



Fundamental approach

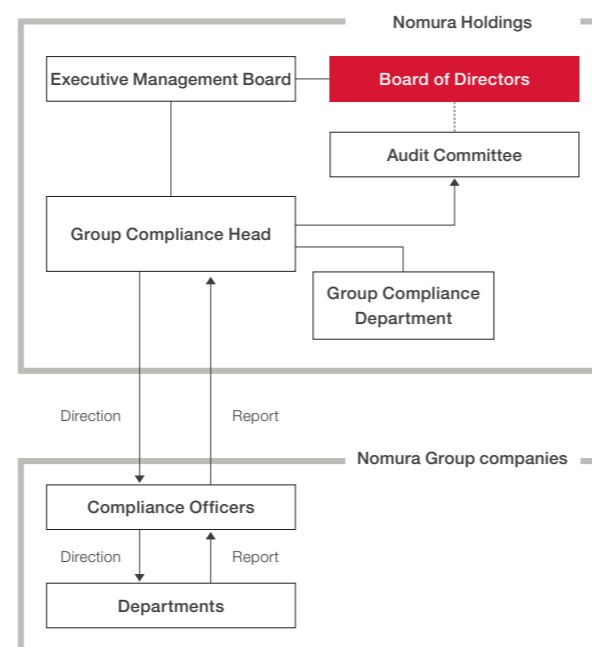
Compliance is a top management priority for Nomura Group, and the Code of Ethics of Nomura Group defines our fundamental policy on compliance. The management and employees of the Group pledge to abide by the rules stated in this code once each year. Also, we have established "Nomura Founding Principles 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.

Compliance

Compliance framework

We have appointed a Group Compliance Head to oversee compliance for the Group as a whole along with a Group Compliance Department that provides support. In addition, Compliance Officers 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.

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.



Legal compliance measures

- Maintenance of compliance framework and enhancement of management systems
- Compliance Hotline
- Carrying out compliance training

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 officers without delay, and organizations and systems are structured to respond appropriately.

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 Compliance Hotline (informants have the option of remaining anonymous). In 2017/18, there were 31 calls received via the Compliance Hotline, and in all cases the status of related matters was confirmed and appropriate measures were taken.

Nomura Securities conducts comprehensive compliance training for all Executive Officers and employees on topics such as the prevention of money laundering and insider trading, firewall regulations, and guidelines for managing customer information.

Ensuring fair financial business practices

- Prohibition of transactions with anti-social forces
- Prevention of money laundering
- Prevention of bribery
- Management for conflicts of interest and prevention of insider trading

Nomura Group works to eliminate transactions with anti-social forces and prevent money laundering. Moreover in order to supervise and manage the group-wide control framework for anti-money laundering and counter-terrorist financing (AML/CTF), Nomura Group has established the "Anti-Money Laundering Department" in April 2018.

Nomura will continue to enhance the measures for AML/CTF and develop the effective control framework. Nomura Group has also established guidelines related to giving gifts to and entertaining public officials and private-sector groups, and disseminates the guidelines throughout the Company and works to ensure fair business practices to prevent bribery. We consolidate information in the Group Compliance Department to manage conflicts of interest and insider information with a global perspective.

For further information, please refer to our website.

Fair Financial Business Practices
<https://www.nomuraholdings.com/company/compliance/index.html>

Offering high-quality financial services

Nomura Securities seeks to enhance the quality of financial products and services offered to customers through the following initiatives under the Guidelines for Supervision of Financial Instruments Business Operators, etc.

Nomura Securities' Primary Initiatives

- Appointing officers to oversee internal controls, compliance, etc., and developing systems to ensure compliance and appropriate operations
- Thoroughly screening account openings and conducting proper examinations when underwriting securities

Nomura Securities' Compliance Framework
<https://www.nomuraholdings.com/company/compliance/index.html>

Customer protection and information security

- Proper segregation of customer assets
- Effective protection of clients' personal information and other information assets of the Group

In accord 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. Nomura Securities properly segregates the assets of its customers from the assets of Nomura Securities itself. The Nomura Group Information Security Policy provides the basic principles for appropriately protecting information assets.

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>