

# Investing in Our Employees

## Human Resources Strategy

### Fundamental Approach

Individuals from over 70 nationalities are currently employed in Nomura Group. This diverse group of people represents our greatest asset. Nomura Group provides equal opportunities 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 attribution, so that each and every employee can be active and successful in utilizing her or his capabilities and personal strengths.

### A Company in which diverse people can play a full role

Since its establishment, Nomura has prioritized the development of human resources, emphasis on teamwork, staying one step ahead, and global ambition. Since the time of our founder, Tokushichi Nomura, we have continued our efforts to secure and nurture human resources, recruiting personnel who are adept in foreign languages and actively employing new graduates of colleges and vocational schools to promote the modernization of the organization. Upon taking on employees from Lehman Brothers in 2008, we adopted a globally integrated approach to human resource management. In April 2013, in order to further promote personnel exchanges between divisions, we introduced a system of job classifications based on core work responsibilities, consisting of General Career Type A employees, Type B, and Type C. General Career Type A employees and Type B differ only in that the latter are not subject to relocation. The aim with both is for employees to develop careers as generalists based on a broad range of experience. General Career Type C employees are specialists who pursue advanced expertise as required in their particular business area, and work under a merit-based system. To the extent possible, we have standardized recruitment and training, particularly for younger employees. We look to develop their core skills and judge their individual aptitudes from an organization-wide perspective, and create a wide range of opportunities for them to develop their careers through transfers and other means, which allows the organization to better ensure that we have the right people in the right positions.

#### Overview of employment categories (Nomura Securities)

General Career	Type A and Type B	Pursue career development through broad experience without prerequisite of specific expertise. Type B is not subject to transfer with relocation
	Type C	Specialists located in specified regions required to demonstrate a high level of expertise in their business areas. They are evaluated in a "pay for performance" environment.
Specified Career	Financial advisors, Specialist employees and others	Work on specific area of business/operation Not subject to transfers as a general rule Financial advisors are sales professionals attached to specific regions

### Global human resources framework

Nomura Group employs a pool of professional personnel around the world who are capable of providing financial services that meet the diverse needs of clients, and whose career paths within the Group and values are unique. We strive to manage our personnel in a flexible and suitable manner so that each and every one of our employees can thrive as they contribute their skills to the workplace.

In addition to providing well-developed education and training programs to support our employees' self-led skill-building endeavors, we also evaluate the achievements and skills of each employee and deploy our personnel with an eye on the future career path of each individual.

In this manner, Nomura Group is able to maximize the skills of each employee and further enhance client services through personnel management that emphasizes diversity.

#### Global human resources framework



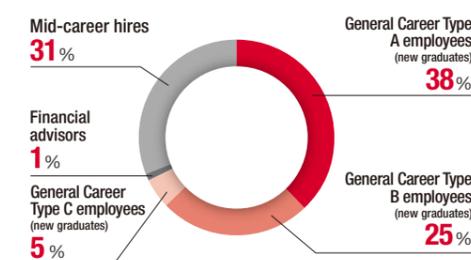
### Recruitment and hiring

Recognizing that people are our greatest asset, since our founding we have placed particular emphasis on recruitment. In our constant effort to secure the most talented people, we continue to follow a policy of recruiting people regardless of nationality, gender, and other attributes. In FY2015/16 we introduced a "career support system" for new graduate hires and we have broadened contact points with students by expanding our internship program and other measures. Since 2008, we have also been actively recruiting new graduates overseas.

In recent years, we have also been actively hiring mid-career professionals capable of contributing immediately, and about 1,000 people each year have been joining Nomura in Japan through this route. In addition, we have been rehiring employees who previously left Nomura, with the expectation they will hit the ground running. We have also adopted a personnel management approach that ensures that

people are placed in positions they are best suited for and that each employee can display their capabilities to the fullest. An example of this is our system under which employees can transfer from General Career Type A to Type B employees, Type A employees can switch to Type C employees, and Type C employees can apply for other positions using an internal job posting program.

#### Number of new hires



(Japan: Nomura Holdings, Nomura Securities FY2016/17)

## Employee development

In developing and growing our business globally, we believe that improving our personnel system is important in order to ensure that personnel with diverse career backgrounds and values can demonstrate their talents. Accordingly, we provide diverse education and training programs to help employees at all levels develop their careers.

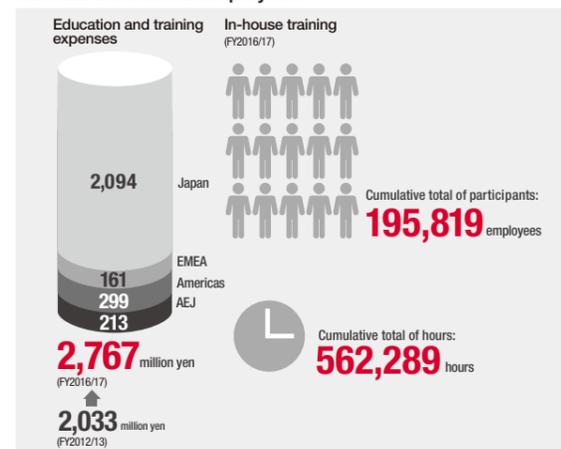
In Nomura Securities, each division appoints instructors to serve for one year to guide and train new hires and help them develop into talented and independent-minded employees. In the Retail Division, a (management-level) employee is appointed as a mentor to work with the instructor in nurturing sales staff. In order to make personnel development more visible, Nomura has established a competency framework, which sets out the behavioral requirements and skills needed, and announces them to individual employees. In the case of the Retail Division, this covers competency conditions and behavioral requirements, while in the Wholesale Division and the Corporate Division the aim is to raise performance levels. At the same time, discussions are held between employees and their supervisors with the aim of identifying areas needing development. With regard to Type C employees, who are highly skilled in a specific area, we have put in place a system that allows employees hired in Japan and those hired overseas to take courses with identical content.

In addition to training programs for new hires, our core

programs include group training programs based on years of service and job position, elective group training programs tailored to staff in the Wholesale and Corporate divisions, 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 helpful in enhancing business and management skills, including language courses.

Furthermore, in order to develop personnel capable of playing an active role globally, we have established study-abroad programs and overseas training programs where employees themselves determine where they go and what topics they study.

### Amount invested in employees



## Proper evaluation and compensation

To properly evaluate performance and further the development of personnel, the Group adopts an integrated personnel evaluation process and all employees in principle participate in this process. Employees set their goals at the beginning of each year, and these goals are aligned with the Group's strategy as well as competency and behavioral requirements. Employees then meet with their supervisors in the middle and at the end of the 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 personnel chosen from among those in managerial-level positions, depending on the business unit the Group also provides 360-degree evaluation based on feedback from their supervisors, fellow

employees, and persons under their supervision.

Every employee is provided, in principle once a year, with an 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 management and employees. This policy aims to promote the sustainable growth of the Group and continue increasing its global competitiveness and shareholder value over the long term. It also has the objective of contributing to the value-added the Group can offer its customers and realizing continued improvement in the Group's evaluation among its clients through securing, retaining, motivating, and nurturing outstanding employees.

Nomura Group's Basic Compensation Policy  
<http://www.nomuraholdings.com/csr/employee/capability.html>

## Creating work environments that allow diverse personnel to thrive

### Promoting Work Style Reform 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 COO, acting as Chief Health Officer, 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." Under this policy, we have introduced a work-at-home system, established days off for employees to receive comprehensive medical checkups, and embraced the "Premium Friday" campaign.

### 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.

We have established the Nomura Group Diversity and Inclusion Committee, which is chaired by the Group COO. The committee is made up of division representatives who regularly discuss the promotion of diversity and inclusion. In March 2017, the committee conducted a diversity and inclusion survey targeting all Nomura Securities employees in order to ascertain their views on the subject as part of the committee's efforts to promote diversity and inclusion.

Nomura has three autonomously run employee networks\* that 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.

\* "Women in Nomura (WIN)" which focuses on women's career advancement  
 "Life & Family Network" (L&F)", which is concerned with work-life management  
 "LGBT+", which promotes understanding of diverse value systems and multicultural values

### Supporting women's careers

In May 2015, Nomura Securities set a quantitative target of 550 female managers by 2020. In March 2016, an action plan was announced to help women thrive in the company. The action plan outlines initiatives to achieve quantitative targets, including support for female employees' career-building and support for balancing their careers with life events, among other measures to establish an employment environment in which female employees can thrive.

Initiatives to support women in improving their careers include a mentoring program for managers, a sponsorship program in which executive officers support management candidates, and training programs for management candidates, among other efforts.

### 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 staff, activities to increase the number of support allies, and by introducing a partnership system. In recognition of these efforts, in October 2016 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.

## External evaluations

- From Jun. 2007 Kurumin (Nomura Securities)
- From Oct. 2016 Tomonin (Nomura Securities)
- Jun. 2016 ERUBOSHI (Nomura Trust and Banking)
- Oct. 2016 Pride Index, Gold grade (Nomura Securities)
- Feb. 2017 White 500 Health and Productivity Enterprises (Nomura Holdings)
- Mar. 2017 Nadeshiko Brand (Nomura Holdings)



Certifications on promoting women participation in workplace  
<http://www.nomuraholdings.com/csr/employee/di.html>