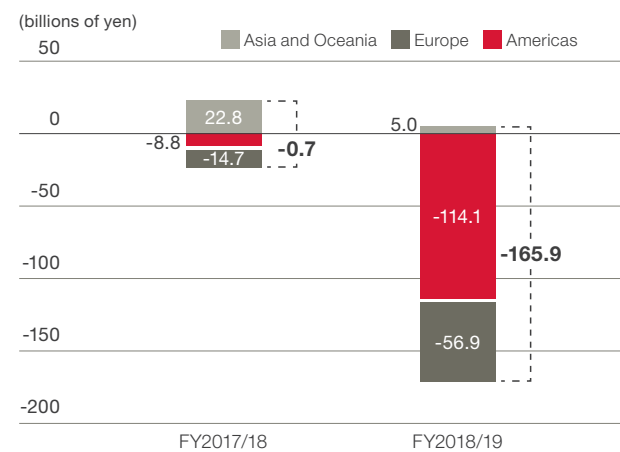
Wholesale Division

Total net revenues from Wholesale Division decreased 22% to ¥555.4 billion. A decline in client activity due to geopolitical uncertainties, coupled with turmoil in emerging markets and credit markets, led to a substantial decline, particularly in Fixed Income. Although Investment Banking net revenues declined year on year amid a decline in global revenue opportunities, M&A and ECM businesses grew, driven by successful cross-regional and cross-divisional cooperation. Net loss before income taxes was ¥111.4 billion as a result of an increase in non-interest expenses driven by goodwill impairment losses and one-time expenses associated with business portfolio reviews.

Income (loss) before income taxes by segment



International income (loss) before income taxes by region



■ Consolidated capital adequacy ratio

The consolidated common equity Tier1 ratio as of March 31, 2019 was 17.11%, up from 16.53% as of March 31, 2018. This was mainly due to a decline in risk-weighted assets, particularly market risk, as a result of the dissolution of temporary positions held. We have set a medium-term target for the consolidated common equity

Tier1 ratio of at least 11% and is maintaining a sufficient level of capital.

The consolidated leverage ratio rose to 5.03% from 4.74% at the end of March 2018. This is mainly due to the adoption of a new method for measuring exposure in the denominator.

Consolidated capital adequacy ratio

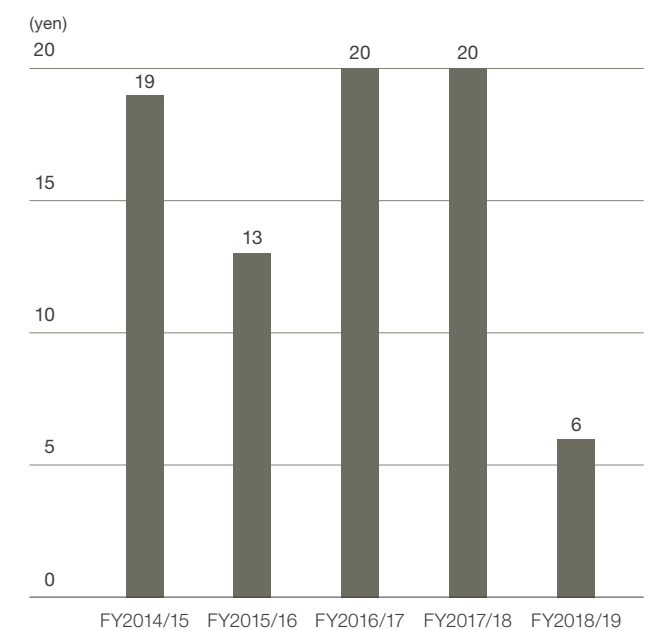
billions of yen		FY2017/18	FY2018/19	Year-on-year
Capital	CET1 capital	2,500	2,440	-60
	Tier1 capital	2,666	2,606	-61
	Total capital	2,732	2,652	-81
Risk-weighted assets	Credit risk-weighted assets	7,736	7,527	-209
	Value obtained by dividing market risk equivalent assets by 8%	4,748	4,211	-537
	Value obtained by dividing the operational risk equivalent assets by 8%	2,638	2,513	-125
	Total risk-weighted assets	15,122	14,252	-871
Consolidated capital adequacy ratio	CET1 capital ratio	16.53%	17.11%	0.58%
	Tier1 capital ratio	17.63%	18.28%	0.65%
	Consolidated capital adequacy ratio	18.06%	18.60%	0.54%

■ Return to shareholders

Our basic policy for returning profits to shareholders is to continuously improve shareholder value and pay dividends. A key indicator for dividends is the consolidated dividend payout ratio of 30%, which is calculated on a semiannual basis. Dividends are determined based on a comprehensive review of trends in the regulatory environment in Japan and overseas, including the strengthening of Basel regulations, as well as consolidated performance. The number of dividends is, in principle, two per year (Reference Date: September 30, March 31). We also aim to achieve a total return ratio of at least 50%, including the return to shareholders from the repurchase of treasury stock.

Although we recorded a net loss attributable to shareholders in both the first and second half of the year ended March 31, 2019, we decided to pay dividends. In addition to the dividend policy, we also took into account the fact that temporary expenses have depressed business results and stable dividend payments. As a result, the annual dividend was ¥6 per share.

Annual dividend per share



Key Financial Data

(billions of yen)						
P/L	FY2013/14	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19
Net revenue	1,557.1	1,604.2	1,395.7	1,403.2	1,497.0	1,116.8
Income before income taxes	361.6	346.8	165.2	322.8	328.2	(37.7)
Net income*	213.6	224.8	131.6	131.6	219.3	(100.4)

* Net income attributable to Nomura Holdings shareholders

							(billions of yen)
Segment information		FY2013/14	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19
Net revenue	Retail	511.9	476.5	435.6	374.4	412.9	339.5
	Asset Management	80.5	92.4	95.4	99.4	127.3	97.8
	Wholesale	765.1	789.9	720.3	739.3	715.3	555.4
	Subtotal	1,357.5	1,358.7	1,251.3	1,213.1	1,255.6	992.7
	Other	188.8	220.8	165.1	183.5	239.5	131.3
	"Unrealized gain (loss) on investments in equity securities held for operating purposes"	10.7	24.7	(20.7)	6.6	1.9	(7.2)
	Net revenue	1,557.1	1,604.2	1,395.7	1,403.2	1,497.0	1,116.8
Income (loss) before income taxes	Retail	192.0	161.8	127.6	74.8	103.1	49.5
	Asset Management	27.1	32.1	36.7	42.3	66.2	34.2
	Wholesale	111.8	82.2	15.4	161.4	100.6	(111.4)
	Subtotal	330.9	276.1	179.7	278.6	269.9	(27.7)
	Other	20.0	46.0	6.1	37.6	56.4	(30.5)
	"Unrealized gain (loss) on investments in equity securities held for operating purposes"	10.7	24.7	(20.7)	6.6	1.9	(7.2)
	Income before income taxes	361.6	346.8	165.2	322.8	328.2	(37.7)

							(billions of yen)
Geographic information*		FY2013/14	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19
Income (loss) before income taxes by region	Japan	386.3	363.2	244.8	234.7	328.8	128.2
	Americas	29.5	(27.6)	(32.0)	50.0	(8.8)	(114.1)
	Europe	(48.9)	(23.5)	(67.4)	14.4	(14.7)	(56.9)
	Asia and Oceania	(5.2)	34.6	19.8	23.7	22.8	5.0
	Subtotal	(24.7)	(16.4)	(79.6)	88.1	(0.7)	(165.9)
	Consolidated	361.6	346.8	165.2	322.8	328.2	(37.7)

* Region information is based on US GAAP. Revenues and expenses are allocated based on the country of domicile of the legal entity providing the service.

ROE	FY2013/14	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19
ROE	8.9%	8.6%	4.9%	8.7%	7.9%	-

(billions of yen)						
B/S	FY2013/14	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19
Total assets	43,520.3	41,783.2	41,090.2	42,852.1	40,343.9	40,969.4
Total Nomura Holdings shareholders' equity	2,513.7	2,707.8	2,700.2	2,789.9	2,749.3	2,631.1
Gross leverage (times)	17.3	15.4	15.2	15.4	14.7	15.6
Net leverage* (times)	10.4	9.3	9.6	8.6	8.8	9.0

* Total assets minus securities purchased under agreements to resell and securities borrowed, divided by Nomura Holdings shareholders' equity.

(billions of yen)						
Funding and liquidity	FY2013/14	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19
Liquidity portfolio*	6,127.2	6,064.0	5,947.1	4,970.3	4,628.4	4,096.9
Short-term unsecured debt	2,969.3	2,557.0	3,303.8	1,883.0	2,107.0	2,518.8
Long-term unsecured debt	6,218.6	6,509.4	6,593.6	5,918.9	5,218.9	6,483.5

* Definition differs from financial disclosures reflecting Liquidity Management's view. Cash and cash deposits portion of liquidity portfolio excludes funds on

(yen)						
Per share data	FY2013/14	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19
Basic-net income attributable to Nomura Holdings shareholders per share (EPS)	57.57	61.66	36.53	67.29	63.13	(29.90)
Diluted-net income attributable to Nomura Holdings shareholders per share (EPS)	55.81	60.03	35.52	65.65	61.88	(29.92)
Nomura Holdings shareholders' equity per share (BPS)	676.15	752.40	748.32	790.70	810.31	794.69
Dividends per share (DPS)	17.0	19.0	13.0	20.0	20.0	6.0
Dividend payout ratio	29.5%	30.8%	35.6%	29.7%	31.7%	(20.1)%

Consolidated capital adequacy, etc.*1	FY2013/14	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19
(billions of yen)						
Tier1 capital	2,314.2	2,459.2	2,577.5	2,689.8	2,666.4	2,605.9
Tier 2 capital	401.5	361.2	323.1	109.6	66.1	46.0
Total capital	2,715.7	2,820.4	2,900.6	2,799.4	2,732.5	2,651.9
RWA	17,425.9	18,929.2	15,970.5	13,977.9	15,122.3	14,251.6
Tier1 capital ratio	13.2%	12.9%	16.1%	19.2%	17.6%	18.3%
CET1 capital ratio*2	13.2%	12.9%	15.4%	18.2%	16.5%	17.1%
Consolidated capital adequacy ratio	15.5%	14.8%	18.1%	20.0%	18.1%	18.6%
Consolidated leverage ratio*3	—	3.82%	4.28%	4.63%	4.74%	5.03%
(trillions of yen)						
HQLA*4	—	—	6.2	4.5	4.0	4.3
LCR*4	—	—	175.8%	180.0%	153.6%	198.4%

*1 Figures for March 2012 were prepared under Basel 2.5 standards. Figures for March 2013 to March 2017 were prepared under Basel 3 standards.
*2 CET1 capital ratio is defined as Tier1 capital minus minority interests divided by risk-weighted assets.
*3 Tier1 capital divided by exposure (sum of on-balance sheet exposures and off-balance sheet items).
*4 Monthly average of 4Q.

Number of shares outstanding, share price, etc.	FY2013/14	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19
Number of shares outstanding (thousands)	3,822,563	3,822,563	3,822,563	3,822,563	3,643,563	3,493,563
Share price (fiscal year-end) (yen)	662	706.2	502.9	691.9	615.3	400.2
Market capitalization (trillions of yen)*	2.5	2.7	1.9	2.6	2.2	1.4
PBR (times)*	0.98	0.94	0.67	0.88	0.76	0.5
PER (times)*	11.50	11.45	13.77	10.28	9.75	-

* Figures based on the fiscal year-end share price.

Eleven-Year Consolidated Financial Summary (US GAAP)



For the fiscal years beginning April 1 and ending March 31 of the following year
Note: This financial summary is prepared solely for convenience. Readers are recommended to refer to Form 20-F.

		(millions of yen)										
		FY2008/09	FY2009/10	FY2010/11	FY2011/12	FY2012/13	FY2013/14	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19
Operating results												
Revenue:	Commission	306,803	395,083	405,463	347,135	358,210	473,121	453,401	431,959	327,129	373,313	293,069
	Fees from investment banking	54,953	121,254	107,005	59,638	62,353	91,301	95,083	118,333	92,580	101,663	101,521
	Asset management and portfolio service fees	140,166	132,249	143,939	144,251	141,888	168,683	203,387	229,006	216,479	245,616	245,519
	Net gain (loss) on trading	(128,339)	417,424	336,503	272,557	367,979	476,356	531,337	354,031	475,587	442,885	342,964
	Gain (loss) on private equity investments	(54,791)	11,906	19,292	25,098	8,053	11,392	5,502	13,761	1,371	(869)	1,007
	Interest and dividends	331,356	235,310	346,103	435,890	394,007	416,350	436,766	440,050	441,036	585,675	776,964
	Gain (loss) on investments in equity securities	(25,500)	6,042	(16,677)	4,005	38,686	15,156	29,410	(20,504)	7,708	2,683	(6,983)
	Other	39,863	37,483	43,864	563,186	708,767	179,485	175,702	156,460	153,626	221,192	81,057
	Total revenue	664,511	1,356,751	1,385,492	1,851,760	2,079,943	1,831,844	1,930,588	1,723,096	1,715,516	1,972,158	1,835,118
	Interest expense	351,884	205,929	254,794	315,901	266,312	274,774	326,412	327,415	312,319	475,189	718,348
	Net revenue	312,627	1,150,822	1,130,698	1,535,859	1,813,631	1,557,070	1,604,176	1,395,681	1,403,197	1,496,969	1,116,770
Non-interest expenses:	Compensation and benefits	491,555	526,238	518,993	534,648	547,591	570,058	596,593	574,191	496,385	530,641	497,065
	Commissions and floor brokerage	73,681	86,129	92,088	93,500	91,388	111,849	129,977	123,881	94,495	99,868	82,637
	Information processing and communications	154,980	175,575	182,918	177,148	179,904	192,168	192,300	189,910	175,280	184,781	166,865
	Occupancy and related depreciation	78,480	87,806	87,843	100,891	91,545	80,142	76,112	78,411	69,836	67,895	64,940
	Business development expenses	31,638	27,333	30,153	48,488	49,010	38,485	35,230	35,892	35,111	36,762	36,915
	Other	262,558	142,494	125,448	496,227	616,463	202,754	227,205	228,238	209,295	248,864	306,049
	Total non-interest expenses	1,092,892	1,045,575	1,037,443	1,450,902	1,575,901	1,195,456	1,257,417	1,230,523	1,080,402	1,168,811	1,154,471
Income (loss) before income taxes		(780,265)	105,247	93,255	84,957	237,730	361,614	346,759	165,158	322,795	328,158	(37,701)
Income tax expense (benefit)		(70,854)	37,161	61,330	58,903	132,039	145,165	120,780	22,596	80,229	103,866	57,010
Net income (loss)		(709,411)	68,086	31,925	26,054	105,691	216,449	225,979	142,562	242,566	224,292	(94,711)
Less: Net income (loss) attributable to noncontrolling interests		(1,219)	288	3,264	14,471	(1,543)	2,858	1,194	11,012	2,949	4,949	5,731
Net income (loss) attributable to NHI shareholders		(708,192)	67,798	28,661	11,583	107,234	213,591	224,785	131,550	239,617	219,343	(100,442)
Balance sheets (Period end)												
Cash and cash deposits		1,422,709	1,352,244	2,150,453	1,953,677	1,652,752	2,189,310	2,096,596	3,898,843	2,972,088	2,959,046	3,261,869
Loans and receivables		1,643,007	2,071,714	2,227,822	2,211,423	2,629,875	2,570,678	2,948,424	2,969,578	3,097,428	3,875,199	3,882,038
Collateralized agreements		8,412,618	12,467,213	15,156,318	13,742,646	14,115,257	17,347,001	16,719,520	15,077,660	18,729,825	16,237,743	17,306,959
Trading assets and private equity investments		11,672,612	14,700,282	15,241,931	14,123,594	17,124,349	18,714,314	17,308,848	16,410,002	15,192,364	14,980,156	14,385,789
Other assets		1,686,902	1,638,975	1,916,466	3,665,972	2,420,206	2,699,011	2,709,848	2,734,084	2,860,373	2,291,803	2,132,784
Total assets		24,837,848	32,230,428	36,692,990	35,697,312	37,942,439	43,520,314	41,783,236	41,090,167	42,852,078	40,343,947	40,969,439
Short-term borrowings		1,183,374	1,301,664	1,167,077	1,185,613	738,445	602,131	662,256	662,902	543,049	743,497	841,758
Payables and deposits		1,242,318	1,528,419	2,103,608	2,437,370	2,413,801	2,836,873	3,398,600	4,249,118	3,708,435	3,567,655	3,768,038
Collateralized financing		10,157,954	11,216,481	13,686,438	12,519,274	15,409,383	17,111,999	15,379,803	16,605,591	19,061,091	16,696,994	16,684,403
Trading liabilities		4,752,054	8,356,806	8,688,998	7,495,177	8,491,296	11,047,285	10,044,236	7,499,335	8,191,794	8,202,936	8,219,811
Other liabilities		467,574	494,983	552,316	1,165,901	978,163	1,141,750	1,217,099	1,200,647	1,308,510	950,534	858,867
Long-term borrowings		5,483,028	7,199,061	8,402,917	8,504,840	7,592,368	8,227,063	8,336,296	8,129,559	7,195,408	7,382,507	7,915,769
Total liabilities		23,286,302	30,097,414	34,601,354	33,308,175	35,623,456	40,967,101	39,038,290	38,347,152	40,008,287	37,544,123	38,288,646
Total NHI shareholders' equity		1,539,396	2,126,929	2,082,754	2,107,241	2,294,371	2,513,680	2,707,774	2,700,239	2,789,916	2,749,320	2,631,061
Noncontrolling interests		12,150	6,085	8,882	281,896	24,612	39,533	37,172	42,776	53,875	50,504	49,732
Total equity		1,551,546	2,133,014	2,091,636	2,389,137	2,318,983	2,553,213	2,744,946	2,743,015	2,843,791	2,799,824	2,680,793
Total liabilities and equity		24,837,848	32,230,428	36,692,990	35,697,312	37,942,439	43,520,314	41,783,236	41,090,167	42,852,078	40,343,947	40,969,439
Cash flows												
Net cash provided by (used in) operating activities		(712,629)	(1,500,770)	(235,090)	290,863	549,501	457,426	(77,028)	1,238,372	1,305,025	(445,690)	(361,165)
Net cash provided by (used in) investing activities		(98,905)	(269,643)	(423,214)	9,942	(160,486)	(103,195)	12,337	(23,711)	(118,051)	(56,172)	(112,503)
Net cash provided by (used in) financing activities		999,760	2,176,530	1,284,243	(844,311)	(701,623)	289,385	(178,206)	986,387	(2,130,644)	373,168	761,191
Effect of exchange rate changes on cash and cash equivalents		(81,896)	964	(26,246)	(6,314)	47,175	41,089	68,513	(40,195)	4,249	(53,504)	44,741
Net increase (decrease) in cash and cash equivalents		106,330	407,081	599,693	(549,820)	(265,433)	684,705	(174,384)	2,160,853	(939,421)	(182,198)	332,264




1. Figures for the fiscal years ended March 31 in 2008 and 2009 have been restated to reflect the application of new guidelines on accounting for and disclosure of non-controlling equity positions that are referred to in Position Paper No. 810, entitled "Consolidated Financial Statements."

Environment, social and governance (ESG) Data

Corporate governance							
Members of the Board	Unit	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Board of Directors	No. of people	11	12	11	10	10	10
Outside Directors	No. of people	6	7	6	6	6	6
	Ratio (%)	55	58	55	60	60	60
Non-Japanese Directors	No. of people	3	3	3	1	2	2
	Ratio (%)	27	25	27	10	20	20
Female Directors	No. of people	1	1	1	1	2	2
	Ratio (%)	9	8	9	10	20	20
Officers (Executive Officers and Senior Managing Directors)	Unit	April 1, 2014	April 1, 2015	April 1, 2016	April 1, 2017	April 1, 2018	May 1, 2019
Men	No. of people	27	26	27	33	34	33
Women	No. of people	2	2	2	1	1	1
Ratio of women	%	6	7	7	3	3	3
Board of Directors meetings	Unit	FY2013/14	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19
No. of times held	No. of times	10	10	10	11	10	10
Average attendance rate	%	98	99	100	99	100	100
Average term of office	Year	3.1	3.8	3.2	3.3	2.7	3.7
Contributing to Sound and Sustainable Capital Markets							
Caseload at Customer Help Desk Department (Nomura Securities)	Unit	FY2013/14	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19
Total	No. of cases	7,010* ¹	5,540	5,767	6,003	7,054	7,843
Complaints	No. of cases	4,023	2,537	2,771	2,531	2,479	2,542* ³
Inquiries	No. of cases	2,730	2,766	2,749	3,267	4,147* ²	4,852
Opinions and requests	No. of cases	55	81	128	98	270	237
Other	No. of cases	202	156	119	107	158	212
Results of customer satisfaction surveys at branch offices (Nomura Securities)							
	Unit	August 2014	January 2015	February 2016	February 2017	November 2017	March 2019
Extremely satisfied/satisfied	%	81.4	80.9	82.1	83.7	85.5	88.8
Neither satisfied nor dissatisfied	%	16.3	16.3	15.1	14.3	13.0	9.6
Extremely dissatisfied/dissatisfied	%	2.2	2.8	2.8	2.0	1.5	1.6
Sustainable Finance	Unit	FY2013/14	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19
Bonds issued	Number	8	5	4	5	20	33
Proceeds	Millions of yen	498,768	110,331	52,133	59,226	220,997	1,079,161
* ESG bonds in which Nomura Securities is involved							




Contributing to Sustainable Communities							
Community contribution expenditures	Unit	FY2013/14	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19
Total	Millions of yen	1,323	1,457	1,325	1,704	1,224	1,717
Education	Millions of yen	604	530	562	451	407	410
Arts, culture, and sports	Millions of yen	66	333	102	567	157	476
Science and academic achievement	Millions of yen	117	114	120	116	109	230
Community contribution	Millions of yen	190	161	162	189	261	277
Welfare and health	Millions of yen	39	85	79	53	33	46
Environment	Millions of yen	84	34	29	71	59	69
Human rights and labor	Millions of yen	20	19	39	12	6	16
Disaster relief	Millions of yen	78	68	56	61	9	18
Other	Millions of yen	129	113	176	184	185	175
*Subtotals may not add up to totals due to rounding.							
Participants and materials in financial and economics education	Unit	FY2013/14	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19
Visiting classes (elementary, junior, senior high schools, universities, teachers) Since 2008	No. of schools	56	265	304	346	442	393
	No. of participants	2,825	9,836	9,637	15,317	19,377	18,919
Financial courses for universities Since 2001	No. of schools	112	108	106	104	106	102
	No. of participants	11,000	11,000	11,000	11,200	11,000	11,200
Financial courses for the general public Since 2003	No. of schools	531	566	412	304	270	256
	No. of participants	23,897	24,712	14,958	10,926	8,105	7,421
Nikkei Stock League Since 2000	No. of teams	1,484	1,361	1,429	1,618	1,832	1,792
	No. of members	5,699	5,167	5,587	6,462	7,180	7,103
 Number of educational materials supplied*	No. of schools	442	527	440	434	470	730
	No. of copies	26,801	39,550	27,305	30,167	37,163	61,581
* The total volume of learning materials donated to elementary and junior high schools by Nomura Holdings.							
Developing human resources who respect diversity							
Education and training expenses	Unit	FY2013/14	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19
Total	Millions of yen	2,515	2,972	2,880	2,767	2,987	3,225
Japan	Millions of yen	1,978	2,076	2,020	2,094	2,093	2,004
Europe	Millions of yen	81	115	225	161	228	280
Americas	Millions of yen	262	573	426	299	435	694
Asia-Pacific	Millions of yen	194	208	209	213	230	247
 Participation in education and training	Unit	FY2013/14	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19
Total	Aggregate no. of hours	406,602	507,639	499,386	501,377	530,869	537,323
	Aggregate no. of participants	89,657	132,672	211,014	195,819	277,824	302,460
Japan	Aggregate no. of hours	284,920	333,305	307,295	303,854	298,571	332,570
	Aggregate no. of participants	12,325	14,398	16,294	15,581	14,896	18,879
Europe	Aggregate no. of hours	26,117	48,434	47,709	33,638	49,288	43,787
	Aggregate no. of participants	21,822	41,654	62,077	44,325	70,240	77,539
Americas	Aggregate no. of hours	7,811	15,439	17,589	15,848	23,139	15,983
	Aggregate no. of participants	5,598	12,255	25,122	19,816	38,169	35,932
Asia-Pacific	Aggregate no. of hours	87,754	110,461	126,793	148,037	159,871	144,983
	Aggregate no. of participants	49,912	64,365	107,521	116,097	154,519	170,110
* Certain subsidiaries and affiliates were not included in the number of participants in internal education and training in Europe, the Americas and Asia-Pacific as the data was compiled based on persons registered through the Wholesale Division's internal training system.							

Developing human resources who respect diversity

 Composition of employees ^{*1}	Unit	FY2013/14	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19
Total	No. of employees	26,019	28,672	28,865	28,186	28,048	27,864
	Ratio of male employees (%)	62	62	62	61	61	60
	Ratio of female employees (%)	38	38	38	39	39	40
Japan	No. of employees	15,062	15,973	16,083	16,227	15,819	15,852
	Ratio of male employees (%)	56	58	58	58	57	56
	Ratio of female employees (%)	44	42	42	42	43	44
Europe	No. of employees	3,461	3,485	3,424	3,026	3,057	2,909
	Ratio of male employees (%)	71	71	71	70	70	69
	Ratio of female employees (%)	29	29	29	30	30	31
Americas	No. of employees	2,281	2,449	2,503	2,314	2,362	2,357
	Ratio of male employees (%)	74	74	74	74	74	74
	Ratio of female employees (%)	26	26	26	26	26	26
Asia-Pacific	No. of employees	5,215	6,765	6,855	6,619	6,810	6,746
	Ratio of male employees (%)	64	61	61	59	60	59
	Ratio of female employees (%)	36	39	39	41	40	41
 Number of new hires ^{*2}	Unit	FY2013/14	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19
Total	No. of employees	2,920	2,934	2,868	2,763	2,901	2,779
	Ratio of male employees (%)	-	67	65	57	61	59
	Ratio of female employees (%)	-	33	35	43	39	41
Japan	No. of employees	1,029	845	932	1,107	1,008	1,100
	Ratio of male employees (%)	49	57	58	53	54	51
	Ratio of female employees (%)	51	43	42	47	46	49
Europe	No. of employees	503	510	405	283	376	346
	Ratio of male employees (%)	-	76	71	67	69	67
	Ratio of female employees (%)	-	24	29	33	31	33
Americas	No. of employees	418	510	424	318	355	333
	Ratio of male employees (%)	-	75	74	71	74	76
	Ratio of female employees (%)	-	25	26	29	26	24
Asia-Pacific	No. of employees	970	1,069	1,107	1,055	1,162	1,000
	Ratio of male employees (%)	-	67	64	54	60	59
	Ratio of female employees (%)	-	33	36	46	40	41
 Composition of managers ^{*3}	Unit	FY2013/14	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19
Total	No. of employees	7,944	8,329	8,535	9,110	9,174	9,187
	Ratio of male employees (%)	87	85	84	85	84	83
	Ratio of female employees (%)	13	15	16	15	16	17
Japan	No. of employees	3,698	3,673	3,615	4,672	4,493	4,493
	Ratio of male employees (%)	94	94	93	92	91	90
	Ratio of female employees (%)	6	6	7	8	9	10
Europe	No. of employees	1,797	1,790	1,838	1,559	1,624	1,568
	Ratio of male employees (%)	84	83	82	81	81	80
	Ratio of female employees (%)	16	17	18	19	19	20
Americas	No. of employees	1,262	1,343	1,399	1,279	1,366	1,355
	Ratio of male employees (%)	81	81	80	80	80	81
	Ratio of female employees (%)	19	19	20	20	20	19
Asia-Pacific	No. of employees	1,187	1,523	1,683	1,600	1,691	1,771
	Ratio of male employees (%)	76	71	71	70	70	68
	Ratio of female employees (%)	24	29	29	30	30	32

^{*1} Employee composition: The Nomura Group is the scope of the totaling (on a consolidated basis). Data for FY2013/14 and prior fiscal years do not cover certain subsidiaries.
^{*2} New hire composition: The Nomura Group is the scope of the totaling (on a consolidated basis). Data for FY2015/16 and prior fiscal years for Japan cover Nomura Holdings and Nomura Securities. Data for FY2015/16 and prior fiscal years for Asia-Pacific cover consolidated subsidiaries with certain exceptions, such as Capital Nomura Securities Public Company Limited and Nomura Asset Management Taiwan Ltd which were added to the scope of consolidation in FY2014/15.
^{*3} Management composition: The Nomura Group is the scope of the totaling (on a consolidated basis). Data for FY2015/16 and prior fiscal years do not cover certain subsidiaries in Japan.
Refer to standards for calculation (<https://www.nomuraholdings.com/csr/data/>).

Our environment

 GHG emissions	Unit	FY2013/14	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19
Scope 1: Direct emissions ^{*1}	Japan t-CO ₂	2,207	2,107	1,986	2,005	1,968	1,901
	Europe t-CO ₂	1,131	797	752	772	784	683
	Americas t-CO ₂	46	69	72	72	73	74
	Asia-Pacific t-CO ₂	143	143	169	173	167	201
Scope 2: Indirect emissions ^{*1}	Japan t-CO ₂	42,300	40,965	39,065	36,783	35,302	34,126
	Europe t-CO ₂	17,334	14,164	12,822	11,786	10,031	8,364
	Americas t-CO ₂	5,015	6,406	6,966	6,168	5,510	5,361
	Asia-Pacific t-CO ₂	21,601	22,007	21,892	20,942	19,800	17,207
Scope 1, 2: Emissions per employee ^{*1}	Japan t-CO ₂	3.0	2.9	2.7	2.5	2.4	2.3
	Europe t-CO ₂	6.0	4.6	4.3	4.2	3.6	3.2
	Americas t-CO ₂	2.2	2.6	2.8	2.7	2.4	2.3
	Asia-Pacific t-CO ₂	4.9	4.3	4.2	4.2	3.8	3.2
Scope 3: Emissions from employee travel ^{*2} (Air, rail, and automobile travel)	Japan t-CO ₂	18,729	20,823	22,013	22,936	24,554	23,417
	Europe t-CO ₂	9,253	8,127	7,651	7,023	7,929	5,774
	Americas t-CO ₂	5,561	4,349	4,966	4,343	5,547	5,147
	Asia-Pacific t-CO ₂ ^{*3}	9,552	10,575	11,587	11,041	12,196	11,628
 Energy consumption	Unit	FY2013/14	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19
Direct energy consumption (Natural gas, etc.)	Japan MWh	11,729	11,229	10,573	10,654	10,402	10,054
	Europe MWh	6,210	4,438	4,201	4,329	4,374	3,804
	Americas MWh	225	340	355	359	360	368
	Asia-Pacific MWh	608	611	732	743	720	862
Indirect energy consumption (Purchased electric power)	Japan MWh	74,117	72,780	70,520	68,372	67,360	66,807
	Europe MWh	41,164	30,836	30,133	30,713	30,135	31,666
	Americas MWh	15,896	22,148	21,882	20,236	18,883	18,345
	Asia-Pacific MWh	26,942	27,862	26,720	25,577	24,200	24,996
Including, Green power purchased ^{*4}		MWh	6,317	32,626	34,652	35,033	34,193
(Purchased cooling and heating power)	Japan MWh	15,258	12,400	11,971	12,320	11,680	11,335
	Europe MWh	0	0	0	0	0	0
	Americas MWh	2,220	238	140	198	254	284
	Asia-Pacific MWh	1,731	1,694	1,617	1,723	1,824	1,832
 Environmental resource efficiency	Unit	FY2013/14	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19
Water consumption	Japan Thousand m ³	177	171	170	168	161	161
	Europe Thousand m ³	124	97	115	107	111	109
	Americas Thousand m ³	13	26	30	29	30	30
	Asia-Pacific Thousand m ³	45	48	36	35	53	45
Copy paper consumption ^{*5}	ton	746	1,041	1,083	1,018	1,002	1,018
Amount of waste generated ^{*6}	ton	2,659	2,281	2,540	2,658	2,403	2,341

The scope 1, 2, and 3 classifications follow The Greenhouse Gas Protocol (GHG Protocol):<https://www.ghgprotocol.org/>
The coverage by region is as follows. However, data on air transportation in scope 3 are compiled based on corporate data.
Japan: Group companies located in Japan (<https://www.nomuraholdings.com/company/group/>)
Europe: Offices in London, Paris, Frankfurt, Zurich, Madrid, Milan, Luxembourg, and Cape Town
Americas: Offices in New York and Instinet offices
Asia-Pacific: Offices in Hong Kong, Singapore, India, Dalian, and Bangkok

^{*1} The Bangkok office was included in the scope for Asia from FY2014/15. The Cape Town office was included in the scope for Europe from FY2017/18.
^{*2} Data based on airline and long-distance railway travel in Japan and overseas purchased from specified travel agencies. Data for Japan, Europe, and the India, Hong Kong and Bangkok offices of Asia include emissions from regularly used automobiles.
^{*3} Assurance-verified data for Asia totaled 10,644 t-CO₂ in FY2018/19. (Offices in Hong Kong, Singapore, India and Bangkok.)
^{*4} Data for FY2013/14 was comprised of Japan, the Frankfurt, Zurich and the Millan offices for Europe. Additions to the scope for Europe were the London office from office from FY2014/15, and the Luxembourg and Paris offices from FY2015/16.
^{*5} Data for FY2013/14 were compiled based on paper purchased from specified suppliers by Nomura Securities for Japan, paper consumed by the London office for Europe, and paper consumed by the India and Hong Kong offices for Asia. From FY2014/15, the scope was expanded to include the Bangkok office for Asia, and from A4 paper to all copy paper purchased by Nomura Securities for Japan.
^{*6} Data for FY2013/14 was compiled based on the Nihonbashi Head Office building, Dai-ni Edobashi Building and the Urbannet Otemachi Building in Tokyo, the Osaka Branch, the Nagoya Branch, the Kyoto Branch and the Okayama Branch for Japan, the London, Paris, Frankfurt, and Zurich offices for Europe, and the Hong Kong and India office for Asia. Additions to the scope was the Luxembourg office from FY 2014/15. Additions to the scope was the Nomura Asset Management Head Office building in Tokyo for Japan from FY2015/16.



Translation

The following is an English translation of an independent assurance report prepared in Japanese and is for information and reference purposes only. In the event of a discrepancy between the Japanese and English versions, the Japanese version will prevail.

TO:
Mr. Koji Nagai
Group CEO
Nomura Holdings, Inc.

Ernst & Young ShinNihon LLC
Tokyo

We, Ernst & Young ShinNihon LLC, have been commissioned by Nomura Holdings, Inc. (hereafter the "Company") and has carried out a limited assurance engagement on the Key Sustainability Performance Indicators (hereafter the "Indicators") of the Company and its major subsidiaries for the year ended March 31, 2019 as included in "ESG Data" (hereafter the "Report"). The scope of our assurance procedures was limited to the Indicators marked with the symbol "✓" in the Report.

1. The Company's Responsibilities
- The Company is responsible for preparing the Indicators in accordance with the Company's own criteria, that it determined with consideration of Japanese environmental regulations and other regulations as presented in "Citizenship—ESG Data—Standards for Calculation" (<https://www.nomuraholdings.com/csr/data/>).
Greenhouse gas (GHG) emissions are estimated using emissions factors, which are subject to scientific and estimation uncertainties given different instruments for measuring GHG emissions may vary in characteristics, in terms of functions and assumed parameters.
2. Our Independence and Quality Control
- We have met the independence requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants in July 2018, which is based on the fundamental principles of integrity, objectiveness, professional competence and due care, confidentiality, and professional behavior.
In addition, we maintain a comprehensive quality control system, including documented policies and procedures for compliance with ethical rules, professional standards, and applicable laws and regulations in accordance with the International Standard on Quality Control 1 issued by the International Auditing and Assurance Standards Board in April 2009.
3. Our responsibilities
- Our responsibility is to express a limited assurance conclusion on the Indicators included in the Report based on the procedures we have performed and the evidence we have obtained.
We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements: Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000") (Revised), issued by the International Auditing and Assurance Standards Board in December 2013, Practical Guidelines for the Assurance of Sustainability Information, revised in December 2014 by the Japanese Association of Assurance Organizations for Sustainability Information and, with respect of GHG emissions, the International Standard on Assurance Engagements: Assurance Engagements on Greenhouse Gas Statements ("ISAE 3410"), issued by the International Auditing and Assurance Standards Board in December 2013.
The procedures, which we have performed according to our professional judgment, include inquiries, document inspection, analytical procedures, reconciliation between source documents and Indicators in the Report, and the following:
 - Making inquiries regarding the Company's own criteria that it determined with consideration of Japanese environmental regulations and other regulations, and evaluating the appropriateness thereof;
 - Inspecting relevant documents with regard to the design of the Company's internal controls related to the Indicators, and inquiring of personnel responsible thereof at the Company and major subsidiary's 2 sites visited;
 - Performing analytical procedures concerning the Indicators at the Company and major subsidiary's 2 sites visited;
 - Testing, on a sample basis, underlying source information and conducting relevant re-calculations at the Company and major subsidiary's 2 sites visited.The procedures performed in a limited assurance engagement are more limited in nature, timing and extent than a reasonable assurance engagement.
As a result, the level of assurance obtained in a limited assurance engagement is lower than would have been obtained if we had performed a reasonable assurance engagement.
4. Conclusion
- Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Indicators included in the Report have not been measured and reported in accordance with the Company's own criteria that it determined with consideration of Japanese environmental regulations and other regulations.

Services for Retail Clients

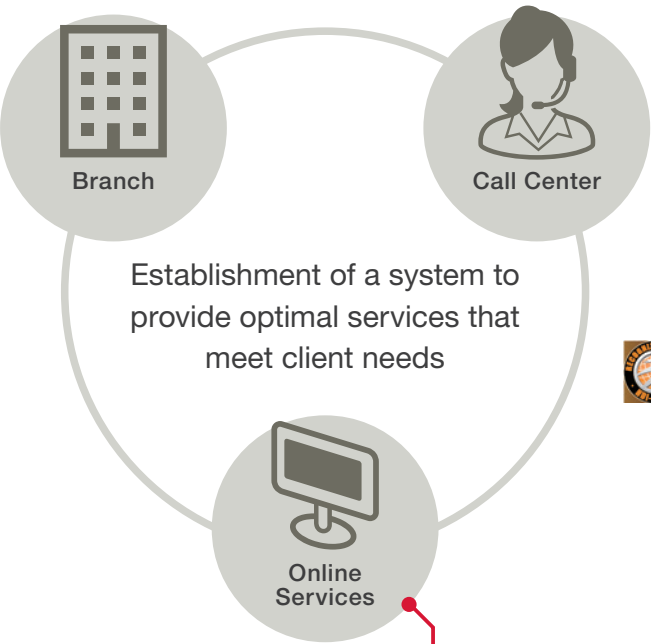
We listen to the needs of each client and provide optimal proposals and advice. We also hold various seminars

Strength

Nationwide Head Office and Branch Network (some branches are open at night and on Saturdays and Sundays.) / No.1 in full-service securities category for 7 consecutive years in Japan Investor Satisfaction Study (J.D. Power Japan 2012-2018)

Services

Asset management, retirement and other life events, inheritance and donation, business succession, and other consultations and proposals



Provide a wide range of services to clients who have existing accounts at Nomura, as well as new potential clients

Strength

Nomura's call center and internet service was awarded a 'five star' rating by the Help Desk Institute for five consecutive years for its defined contribution pension plan services

Services

Transaction orders
Market outlook and investment consulting (reservation required)
Individual-type defined contribution pension plan (iDeCo) information and services
Administrative functions, including new account opening services



Provide access to information and convenient tools through a broad range of devices. Clients with accounts in Nomura can execute various transactions through their individual web interface

Strength

Industry leader in terms of client assets in online accounts

Services

Checking of assets held and market information, various transactions, and various procedures

Future Innovation Company established on April 1, 2019 Enhance Online Services

Measure

Leverage and expand client franchise

Offer existing services online

Digitalization of research data and content

Utilize internal and external technologies

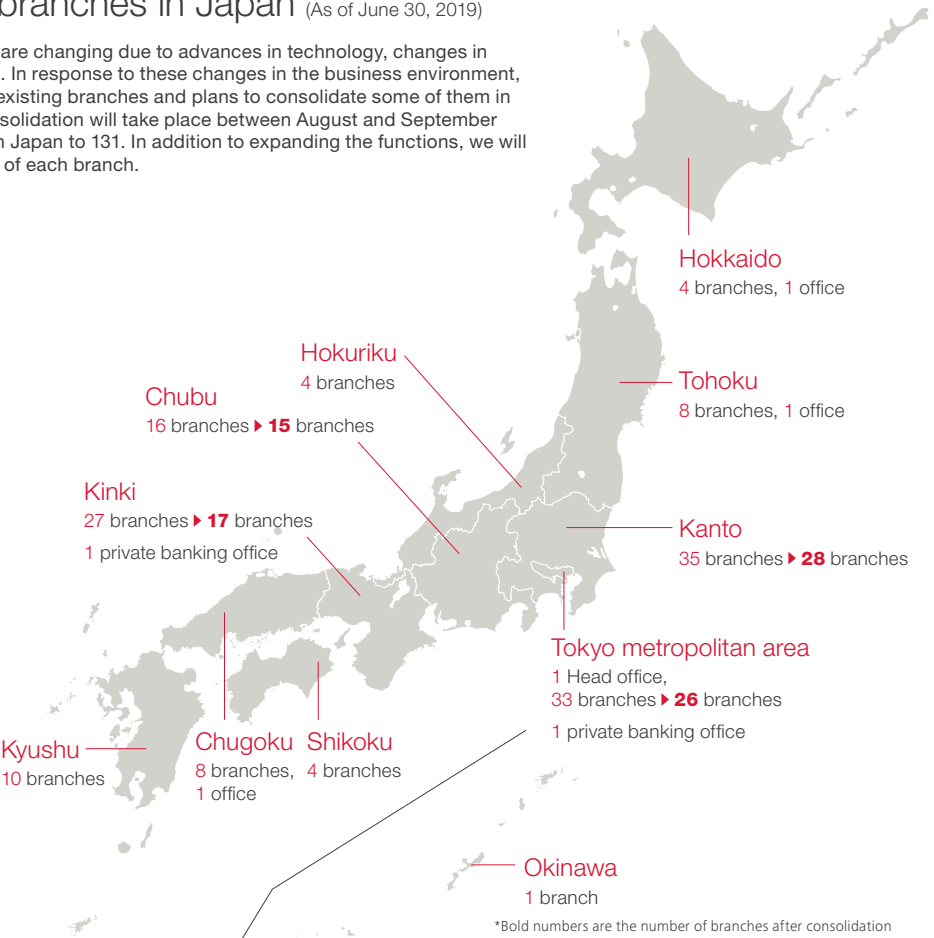
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Establish group-wide digital / online brand strategy

Nomura Securities: 156 branches in Japan (As of June 30, 2019)

The functions and roles required of branches are changing due to advances in technology, changes in client age groups and diversification of needs. In response to these changes in the business environment, Nomura Group has strategically reviewed its existing branches and plans to consolidate some of them in the Tokyo, Osaka and Nagoya areas. The consolidation will take place between August and September 2019, bringing the total number of branches in Japan to 131. In addition to expanding the functions, we will work to enhance the attractiveness and value of each branch.

Branches operating after 5 p.m. / Saturday and Sunday	
Keio Shinjuku Branch	Machida Branch (Wednesday)
Branches operating after 5 p.m.	Branches operating after 5 p.m.
Third Saturday	
Shibuya Branch	Tama-plaza Branch
Nagoya Branch	Tennoji Branch
Takatsuki Branch	Totsuka Branch
Yokohama Branch	Tsu Branch
Fuchu Branch	Yamagata Branch
Funabashi Branch	Aobadai Branch
Gifu Branch	Ichikawa Branch
Hirakata Branch	Kashiwa Branch
Hiratsuka Branch	Odawara Branch
Hiroshima Branch	Shimbashi Branch
Matsudo Branch	Shinjukuekinishiguchi Branch
Matsuyama Branch	Takarazuka Branch
Nagoya-Ekimae Branch	Tanashi Branch
Shinagawa Branch	Tokorozawa Branch



*Bold numbers are the number of branches after consolidation

Global Network (As of June 30, 2019)

The Nomura Group, as Asia's global investment bank, has a global network spanning more than 30 countries and regions.

*1 Includes subsidiaries and branches of Instinet
*2 The number of branches will decrease to 131 due to the integration of some branches in August and September 2019.

Japan / Asia ex-Japan

Head offices,
branches and offices
156^{*2}

Hong Kong	Subsidiary ^{*1}
Beijing	Representative office
Shanghai	Representative office
Taipei	Branch
Seoul	Subsidiary Representative office
Mumbai	Subsidiary
Hanoi	Representative office

Jakarta	Subsidiary
Kuala Lumpur	Subsidiary
Philippines	Subsidiary
Bangkok	Subsidiary
Singapore	Subsidiary ^{*1}
Sydney	Subsidiary ^{*1}
Melbourne	Representative office

Europe, the Middle East and Africa

London	Subsidiary ^{*1}
Amsterdam	Subsidiary Branch
Vienna	Representative office
Stockholm	Branch
Zurich	Subsidiary Branch ^{*1}
Paris	Subsidiary Branch ^{*1}
Frankfurt	Subsidiary Branch ^{*1}
Helsinki	Branch
Madrid	Branch
Milan	Branch
Luxembourg	Subsidiary
Istanbul	Representative office
Qatar	Branch
Dubai	Branch
Bahrain	Representative office
Riyadh	Subsidiary
Cape Town	Branch

Americas

New York	Subsidiary ^{*1} Branch ^{*1}
Washington, D.C.	Branch
Boston	Branch ^{*1}
Chicago	Branch ^{*1}
Manhattan Beach	Branch
San Francisco	Branch ^{*1}
Los Angeles	Branch ^{*1}
St. Louis	Branch ^{*1}
Toronto	Subsidiary ^{*1}
Colombia	Representative office
São Paulo	Representative office
Bermuda	Subsidiary

Corporate Data

Company name	Nomura Holdings, Inc.
Date of incorporation	December 25, 1925
Head office	1-9-1, Nihonbashi, Chuo-ku, Tokyo 103-8645, Japan
Paid-in capital	¥594,493 million
Group employees	27,864
Common stock issued	3,493,562,601 shares
Number of shareholders	371,292 (Unit shareholders: 350,172)
Listing	The common shares of Nomura Holdings, Inc. are listed on the Tokyo, Nagoya, and Singapore stock exchanges. The shares are also listed on the NYSE in the form of American Depositary Shares (ADSs) evidenced by American Depositary Receipts (ADRs). Each ADS represents one share of common stock.
Securities code	8604 (Tokyo Stock Exchange), NMR (New York Stock Exchange)
Transfer agent and registrar	Mitsubishi UFJ Trust and Banking Corporation Corporate Agency Department
Depository for American Depositary Receipts (ADRs)	The Bank of New York Mellon
Date of record for dividend payments	September 30, March 31

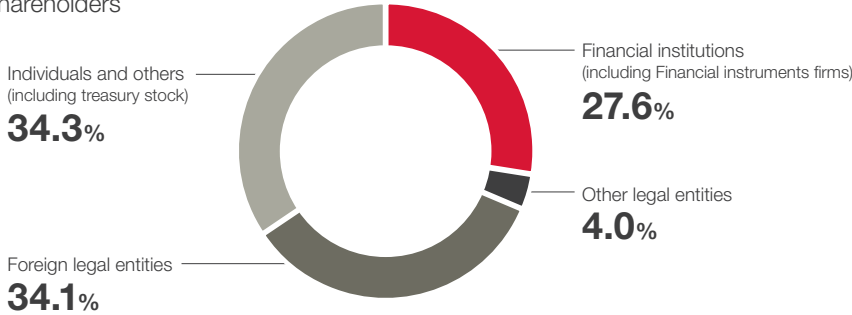
Share Information (As of March 31, 2019)

Major shareholders (Top 10)*1

Name of shareholder	Number of shares owned (thousands)*2	Owenship (%)*2
The Master Trust Bank of Japan, Ltd. (Trust Account)	180,391	5.4%
Japan Trustee Services Bank, Ltd. (Trust Account)	160,284	4.8%
Japan Trustee Services Bank, Ltd. (Trust Account 5)	68,101	2.1%
Northern Trust Co. (AVFC) Re Silchester International Investors International Value Equity Trust	64,983	2.0%
JP Morgan Chase Bank 385151	62,963	1.9%
State Street Bank West Client-Treaty 505234	54,126	1.6%
Japan Trustee Services Bank, Ltd. (Trust Account 7)	46,435	1.4%
Northern Trust Co. (AVFC) Re U.S. Tax Exempted Pension Funds	46,059	1.4%
Japan Trustee Services Bank, Ltd. (Trust Account 1)	45,498	1.4%
SSBTC Client Omnibus Account	42,902	1.3%

*1 The company has 182,411 thousand shares of treasury stock as of March 31, 2019 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.

Component ratio of shareholders (unit share base)



Total Shareholder Return (TSR*)

Holding Period*2	1 year	2 years	3 years	4 years	5 years
Nomura Holdings	109.5%	80.8%	112.4%	103.8%	72.2%
TOPIX	130.7%	116.5%	133.7%	154.9%	147.1%

*1 Ratio is obtained by dividing investment amount (stock price) by return (dividend and capital gains). Calculated based on Cabinet Office Order on Disclosure of Corporate Affairs
*2 Figures based on the last price of March 31, 2014

Credit Ratings (As of June 30, 2019)

	Nomura Securities		Nomura Holdings	
	Long-term	Short-term	Long-term	Short-term
R&I	A+	a-1	A+	a-1
JCR	AA-	-	AA-	-
Moody's	A3	P-2	Baa1	-
Standard & Poor's*1	A	A-1	A-	A-2
Fitch Ratings	A-	F1	A-	F1

*1 In August 2019, the issuer credit ratings on Nomura Securities Co., Ltd. was changed to A- / A-2, and on Nomura Holdings, Inc. to BBB+ / A-2.

Basic Information in the Report

Period covered	April 1, 2018 to March 31, 2019 (Some content may be outside this time frame)
Reporting cycle	Once a year
Previous	August 2018
Current	August 2019
Entities covered	Nomura Holdings, Inc. and its major subsidiaries and affiliates https://www.nomuraholdings.com/company/group/ Numerical data are presented alongside information on the scope of companies covered.
Reference guidelines	■ GRI Sustainability Reporting Standards (GRI Standards) 2016 This report contains information regarding the standard disclosure items contained in the GRI Standards 2016. Please access the following URL on our corporate website for our GRI Guidelines Index. https://www.nomuraholdings.com/csr/gri/ ■ Environmental Reporting Guidelines (2018 Version) of Japan's Ministry of the Environment

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All electricity to print this booklet was generated by green energy. (277 kWh)

