Dialogue with stakeholders

To ensure sustainable growth and to earn the trust of society, we will maintain good corporate governance.

In May 2018, at a presentation held at our head office in Otemachi, Chiyoda-ku, Tokyo for analysts and institutional investors, Mr. Noriaki Shimazaki, Outside Director and Chairman of the Audit Committee, made his first appearance explaining the effectiveness of our corporate governance and current status of the Audit Committee’s activities. This was followed by a question and answer session.

Questions and answers

Q

“A what is your evaluation of Nomura Group’s arrangements and the procedures concerning lawsuits and cases of legal disputes with authorities?”

A

The Audit Committee receives regular reports on the status of the lawsuits from the executive officer in charge of legal affairs. The Committee also receives reports from the CFO on the amount of estimated maximum loss for each lawsuit and each case of legal dispute at the time of each quarterly financial results and confirms that an appropriate allowance is reflected in the financial statements. The Committee fully confirms the appropriateness of the accounting of the provision for allowance concerning lawsuits, etc. and descriptions in the notes to financial statements.

Q

“How can you be sure that the Board of Directors is structured to emphasize diversity and encourage multilateral discussion based on the members’ experience and knowledge in their respective fields?”

A

A majority of the members of the Board of Directors and the three committees (Nomination, Audit and Compensation Committees) are Outside Directors. The Board of Directors is structured to emphasize diversity and encourage multilateral discussion based on the members’ experience and knowledge in their respective fields.

Q

“Information is provided multilaterally on the Board receives reports on dialogues with stakeholders on a continuous basis and attends meetings of the business execution side to discuss medium- to long-term management strategies, etc.”

A

Discussion among the Outside Directors is encouraged (Meetings of Outside Directors are held on regular intervals)

We have various KPIs and goals to achieve by 2020.

In Japan, the term of office for directors and a mandatory retirement age system for executive officers are generally established by companies, often varying by the individual company. The term of office for Outside Directors is also determined at Nomura. The renewal of these terms or of office for Outside Directors is also determined on a continuous basis and attends meetings of the business execution side to discuss medium- to long-term management strategies, etc. It is important to achieve numerical goals but that should not be the only goal. The primary objective of our management vision for 2020 (Vision C&C) is to create a robust operating platform capable of delivering consistent growth for the Nomura Group. To achieve our vision, we are working to address two overarching issues: transforming our business model in Japan and improving the profitability of our international operations. When our vision is achieved, we will attain an EPS of ¥100. At the recent meeting of the Board of Directors, I strongly reemphasized this message to the execution side as the chairman of the Audit Committee.