Nomura Group is a global financial services group with an integrated network spanning over 30 countries. We connect investors with issuers such as corporates through the capital markets and provide liquidity by facilitating the flow of capital, an essential component of ensuring a sound economy that contributes to business development and improving society.

Contribute to social value creation by promoting the circulation of capital

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**BUSINESS MODEL**

Nomura Group’s Business Model

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### Services related to asset management and business succession for individual and corporate clients

- **Retail**: We provide financial services through our nationwide branches, call centers and online platform. In addition to traditional investment products such as stocks and bonds, we offer inheritance, real estate, asset succession, financing, and corporate finance advisory.

- **Asset management**: We manage clients’ assets according to their needs. We also provide investment trusts through various financial institutions.

### Supporting corporate growth strategies and capital funding

- **Financing**: We support financing from financial markets by issuing stocks and bonds.

### Creating Value-Add through Financial Markets

- **Solutions**: We provide currency and interest rate risk hedging strategies associated with M&A and finance transactions.

- **Merchant Banking**: We support our clients’ business growth by providing funds using Nomura Group’s own capital. In 2019, we launched the first deal after the reorganization. This area will play a key role in expanding "Private" business in the future.

- **Sales**: We provide solutions utilizing products such as stocks, interest rates, credit, foreign exchange, and securitization products.

- **Trading**: We provide market liquidity through trading operations such as pricing financial products and managing inventories.

- **Structuring**: We develop and structure products that utilize derivatives to meet client needs.

- **Research**: We conduct research and quantitative analysis on financial markets and individual stocks, providing information to support clients' decision-making. Through the recently established "Content Company", we aim to further enhance our consulting solution capabilities.

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### Revenue Structure

- **Commission**: 24%
- **Fees from investment banking**: 8%
- **Asset management and portfolio service fees**: 18%
- **Net gain (loss) on trading**: 35%
- **Other**: 13%
- **Gain (loss) on private placements and investments**: 0%
- **Gain (loss) on investments in equity securities**: -1%

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### Cost Structure

- **Compensation and benefits**: 46%
- **Commissions and floor brokerage**: 10%
- **Information processing and communications**: 16%
- **Occupancy and related communications**: 7%
- **Depreciation**: 3%
- **Other**: 17%

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**Nomura’s Strengths**

Brand and trust built up over 95 years of history and experience

Consulting capability and employees with profound market knowledge

Comprehensive capabilities as a main player in global financial markets

Strong Corporate Governance Structure

Adapted to Company with Committees etc. structure (now known as Company with Three Board Committees) at an early stage in Japan

Financial strength with adequate capital base well above the regulatory minimum requirements

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Major revenue items for each business are shown in the corresponding markers in the revenue breakdown on the right page.
I am Kentaro Okuda and I have been Group CEO since April 2020. Since my appointment as the incoming Group CEO in December 2019, I have held a number of honest discussions with the new management team about the future of Nomura Group. These discussions included asking ourselves what Nomura should aim to become, what our clients, shareholders, the markets, and society expect from us, and what is our principal purpose for our stakeholders. The financial industry is regarded as a highly public function that is essential to society, and I believe it will continue to grow and evolve. However, this does not guarantee that Nomura Group will remain a key industry player in the future. Maintaining our position in the industry requires that we continue to adapt to the evolving marketplace. As barriers to entry in the financial industry continue to fall due to the digitalization of financial services, we need to be sensitive to the needs of the market and our clients, and constantly transform ourselves by developing new ideas.

I often reflect on and have spoken about these themes as a business leader and as a Group Co-COO since 2018. Furthermore, as Group CEO, I promote the message that “I want to bring Nomura to a next stage from where we stand now.” Some may be a bit surprised by my saying “Let’s aim for nonlinear growth,” “create unconventional security businesses,” and “no need to stick with only financial businesses domain.” However we have not yet shared the complete form of “Next Stage of Growth” that we are aiming for at this point and we are still working to finalize some of the details. Through this report I hope to convey as much as possible about major transformation to come and the goals that drive it.
Nomura Group has established this management vision for the year 2025, the 100 year anniversary of its founding. In order to realize this management vision within the next five years, we will promote three core values: “business growth” x “trust from society” x “employee satisfaction”.

One component of our management vision is “achieving sustainable growth by helping solve social issues”. In order to realize this vision, we need to break away from our existing business model and take forward thinking actions to reach a “Next Stage of Growth.”

What social issues should Nomura Group deal with over the next five years? First, investor appetite and demand has broadened in response to the historically low interest rate environment and increasing volatility in financial markets. Second, there is growing interest in Environment, Social, and Governance (ESG) investments as a means of achieving economic growth in harmony with the environment and society. Another major challenge is to increase productivity and add value through digitization.

In facing these issues, we have to overcome some of our own challenges first. In Japan, we are responding to an aging client base due to demographic trends and the accompanying changes in our profit structure. On a global level, we are responding to challenges including increasing need for value-add services, higher productivity and operational efficiency by using digital technologies. Another major challenge is to improve earnings stability and return on capital in our international Wholesale business and improve the capital efficiency of the entire group. It is also essential for us to develop new business areas and diversify revenue streams in order to grow in uncertain market environments.

With recognition of these issues, we will focus on “business growth” as one of the pillars for realizing our management vision. By the fiscal year ending March 2023, we aim to expand existing businesses and improve productivity. At the same time, we will invest in and cultivate new business areas, thereby expanding our company’s strategic options. By the fiscal year ending March 2025, five years from now, Nomura aims to expand its core business domain which is not just in the public but also private space to make a leap to a “Next Stage of Growth.” The ROE target is set between 8-10%.

In the first phase of the plan, which proceeds through fiscal 2023, we aim to achieve income before income taxes of ¥280 billion in existing core businesses (¥110 billion in Retail Division, ¥50 billion in Asset Management Division, ¥120 billion in Wholesale Division). Over the next three years, we set KPIs (key performance indicators) for each business division to determine areas of focus, and to monitor how we are progressing toward our goals while constantly evaluating effective and lagging strategies.

The details of each business division are described in greater depth later in this report. First, in the Retail Division, we will leverage the reviewed channel formation and last year’s implementation of digital infrastructure to provide the most suitable services through appropriate channels based on client profiles. By doing so, we will increase the number of active clients by 1.4 times and nearly double consulting related revenues. In addition, we plan to leverage the expertise of the CIO (Chief Investment Office) Group, which we established in July 2020, to provide high value-add asset management services that will lead to the introduction of a new fee model. The Asset Management Division aims to increase assets under management to ¥65 trillion by strengthening its investment capabilities in growth areas such as multi-asset, alternative and ESG investments. We believe the Wholesale Division has improved its profitability and earnings potential following their business portfolio review last year. Over the next three years, our focus is to continue pursuing resource efficiency, prudent risk management, and operational efficiency to increase earnings stability.

At the same time, we will invest in new business areas in order to appropriately respond to social issues and create a foundation for long-term growth. Additionally, the three segments profit target of ¥280 billion was set amid significant uncertainties regarding the impact and length of the coronavirus pandemic, and therefore targets could be subject to review in the future. However, we do not intend to significantly change the core strategy or the actions planned to achieve our goal and appreciate the understanding of our stakeholders as we navigate this crisis.

In the second phase of our management plan, which is scheduled for the fiscal year ending March 2025, or five years from now, we aim to properly respond to social issues by providing a comprehensive range of services, from public to private, through the investments we are making going forward. As we pursue business growth, we will maintain our financial soundness while striking the right balance between investment in growth areas and shareholder return.
Expanding our scope of business from "Public" to "Private"

What does it mean to step into "Next Stage of Growth" and expand our business scope from "Public" to "Private" in order to achieve this goal? Since our definition of "Private" includes various meanings, we will explain each of them in the context of three ideas: "products and services" we offer, "client franchise," and "delivery method."

First, with regard to "products and services," we continue to be strong in public markets and financial products such as listed stocks and investment trusts. Going forward, we will also strengthen alternative investment management in the private sector, which includes business assets such as private equity, private debt and infrastructure. In order to meet these needs, we will position the private investment business as one of the Group's growth strategies, expanding the range of products offered to our clients for which fees are paid based on investment performance. This will increase our so-called fee business. We are currently formulating detailed business plans for targeted asset classes, including fund sizes and management teams, which we will elaborate on later.

In terms of products and services in the private side, we will also work on digital assets, a new asset class. A joint venture company established with Nomura Research Institute named "BOOSTRY Co., Ltd." began full-scale operations in November 2019 to undertake upstream financing operations in the digital asset value chain. In March 2020, we provided and underwrote technical infrastructure for the issuance of Japan's first digital asset bonds / digital bonds. In addition, together with Ledger in France and CoinShares in the UK, we launched "Komainu," to offer custodial services, settle accounts and manage digital assets on behalf of institutional investors in the downstream (administration) area of the value chain. The need for digital assets will only continue to grow. Our company's involvement in this platform will lead to the creation of new revenue streams.

With regard to the second point, "client franchise," as an example, we will reallocate some of our coverage resources towards unlisted companies such as startups (currently, clients of our Investment Banking business are primarily listed companies, such as issuers). This will contribute to further expansion in this field. Moreover, we will not only provide products to existing investors, but also aim to provide new services by identifying needs through consulting and advisory services.

The third focus point, "delivery method" is to promote the use of digital technologies in addition to providing services based on physical meetings and other high-touch business. This will be implemented, as an additional tool to increase our client orders via online presence. For example, the Retail Division have already moved to a hybrid model where they use data from various interactions to select the appropriate channel services, ideal timing for each client — physical face-to-face, phone, e-mail, or online conferencing. Going forward, we will continue to evolve the delivery of content and other products that we have been providing with the goal of meeting the unique needs and preferences of individual clients. In a way, this can be defined as a private service.

If we can expand these three focus points, we will be able to provide services and solutions that are customized for each client, that is, "private." This tailored "just for you" proposal should lead to truly differentiated competitiveness.

Nomura's research capabilities are amongst our most important management resources, and the content generated by them will play an important role in realizing future growth. For example, reliable research on unlisted companies and startups with limited public information should provide significant added value to venture capitals and other clients. We will also expand the scope of our consulting business, which goes beyond research to solve our client’s challenges together.

Furthermore, we recognize that the commercialization of new technologies and the development of new industries are essential for the revitalization of the economy, and our mission is to contribute to solving social and environmental issues. In order to effectively use our intellectual assets and content, in July of this year, we consolidated and reorganized the Group’s research capabilities and established a new organization called "Content Company." Going forward, in addition to providing information, we intend to enhance functionality, adding digital delivery development teams. We will be able to proactively promote business and provide more value with a wider range of points of contact than ever before.

The goal of working toward "Next Stage of Growth" is not to deny the past or create something from scratch, but to leverage Nomura Group’s track record in "public" businesses, relationships with clients, and individual employees’ strengths into new areas. In the United States, while Amazon’s strength in the e-commerce field is remarkable, Wal-Mart, which combines digital and physical outlets, is growing again in both spaces. In China, Ping An Insurance is expanding its business domain beyond insurance by utilizing insurance salespeople as a channel to promote digital transformation, integrating interpersonal sales (high-touch) and digital dialogue (high-tech), and introducing doctors and supporting health management. While we rely on digital services as much as possible, our employees need to continue raising their abilities for face-to-face high-touch consulting and advisory so that they can be fully recognized as a trusted consultant for our clients. We are confident that we will be able to further increase our growth potential by maintaining the face-to-face aspect as a core while still moving away from the narrowly-defined scope of securities business.
ESG as the pillars of Management Vision

In addition to the “business growth”, our management vision incorporates ESG elements to achieve “trust from society” and “employee satisfaction”. After my appointment as Group CEO, I listened to opinions from people outside the company, and noticed some have felt that “Nomura is becoming less functioning to serve broader society than before.” Even before that, our clients often brought up ESG in conversation, and I realized that the world was changing. In addition to climate change, large-scale natural disasters, widening social disparities, and the crisis caused by coronavirus further reveal distortions in the economy and society, where we will be required to make more effort to build a sustainable world.

Under these circumstances, we will reform the Group to reach the next level and to achieve nonlinear growth, while maintaining our core mission of “contributing to the creation of a truly affluent society through financial and capital markets.” I would also like to strengthen our vision through expanding ESG capabilities in line with changes taking place during our times. In addition to the securities business, which is our specialty, there are many other things that we can do to help our society and community as we aim to transform and advance our business. When I speak with junior employees, I find that they appreciate and value the fact that their work contributes to society and are proud to serve their company with these priorities.

In order to strengthen ESG management, I chair the ESG Committee, which is now aligned with members of the Executive Management Board to create a framework for the strategic promotion of ESG within the highest decision-making body at the executive level. In addition, four subcommittees were established under the ESG Committee: (1) “Wholesale Sustainability Forum” to plan business opportunities and strategies for sustainable finance; (2) “Climate Risk Working Group” to analyze scenarios of climate change risks and conduct stress testing; (3) “Working Group on Environmental Activities” to promote Nomura Group’s efforts to reduce environmental impact; and (4) “TCFD Working Group” for the Task Force on Climate-related Financial Disclosures (TCFD). In addition, the “Nomura Group’s top management materiality which was identified in last year’s comprehensive review of management issues and existing ESG issues, is being reviewed in accordance with the Management Vision.

“Trust from society” included as an element of our management vision has several key considerations. The first step is to increase client satisfaction by providing the best services and solutions to meet the needs and challenges faced by individual clients. Through our core businesses, we would like to contribute even more to the realization of a sustainable society, including the achievement of the goals of the SDGs and the Paris Agreement. To this end, we listed sustainable finance, including green bonds, and Nomura Asset Management’s sustainable investment ratio as KPIs.

Meeting these social needs will lead to the growth of our business. In April 2020, Nomura completed its acquisition of U.S. M&A boutique Greentech Capital Advisors. Greentech is a leader in the sustainable technology and infrastructure sector M&A advisory space. Through this acquisition, we combine Greentech’s expertise and knowledge with our global network and expertise in the solutions business to provide value-add services and contribute to sustainable growth with consideration of the global environment.

The trend in society to increase productivity and add value through digitization is expected to accelerate in the future. While many companies are exploring new growth strategies in light of the major structural changes in society caused by the coronavirus pandemic, there is still a need for responding social and economic expansion and investment, especially in new digital fields. These are areas in which our comprehensive strengths can be utilized, and we will work to strengthen our responsiveness with urgency in order to support our clients’ growth strategies and their efforts to improve corporate value.

Our vision to maintain the “trust from society” and efforts to maintain trust in Nomura Group is also an important issue. In May 2019, an inappropriate communication concerning a review of market segmentation of the Tokyo Stock Exchange caused considerable inconvenience to our clients and other stakeholders. We established the Nomura Group Code of Conduct in December 2019 so that every employee can translate the shared values of “challenge,” "collaboration” and “good faith” into action, keeping in mind that it is our social mission to contribute to the development of healthy capital markets. We have also established the Nomura Group Corporate Conduct Committee directly under the Executive Management Board to instil the Code of Conduct in our employees and foster ethical corporate culture. The Code of Conduct represents our commitment to our stakeholders. As society changes drastically, it is important to understand the needs of society and to be accountable to a wide range of stakeholders, including clients and investors. Holding ourselves accountable leads to increased trust. At the same time, we want to develop a company that employees are proud to work for and deepen our dialogue with stakeholders. There is no end to these efforts, but I will take the lead and work to continually improve our discipline as an organization.
Our job is to provide clients with value-add services. The most important of these is the three S’s; “Skills,” “Speed” and “Spirit.” “Skills” means to continue to refine expertise and improve professionalism in order to be selected by clients. The next S is “Speed” which requires quick response to clients, keeping an eye on the changing world, and being capable of taking the lead. “Spirit” is our DNA, our founding spirit of contributing to society through our business. Nomura has always endeavored to be the first in new frontiers. I want to keep this spirit unchanged. Contributing solutions to environmental and social issues is appreciated by our clients, society, and the world. We have included “employee satisfaction” as the third element of our management vision, with the aim of creating a company where employees are excited and proud to work for a company that is cherished by their family and friends, and those closest to them.

Nomura has a large platform with approximately 27,000 employees worldwide. There are about 16,000 and 11,000 employees in Japan and overseas with backgrounds diversified across 90 nationalities. Each and every employee is our greatest asset. We believe that “diversity” regardless of gender, nationality or age will become even more important as we evolve into a “Next Stage of Growth.” Under the new management structure introduced in April 2020, a key executive in charge of corporate finance transitioned from Investment Banking to become the director in charge of Wealth Management in Retail Division, and an executive in charge of Fixed Income moved to Investment Banking. I felt that if someone who knows investors moves to the issuer side, they will be able to do something that they have not been able to do before, especially in the private space.

Half of the newly appointed 12 executive officers came to Nomura after working outside our company. We believe their various backgrounds can create synergies with different areas of the Group, and therefore contribute toward our goal of responding to changes in society and complicated clients’ needs.

Finally, the coronavirus as an invisible threat changed our lifestyle completely. It reminded us that tomorrow is not just an extension of today. There is no guarantee that people’s lives and ways of thinking will remain the same after things settle down. That is why we should not be bound by conventional ideas, and look to move towards our “Next Stage of Growth” with thoughtful ideas about future business. We have to change ourselves. We will continue to take on new challenges. In this spirit, we will continue to make every effort to enhance our corporate value.
Nomura Group’s Management Vision

In May 2020, Nomura Group announced a new management vision for the year 2025, the 100 year anniversary of its founding. Under this vision, we aim to realize “business growth” by expanding our business domain from public to private, with our core business (Retail, Asset Management, Wholesale and Merchant Banking) as the foundation. The ROE target is set at 8-10%.

At the same time, we will focus on ESG (Environment, Social and Governance) elements such as “trust from society” and “employee satisfaction.” We believe sustainable growth cannot be achieved if either element is missing. By combining “business growth,” “trust from society” and “employee satisfaction” to create synergies, we will achieve sustainable growth and help solve social issues.

Nomura Group needs to comply with various financial regulations in order to operate globally. We are working to improve capital efficiency by appropriately allocating the limited capital to businesses, while complying with these requirements and ensuring financial soundness. At the same time, we aim to provide the appropriate return to shareholders.

Business growth → Trust from society → Employee satisfaction

Nomura Group operates businesses by placing our clients at the heart of everything we do. The environment surrounding us is changing rapidly, and the needs of our clients are becoming more diverse and complex. We would like to remain the most trusted partner for clients by sincerely addressing the needs of each client in any environment and providing the best financial products, services and solutions.

As environmental and social issues such as climate change and widening social disparities become more serious, consideration of these issues are essential for economic growth. Nomura Group continues to contribute toward the realization of a sustainable society through the financial and capital markets.

Approximately 26,600 employees of 90 nationalities work for Nomura Group. We seek to manage our employees 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. The new management vision will focus on the following three areas.

Employee satisfaction

- Environment where employees can work with enthusiasm
- Talent development
- Diversity & Inclusion

We will strive to pay dividends using a consolidated pay-out ratio of 30 percent of each semi-annual consolidated earnings as a key indicator. Dividend payments are determined taking into account a comprehensive range of factors such as the tightening of Basel regulations and other changes to the regulatory environment as well as the Company’s consolidated financial performance.
Nomura Group’s Management Vision

Since 2012, Nomura Group has conducted structural reforms by transforming the business model in Japan and improving profitability of international business. As a result, the quality of our business and the recognition from our clients has improved significantly, and we have built a more solid business foundation in international regions by focusing on areas of our strength. For the next five years, we will continue to focus on transformation within our core businesses, while making necessary investments and incorporating new ideas to expand our scope of business from public to private so that we are able to enter into a “Next Stage of Growth.”

Our management vision for the fiscal year ending March 2025 is broadly divided into two phases. By fiscal year ending March 2023, we aim to expand existing businesses and invest towards developing new business domains. By the fiscal year ending March 2025, we aim to expand our core business domain from public to private. The ROE target is set at 8-10%.

ROE is one of the most important financial targets in our management vision. The targeted 8-10% of ROE is broken down into three factors; profitability, efficiency and financial leverage, which we call as the “ROE tree.” In particular, to improve profitability, we have established Key Performance Indicators (KPIs) and Key Goal Indicators (KGI) to align our efforts with those of each business.

ROE trajectory

Enhance productivity, expand revenue mix
- Transform domestic business model
- Improve profitability of international business (reduce unprofitable businesses, focus on areas of competitive strength)
- Shore up balance sheet, step up shareholder returns

Achieve sustainable growth by helping solve social issues
- Measure progress by main KPIs
- Ongoing transformation of core businesses
- Stringent cost control and risk management
- Foundation for management vision
- Invest and develop new business domains (expand private services)
- Maximize shareholder value with balance of investment and shareholder returns

ROE 8-10%

8%-10%

Fit for the Future / Vision C&C

Path to Achieving Our Management Vision

Nomura Report 2020

017

About Nomura
Strategies for Value Creation
Strengths Supporting Value Creation
Corporate Information / Data

018

079
In the fiscal year ended March 2020, we significantly improved financial performance from the previous year’s loss despite difficult business conditions, which included the market downturn in March, due to our successful reforms to the Retail Division and firm-wide cost saving initiatives. In Retail, we realigned sales channels and improved our organizational structure to better support client needs. In Wholesale, we lowered our break-even point through a review of our business portfolio and ongoing cost reductions.

Nomura Group reformed the management board in April 2020 and set forth a new management vision towards the fiscal year ending March 2025. In this management vision, through a combination of “business growth”, “trust from society” and “employee satisfaction”, we aim to help solve social issues and to achieve sustainable growth.

I believe that my main role as CFO is to provide financial and capital support, while communicating with a variety of stakeholders and taking their interests into account to realize our management vision. To this end, we will maintain a balance between (1) maintaining an appropriate financial base that enables compliance with various financial regulations, which are essential for Nomura Group to conduct business globally, (2) supporting Nomura Group’s sustainable growth from a financial and capital perspective, and (3) providing appropriate shareholder returns.

We will strive to maximize our corporate value and contribute toward the realization of our management vision by pursuing an optimal balance between investment in growth areas and digitalization and shareholder return.

### Financial and capital support to achieve our management vision

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We will strive to maximize our corporate value and contribute toward the realization of our management vision by pursuing an optimal balance between investment in growth areas and digitalization and shareholder return.

### Financial and capital support to achieve our management vision

In the fiscal year ended March 2020, we significantly improved financial performance from the previous year’s loss despite difficult business conditions, which included the market downturn in March, due to our successful reforms to the Retail Division and firm-wide cost saving initiatives. In Retail, we realigned sales channels and improved our organizational structure to better support client needs. In Wholesale, we lowered our break-even point through a review of our business portfolio and ongoing cost reductions. Nomura Group reformed the management board in April 2020 and set forth a new management vision towards the fiscal year ending March 2025. In this management vision, through a combination of “business growth”, “trust from society” and “employee satisfaction”, we aim to help solve social issues and to achieve sustainable growth.

I believe that my main role as CFO is to provide financial and capital support, while communicating with a variety of stakeholders and taking their interests into account to realize our management vision. To this end, we will maintain a balance between (1) maintaining an appropriate financial base that enables compliance with various financial regulations, which are essential for Nomura Group to conduct business globally, (2) supporting Nomura Group’s sustainable growth from a financial and capital perspective, and (3) providing appropriate shareholder returns.

We will strive to maximize our corporate value and contribute toward the realization of our management vision by pursuing an optimal balance between investment in growth areas and digitalization and shareholder return.
Compliance with financial regulations and maintenance of financial soundness

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 on our operations. As we anticipate the minimum required consolidated Common Equity Tier 1 (“CET1”) capital ratio at 7.5-8%, we are aiming to maintain a CET1 capital ratio of 11% or higher over the medium term, which includes a discretionary management buffer.

The rapid spread of the coronavirus pandemic since the beginning of this year resulted in significant capital market fluctuations. In March, the VIX index reached record high levels since the global financial crisis, and credit spreads widened rapidly. Due to these acute market changes, risk-weighted assets will be more stringent with the denominator of the risk-weighted assets, the denominator of the capital ratio may fluctuate each quarter as the counter cyclical buffer is updated quarterly. As of March 31, 2020, the minimum required ratio is 7.5%.

The minimum required CET1 capital ratio may fluctuate each quarter as the counter cyclical buffer is updated quarterly. As of March 31, 2020, the minimum required ratio is 7.5%.

The second factor, “efficiency”, can be divided into three factors: “profitability” x “efficiency” x “financial leverage”. Nomura’s management vision, we have established new business while simultaneously strengthening our operations. As we anticipate the minimum required level of TLAC as of March 31, 2020 that is applied upon TLAC implementation. In June 2020, we issued perpetual subordinated bonds worth ¥150 billion to strengthen capital base, which supports our growth strategy, and to increase the flexibility of our financial strategy. These perpetual subordinated bonds are considered to be Tier1 capital and TLAC eligible. We will continue to implement our fund raising plan so that we can meet the required regulatory level without difficulty.

In April 2018, it was announced that the Total Loss Absorbing Capacity (TLAC*) requirement would be applied to Nomura Group effective March 31, 2021. As a result, we have been proceeding with issuance of TLAC-eligible debt* and refinancing existing liabilities. We have raised approximately ¥240 billion on TLAC-eligible debt in fiscal year ended March 2019 and ¥380 billion in fiscal year ended March 2020. At the same time, as a result of our efforts to ensure disciplined management of our balance sheet, we have managed our loss absorbing capacity (regulatory Capital and TLAC-eligible debt) to meet the minimum required level of TLAC as of March 31, 2020 that is applied upon TLAC regulation implementation. In June 2020, we issued perpetual subordinated bonds worth ¥150 billion to strengthen capital base, which supports our growth strategy, and to increase the flexibility of our financial strategy. These perpetual subordinated bonds are considered to be Tier1 capital and TLAC eligible. We will continue to implement our fund raising plan so that we can meet the required regulatory level without difficulty.

Toward sustainable growth

Our management vision and goal is to build the foundation of a business capable of achieving ROE of 8-10% by the fiscal year ending March 2025. ROE can be divided into three factors: “profitability” x “efficiency” x “financial leverage”. Nomura’s current challenge is “profitability”. In our management vision, we have established new business while simultaneously strengthening our operations. As we anticipate the minimum required level of TLAC as of March 31, 2020 that is applied upon TLAC regulation implementation. In June 2020, we issued perpetual subordinated bonds worth ¥150 billion to strengthen capital base, which supports our growth strategy, and to increase the flexibility of our financial strategy. These perpetual subordinated bonds are considered to be Tier1 capital and TLAC eligible. We will continue to implement our fund raising plan so that we can meet the required regulatory level without difficulty.

Since 2012, Nomura Group has worked to reform its domestic business model and improve the profitability of its overseas business while simultaneously strengthening its financial base. I am confident that we have been able to improve our competitiveness in the areas where we have strengths while transforming toward a leaner structure by continuously assessing the ideal business platform. Over the next five years, we will deepen these efforts while also investing in growth areas to reach the “Next Stage of Growth”. In order to achieve our management vision for the fiscal year ending March 2025, we will exercise financial and capital discipline, and we will communicate with our stakeholders about our progress based on established KPIs for each business division. Although I did not mention it in this message, "trust from society" and "employee satisfaction" are also essential to achieving our management vision. As a member of the group executive board, I strive to create an organization that can grow sustainably through the resolution of social issues and make steady efforts to address these issues. Thank you for your continued support.
MATERIALITY
Nomura Group Materiality

Achieving sustainable growth by listening to our stakeholders and helping to solve social issues

A rich natural environment and healthy social environment are the foundations of economic and business advancement as well as people’s lives. Without such foundations, it is impossible to fulfill Nomura Group’s social mission of helping to enrich society. We have been expanding our products and services, and globally expanding our businesses and bolstering our corporate governance based on the recognition that initiatives such as protecting the global environment and promoting the active participation of a diverse range of people are essential for advancing both economic activity and society as a whole. In May 2020, Nomura Group announced a new management vision to “Achieve sustainable growth by helping solve social issues” ahead of the year 2025, the centennial anniversary of Nomura’s founding. In addition to business growth, our management vision incorporates the ESG elements of trust from society and employee satisfaction. By combining these three elements to create synergies, we will achieve sustainable growth and help solve social issues.

Material issues

Since Nomura Group first identified CSR Materiality in 2008, we have conducted regular reviews based on trends in the international community and the expectations of stakeholders. In light of the management vision announced in May 2020, we reviewed the Nomura Group Materiality and identified the 27 material issues including seven highest priority issues. We will continue to make every effort toward our targets by using metrics to monitor how we are progressing.

<table>
<thead>
<tr>
<th>The highest priority issues</th>
<th>Metrics</th>
<th>Targets</th>
<th>SDGs*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide financial services that contribute to the creation of a sustainable society</td>
<td>Value of sustainable finance we support, Sustainable investment ratio</td>
<td>Through our core business, create a better future by addressing stakeholders’ needs and providing value added solutions</td>
<td></td>
</tr>
<tr>
<td>Pursue digitization to enhance customer service and productivity</td>
<td>Expansion of diverse digital delivery</td>
<td>Continue to focus on transformation to respond to the ever-changing business environment. Enhance the quality and quantity of customer service and achieve high productivity through digitization initiatives</td>
<td></td>
</tr>
<tr>
<td>Expand and strengthen businesses from “Public” to “Private”</td>
<td>Provide customized products, services and solutions, Address new investor base and needs</td>
<td>Achieve medium to long-term growth through expanding our business presence in private markets by expanding alternative products and discovering new client needs. In addition, optimize the business portfolio taking into account the profitability of each business</td>
<td></td>
</tr>
<tr>
<td>Continually review existing business portfolio based on profitability</td>
<td>Optimal allocation of resources, ROE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ensure all Nomura people understand and comply with the Nomura Group Code of Conduct</td>
<td>Status of instilling of the Nomura Group Code of Conduct</td>
<td>To increase corporate value, strengthen and enhance the corporate governance framework as corporate governance is one of the most important issues. At the same time, build trust with society and protect and enhance corporate value with thorough compliance and by raising employee awareness of the Nomura Group Code of Conduct</td>
<td></td>
</tr>
<tr>
<td>Ensure financial soundness and transparency</td>
<td>Monitoring of financial indicators</td>
<td>To improve financial soundness and corporate value, various risks must be managed appropriately. Establish a risk management framework for monitoring and reporting on a globally integrated basis</td>
<td></td>
</tr>
<tr>
<td>Enjoyable work environment for employees</td>
<td>Employee surveys</td>
<td>Diverse and talented employees are our greatest asset amid the changes in the environment, such as innovation and digitalization. Make sure every employee can be active and successful in utilizing her/his capabilities and individuality, and provide high value-added service</td>
<td></td>
</tr>
</tbody>
</table>

* The SDGs logo covers not only the highest priority issues, but also all of Nomura Group’s material issues. For all the material issues, visit our website.
SUSTAINABLE FINANCE
Taking advantage of Nomura’s comprehensive strengths to contribute to the realization of a sustainable society

What Financial Institutions Need for Sustainable Development

In order to achieve the SDGs and the “2°C target,” which are international goals, financial institutions need to create a flow of funds that will contribute to the formation of a sustainable society.

Initiatives for E (Environment), S (Society), and G (Governance) in corporate management have become essential for improving enterprise value. Supported by growing recognition of SDGs in recent years, initiatives to address environmental and social issues, such as green bonds, social bonds, and sustainability bonds (hereinafter collectively referred to as “SDG bonds”) are attracting international attention, and the amount of SDG bonds issued worldwide continues to increase.

The Principles for Responsible Investment (PRI), which stipulates the consideration of ESG issues in the decision-making process of institutional investors, highlights ESG issues and the responsibilities of financial institutions, and promotes the creation of a framework that contributes to the establishment of a stable and sustainable financial system through global partnerships. Since the establishment of the PRI in 2006, the number of signatories has increased globally, and ESG investments have become mainstream. In Japan, the Japanese version of the Stewardship Code was revised in March 2020 to promote the decision-making process of institutional investors, highlights ESG issues and the responsibilities of financial institutions, and promotes the creation of a framework that contributes to the establishment of a stable and sustainable financial system through global partnerships. Since the establishment of the PRI in 2006, the number of signatories has increased globally, and ESG investments have become mainstream. In Japan, the Japanese version of the Stewardship Code was revised in March 2020 to promote the decision-making process of institutional investors, highlights ESG issues and the responsibilities of financial institutions, and promotes the creation of a framework that contributes to the establishment of a stable and sustainable financial system through global partnerships.

Nomura Group’s Achievements

In light of the growing interest in ESG among issuers and investors both in Japan and abroad, Nomura Group established a team dedicated to working on ESG bonds globally, and has built up a track record of underwriting SDG bonds.

In Japan, we underwrote Sustainability Bonds issued by Obayashi Corporation and Japan Railway Construction, Transport and Technology Agency, and Green Bonds issued by Shimizu Corporation and the Japan Housing Finance Agency. In 2019, and Green Bonds issued by Asahi Kasei Homes Corporation and NTT Finance Corporation in 2020. We actively underwrite SDG bonds not only in Japan but also overseas to share market conditions and provide customers with useful information and proposals.

Nomura Asset Management regards engagement as an important activity for the improvement of enterprise value of portfolio companies. In addition to regular dialogue, Nomura Asset Management engages in dialogue aimed at resolving ESG issues with key companies that need to be further examined out of approximately 2,400 portfolio companies (as of December 31, 2019). In 2019, Nomura Asset Management engaged in ESG-related dialogue with a total of 400 companies, and approximately 850 topics were discussed.
Leveraging the Group’s comprehensive strengths to meet clients' sustainable needs

Nomura Group is strengthening ESG management under the Mission of “We help to enrich society through our expertise in capital markets.” Group companies will continue to work together across the board with their respective expertise to maximize the collective strengths of the Group to meet the needs of investors and clients and realize a sustainable society.

In April 2020, Nomura Group completed the acquisition of Greentech Capital Advisors, a leading boutique investment banking firm focused on supporting clients across sustainable technology and infrastructure. Under the rebranded Nomura Greentech, we will connect companies working to create sustainable technologies with investors and clients across different geographies to help them incorporate innovation into energy, transportation, food, water and waste infrastructure systems.

Nomura Securities was allotted the world’s first Sustainable FITs (stock acquisition rights). Airtech Japan’s stock acquisition rights are the first in the world in the form of equity financing to receive a second opinion from an evaluation organization from the perspective of ESG and SDGs, in the belief that the use and significance of the funds will contribute to the reduction of environmental impact through energy conservation and the resolution of social problems such as infectious disease countermeasures.

In December 2019, Nomura Institute of Capital Markets Research (NICMR), an independent research institute in Nomura Group, established the Nomura Research Center of Sustainability. The new research center focuses on objective and practical research. The center strategically identifies and conducts research into areas of sustainability closely related to the financial and capital markets and provides value-added information and proposals to clients. Specifically, NICMR creates an open platform to connect people within Nomura Group with people outside, including through collaboration between external advisors and specialists at the firm. NICMR will also collaborate with relevant international organizations in order to broaden the themes and scope of its research.

Nomura Asset Management Initiatives

In FY2019/2020, in addition to the previous Governance initiatives, we strengthened our Environment and Society initiatives. For the environment, we identified climate-related risks and opportunities in our investment portfolio, used these analyses in engagement with portfolio companies and in the management of our investment portfolio, and worked to improve investment quality so that it is more resilient to climate change issues and leads to higher added value. With respect to Society, in addition to the traditional concept of risk-return, we incorporated the 3rd axis of “social impact” into the process and promoted the development of new investment methods with higher sustainable growth while linking to social development. In the PRI assessment, which was granted in 2019, a rating of A or higher was received in all categories, indicating that external evaluations are steadily improving.

Nomura Securities began joint research with Nomura Research Institute in April 2019, and has published Nomura-BPI SDGs (this index) since that November as a new sub-index to the Nomura Bond Performance Index (NOMURA-BPI). This index will select green bonds, social bonds, and sustainability bonds (SDG bonds) from a universe of NOMURA-BPI constituents, and reflects the overall performance of the secondary market for SDG bonds. The index value is calculated based on certain internal rules and has transparency and continuity. Through this index, we support issuers in the formulation of bond issues and investors in the decisions on investment. In addition to contributing to the sustainable development of the entire SDG bonds market, we will promote initiatives to achieve the SDGs.

Nomura distributes Inter-American Development Bank’s coronavirus mitigation bond

In April 2020, Nomura supported the Inter-American Development Bank (IDB) on its Sustainable Development Bond (SDB), which aims to provide assistance to countries facing coronavirus. IDB is the largest government-owned regional source of development finance for Latin America and the Caribbean. The proceeds from this SDB are earmarked to focus on the United Nations Sustainable Development Goal 3, ensuring healthy lives and promoting well-being, and is targeted at fighting and mitigating the impact of the outbreak in IDB’s member states.

Underwriting and sales of SDG bonds

Nomura Group established a team dedicated to working on ESG bonds in Japan in Investment Banking, Wholesale in 2017. In 2018, the team was transformed into a global organization to support the structuring of sustainable finance projects in Japan and overseas. In October 2019, Nomura Securities was elected as the only Japanese company in the Green Bond Principles and Social Bond Principles Advisory Council of the International Capital Market Association, and participated in the formulation of international standards for SDG bonds and activities for market development on behalf of Japan.

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Based on our aspirations to "enrich clients by responding to their asset concerns," the Retail Division provides a variety of financial services to individuals and corporate clients in Japan through its branches, call centers and online platform. In addition to traditional investment products such as stocks and bonds, we offer consulting services such as inheritance, real estate, business succession, fund-raising, and corporate finance advisory based on client needs, financial assets and life stages.

**Retail client assets**

**No.1 in Japan ¥104 trillion**

(as of March 31, 2020)

**Japan Client Satisfaction Study (Full-service Securities Category)**

No.1 ranked for 8 consecutive years

**Vision and its initiatives**

In order to provide appropriate services to meet each client's needs, the Retail Division had undertaken its channel alignment strategy in August 2019, and also improved digital infrastructure. The client interface is now a hybrid model that goes beyond physical meetings by utilizing phone, email, online services and conferencing systems. In the fiscal year ending March 2021, we intend to further deepen our use of digital tools and data to enhance client satisfaction and employee productivity, and to achieve long-term business relationships with more clients. In addition, we aim to build a more advanced advisory system in the future by leveraging the knowledge of the CIO (Chief Investment Office) Group, an independent unit separate from the business divisions. This group will play a central role in providing asset management services and introducing a new fee structure.

We also aim to expand our business through collaboration with third parties such as regional financial institutions in order to broaden the contact points with clients to whom we have not been able to deliver our services.
**Initiatives in next three years**

Based on the new channel formation, Retail Division will expand and enhance productivity of existing businesses, and implement a full-scale business shift by introducing a high value-add advisory model.

**Point 01**
Enhance productivity of existing businesses

We will promote digitalization and expand our products and services in order to further evolve the channel realignment that was done in 2019.

Enhance client experience by providing necessary services through optimized combinations of face-to-face and non-face-to-face channels and timing for each client, based on data obtained through various interactions.

Strengthen our digital marketing capabilities to improve the efficiency of our Partner’s sales activities and to provide highly specialized services to more clients.

Enhance our products and services so that we can provide advice to client’s total balance sheet.

Offer a wide range of services to corporate clients and their owners in addition to asset management, which supports businesses growth, helps employees build their assets, and ensures that we maintain long-term relationships with corporate clients and diversify our revenue sources.

Provide services using digital marketing

**Point 02**
Create a high value-add advisory model

We will leverage the expertise of the independent CIO Group to provide more advanced investment services tailored to each client needs.

Understand clients using data  
To realize initiatives shown to the left  
Analyze data  
Client type and past transactions  
Record calls, analog data and other input information  
Times of past calls, branch visits, visits to clients  
Website browsing, actions taken such as opening of emails

Optimize Partner sales activities

 típs for client  
Using data  
Enhance collaboration of digital, contact centers, and sales Partners

**Point 03**
Expand business through collaboration with regional financial institutions

We will promote collaboration with third parties such as regional financial institutions to provide securities services to more clients.

Client needs  
Retail  
Sales Partners

CIO Group

Point 02
Create a high value-add advisory model

We plan to offer new asset management services by leveraging insights from the independent CIO (Chief Investment Office) Group established in July 2020.

The CIO Group, an independent unit separate from the business divisions, was formed by consolidating the investment consultation team to institutional investors and the discretionary investment service team to individual investors. By leveraging value-add content, the group will provide an asset allocation strategy based on investors’ risk appetites, investment strategies and thesis.

We will also create a strategy so that each Sales Partner can leverage output from the CIO Group providing sophisticated proposals to clients who want to make investment decisions based on advice.

Provide new asset management services: Create a high value-add advisory model

**Point 03**
Expand business through collaboration with regional financial institutions

We expect synergies from collaborations between regional financial institutions who have strong branch bases and branch networks in the region and with Nomura, who has industry expertise and an expansive lineup of products and services. By entering into a new collaboration strategy, we aim to provide our products and services to the clients we have not yet reached, and further contribute to the revitalization of the local economies.

Nomura has already announced a comprehensive business collaboration with San-in Godo Bank Group and Awa Bank in the financial instruments intermediary business and is preparing for the collaboration to start.

Contribute to a better quality of life for clients and help invigorate regional economies

**Strengths**
- Extensive branch office network  
- Trust from clients  
- Talented people

**Synergies**
- Wide variety of products and services  
- Abundant information, latest IT infrastructure  
- Professional knowledge  
- Deep understanding of local culture and economy
The Asset Management Division, led by Nomura Asset Management Co., Ltd., has approximately 1,500 staff in 13 locations worldwide, and aims to become “Japan’s leading asset management firm, chosen by clients around the world.” In addition to pursuing investment strategies, offering products and services that satisfy the varied needs of our clients, we are committed to promoting active engagement and dialogue with investee companies and issuers that can lead to the “mutually beneficial coexistence of companies and broader society”, while we also actively promote socially responsible investment practices to achieve the “sustainable development of society.”

### Vision
We aim to become Japan’s leading asset management company, chosen by clients around the world.

- Establish our presence as the dominant firm in Japan
- Create and offer products and services with outstanding features and superior track records
- Achieve sustainable growth by adapting to a changing environment

### Initiatives
1. In addition to our outstanding performance in traditional investment areas such as stocks and bonds, we will leverage our global investment research knowledge in ESG and Alternative investment areas to provide new sources of return. In multi-asset management, in which multiple asset classes are combined, we will utilize our asset allocation capabilities to expand our range of products and services that provide stable performance.
   - We will also promote initiatives that lead to a changing environment.
2. In Japan, in the areas of public investment trusts and Defined Contribution Pension Plans, we will establish our position as a leading firm in the industry, focusing on providing investment education, as well as products that support our clients’ long-term and steady asset accumulation. Overseas, we aim to increase assets under management while addressing the needs of overseas pension funds and institutional investors by expanding our investment product offerings while differentiating our product platform from those of our competitors.
   - In order to achieve sustainable growth despite changes in the business environment, we will actively make investments to strengthen our competitiveness in asset management and expand our new client franchise. We will also promote initiatives that lead to higher productivity, such as the automation and streamlining of business functions that support our asset management operations, and effectively allocate management resources to growth areas.

### Business Performance

<table>
<thead>
<tr>
<th>Year</th>
<th>Net revenue</th>
<th>Income before income taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>62</td>
<td>92</td>
</tr>
<tr>
<td>2011</td>
<td>67</td>
<td>95</td>
</tr>
<tr>
<td>2012</td>
<td>66</td>
<td>99</td>
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<tr>
<td>2013</td>
<td>80</td>
<td>82</td>
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<tr>
<td>2014</td>
<td>27</td>
<td>37</td>
</tr>
<tr>
<td>2015</td>
<td>30</td>
<td>42</td>
</tr>
<tr>
<td>2016</td>
<td>34</td>
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<tr>
<td>2017</td>
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<td>65</td>
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<tr>
<td>2018</td>
<td>29</td>
<td>100</td>
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<tr>
<td>2019</td>
<td>27</td>
<td>100</td>
</tr>
<tr>
<td>2020</td>
<td>21</td>
<td>100</td>
</tr>
</tbody>
</table>

### Key performance indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>FY2019/20</th>
<th>FY2022/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets under management</td>
<td>¥49.3 trillion</td>
<td>¥65 trillion</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>¥28.8 billion</td>
<td>¥50.0 billion</td>
</tr>
</tbody>
</table>

### Key goal indicator

- **Growth**:
  - Income before income taxes (2020: ¥28.8 billion, 2023: ¥50.0 billion)
Further strengthen areas of investment management that offer additional value

In an uncertain investment environment, investment proposals that contribute to diversification of return sources and risk diversification are needed. In order to meet these requirements, we identified three growth areas; ESG, Alternative and Multi-Asset Management. We are working to further strengthen our product offerings in these areas.

Through ESG, we strive to achieve “coexistence and mutually beneficial interaction between companies and broader society” through active dialogue with our investee companies and issuers. We will also enhance our presence in this area to help realize a sustainable society by integrating important ESG issues into our investment process, including measuring the impact on climate change and SDGs.

In Alternative Investment, we will respond to the needs of our clients as they seek new sources of return by deepening our expertise in asset classes that are different from traditional assets, such as private equity and infrastructure investments.

In the area of Multi-Asset management, we will leverage the strength of our global asset management platform by demonstrating our capabilities across a wide range of asset classes as well as our risk management and asset allocation capabilities, to provide personalized investment solutions that meet our clients’ expectations.

Allocation of management resources for sustainable growth

We will allocate management resources and improve productivity of our operations in order to create opportunities for sustainable growth, even in the changing business environment. Specifically, we will allocated our resources to develop new investment methods based on research and data analysis, and employing cutting-edge asset management technology. We are also focused on strengthening our ESG, Alternatives and Multi-Asset investment strategies. We will further utilize digital marketing to provide timely and easy-to-understand information to clients, both face-to-face and through on-line and other remote methods. We will also steadily implement various internal reforms, including automating and streamlining business processes that support our asset management operations. In order to effectively allocate management resources to growth areas, we will actively promote initiatives that lead to increased productivity, and transform our business structure into one that can continue to grow amid a dynamic environment. Through these efforts, we aim to achieve sustainable growth and deliver the highest returns to our clients while contributing to the growth and development of society over the long term.

Establish presence by expanding market share in growth areas

In Japan, we regard public investment trusts and Defined Contribution Pension Plans (DC) as growth areas and aim to establish our position as the leading firm in these areas.

In the current environment, interest in asset management is growing among a wide range of age groups, ranging from young people to retirees. To further expand our market share in the public investment trust market, we need to provide good investment performance and also easy-to-understand and useful information and services that will encourage clients to select our funds.

With Defined Contribution Pension Plans (DC), the number of new participants is expected to increase and the amount of contributions per participant will increase in the future due to demography following revisions to the law. We aim to further expand our presence in this market as an asset management company that provides support and education for individual investors seeking to build personal pension assets through DC strategies including DCs, while providing a wide range of products that contribute to long-term and stable accumulation of investment assets utilizing tax efficient NISAs.

For overseas clients, in addition to our mainstay investments in Japanese stocks, we aim to further increase assets under management by expanding our portfolio of highly competitive investment products and also marketing funds through financial institutions in Europe and Asia. We will also promote the use of products from our strategic partner American Century Investments.

Enhancement of ESG investment to contribute to resolving material issues for society

(ESG integration in Japan equity investments)

We will actively promote initiatives that lead to increased productivity, and transform our business structure into one that can continue to grow amid a dynamic environment. Through these efforts, we aim to achieve sustainable growth and deliver the highest returns to our clients while contributing to the growth and development of society over the long term.
WHOLESALE DIVISION

Wholesale Division consists of two businesses: Global Markets and Investment Banking. The former provides financial products, solutions and secondary market liquidity, and the latter offers capital raising transactions and advisory services. We provide diverse services to a broad range of clients including corporates, government entities and financial institutions in Japan as well as overseas.

Japan

FX house of the year, Japan*1
#1 in Japan M&A*2
#1 in Japan ECM*3

Overseas

Volatility Derivatives house of the year, third consecutive year*1
#8 in US Fixed Income market share*2
Specialist Agency Broker of the Year*3
#2 in EGB e-Trading volume market share*4
US RMBS bank of the year*5

Strengths

1. Leading position in Japan
2. Global strength across core businesses
3. Diversified business portfolio

Challenges

1. Revenue skewed towards secondary businesses
2. Uncertain in operating environment
3. Rapidly evolving market structure

Actions

1. Growth of fee-based revenue streams
2. Allocation of resource to high growth areas
3. Accelerated roll-out of digitization plan
4. Use of third-party alliances to access untapped markets

Vision and its initiatives

The key focus of Wholesale business is to be at the forefront of developments in the capital markets and seamlessly serve the needs of our clients globally across primary and secondary markets, while ensuring consistent and sustainable contribution to the profitability of the firm. With a momentum gained from the strategic realignment of the business portfolio in April 2019, Wholesale franchise is well positioned to deliver extensive market access and liquidity, differentiated products and services, and tailored-made financing/solutions across market cycles.

There are number of initiatives to reinforce the Wholesale platform and position for further growth and diversification of the portfolio of businesses. Strategic focus is to generate new market cycles.

Review of FY2019/20

FY2019/20 was largely affected by concerns over economic slowdown due to heightened geopolitical risks and the rapidly spreading of the new coronavirus in 2020 weighed on the global economy, significantly affected client activity and market volatility. Although business environment remained uncertain for a year, in April 2019, the Wholesale Division overhauled its business platform by downsizing and optimizing from unprofitable businesses and focused on areas of strengths within each region.

As a result, the full year net revenue was ¥648.6 billion, up 17% year-on-year, due to substantial recovery of Fixed Income mainly in Rates products and FX/EM in Asia. Moreover, the Wholesale Division cost was reduced by 17% year-on-year as the cost reduction plan of ¥1 billion (approx. $110.0 billion) progressed ahead of original schedule and goodwill impairment charge attributable to Wholesale (¥191.0 billion) was no longer present. Income before income taxes totaled ¥92.2 billion, a significant recovery from FY2018/19.

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Key performance indicators

<table>
<thead>
<tr>
<th>FY2019/20</th>
<th>FY2021/22 (March)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue / RWA</td>
<td>6.5%</td>
</tr>
<tr>
<td>CIR (Expenses / Revenue)</td>
<td>86%</td>
</tr>
<tr>
<td>Growth of fee and commission based revenue</td>
<td>Approx. $1 billion</td>
</tr>
</tbody>
</table>

Key Goal Indicator

| Income before income taxes | ¥1.1 billion (FY2019/20) | ¥1.1 billion (FY2019/20) |

* Uncertain impacts such as regulatory changes are not considered at present.
Initiatives in next three years

Our immediate focus is to ensure stability and resilience of the business as the global economy and markets emerge out of the impact caused by coronavirus pandemic, and continue to provide uninterrupted service to our clients while maintaining robust risk management to safeguard from uncertainties ahead. In the medium term, Wholesale is focused on achieving the $1.1bn PTI target, mainly through initiatives shown below.

### Business Strategies

Our business strategy is mainly focused on continuing momentum in core areas, while capitalizing new growth opportunities and focus on cost efficiency.

**Point 01** Business strategies

- Diversification of revenue stream and further expansion of market share in agency execution
- Leverage momentum in secondary trading businesses and use of technology for further differentiation and improved productivity in Flow Trading
- Further development of structured and solutions offerings
- Prudent risk management and improving resource efficiencies through flexible deployment of management resources
- Leverage our strength in the public market to enhance our presence in private markets
- Continue to invest in priority areas and strengthen advisory functions to support new customer needs
- Pursue new business opportunities through partnerships with third parties and invest to build new digital businesses

**Strategic focus**

- Further gain in market share
- Expansion of non-brokerage revenue streams to expand market share through multi-product services
- Continued focus on cost efficiency
- Continued growth in core area
- Improved monetization and differentiation in Flow Trading by use of technology
- Monetize demand for liquidity
- Support client financing through structured and solutions offerings
- Drive resource efficiencies, prudently manage exposure
- Capitalize on new opportunities
- Scale-up of key focus sectors (collaboration with Greentech)

### Digital transformation

**Point 02 Digital transformation**

- A key lever of our business strategy are digitization initiatives to improve productivity and nurture new revenue streams.

Digitization of existing platform includes advanced analytics, AI tools and execution algorithms for pricing and hedging in eTrading, deployment of AI tools in secondary businesses for pricing, hedging and market making as well as improved efficiency through automation of manual processes and retiring legacy platforms, redundant infrastructure.

Additionally, we intend to explore new business opportunities in the digital space, through recently launched Komaiu, a regulated digital asset custody solution for institutional clients, to broaden our digital asset footprint as well as further build on successful underwriting of Japan’s first block chain based digital bond leveraging block-chain platform BOOSTRY.

### ESG initiatives

**Point 03 ESG initiatives**

To accelerate financing and solutions for projects that will support a carbon-free society, we have established the "Wholesale Sustainability Forum" under the ESG Committee, with Head of Wholesale Division as the chair and members from related departments. The Forum will continue to accumulate relevant expertise, monitor trends in markets and laws and regulations, identify opportunities for financial products and services that contribute to a sustainable society, and actively participate in industry activities.

As part of our ongoing commitment to sustainable finance, Nomura acquired Greentech Capital in April 2020, a leading boutique investment banking firm focused on sustainable technology and infrastructure. This acquisition will help Nomura respond better to diverse client needs with stronger environmental, social and governance-related primary and advisory services, and expand industry expertise.

- **Nomura Report 2020**
Nomura Holdings recognizes that in order to achieve the management’s goal of enhancing corporate value by deepening society’s trust in the firm and increasing the satisfaction of stakeholders, beginning with shareholders and clients, strengthening corporate governance is one of the most important issues. As a company with Three Board Committees, we have separated management oversight from business execution. This separation of duties strengthens the oversight functions of the Board of Directors and delegation of authority regarding business execution to the Executive Officers with the aim to accelerate the Group’s decision-making process.

Corporate Governance System
- Outside Directors  Inside Directors (Executive)
- Outside Directors  Inside Directors (Non-executive)
- Outside Experts  Inside Directors (Non-executive)

Nomura’s corporate governance
- Enhanced the Board of Directors’ oversight function and achieved a high level of impartiality and transparency by separating oversight and business execution functions.
- The Board of Directors has formulated the “Fundamental Management Policy of Nomura Holdings, Inc.” in which the Board of Directors elects the Group CEO and other Executive Officers while also making key decisions on our business execution.
- Accelerated decision-making process by delegating business execution authority from Board of Directors to Executive Officers.
- Board of Directors are composed of diverse members in terms of nationality, gender, backgrounds and experts such as corporate management, corporate accounting, finance-related legal systems, and other areas.
- A majority of the Nomination, Audit, and Compensation Committee are independent Outside Directors.

General Meeting of Shareholders
- Meetings held: FY2019/20
- Attendance rate in FY2019/20

Oversight
- Board of Directors
- Outside Directors
- Inside Directors (Executive)
- Inside Directors (Non-executive)
- Nominating Committee
- Audit Committee
- Compensation Committee

Reinforcing the corporate governance
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 “Outside Directors Meetings” where they discuss matters related to our business and corporate governance regularly. In addition, we invited Asian experts as members of the Advisory Board, which is designed to upgrade our corporate governance, helping us evolve into a “global investment bank.” In 2019, all three of our committees have an Outside Director as the Chairman to further enhance our corporate governance structure. In addition, the Succession Plan was discussed in the Nomination Committee, concerning the Group CEO qualifications based on factors such as the management environment and candidate proposal to further develop our governance structure.

In the same year, we published Nomura Group Code of Conduct, to build upon the Code of Ethics of Nomura Group, established in 2004, into actions and guidelines for Nomura Group officers and employees. We operate all of our business activities based on the Code, and we strive to fulfill our responsibility not just to shareholders but to 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,” established in November 2015. In addition, the current status of compliance with the Corporate Governance Code is disclosed in the Corporate Governance Report.
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. Based on those results, they also share their findings at Board of Directors Meetings as well as Outside Directors Meetings, and further discuss about issues found with other Directors including Executive Officers in order to continue strengthening their oversight function.

Through evaluation of these discussions and findings, the Board of Directors found the effectiveness of Board of Directors is generally at an almost good level this year as well. As a company with Three Board Committees structure, we ensure to accelerate the Group's decision-making process, 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.

Main items discussed by the Board of Directors

- Evaluation items
- Response to results
- Future Challenges

Internal Controls System

We are strengthening our internal controls to ensure appropriate corporate behaviors throughout the Group are made in an effort to deliver management transparency, ensure efficiency, comply with regulations, manage risks, maintain the reliability of business and financial reports, and encourage appropriate information disclosure.

First, we implemented risk controls in the sales and trading businesses, which are then discussed at the Board of Directors. At the regularly held meetings of Outside Directors, risk controls will be discussed with Directors and Executive Officers in order to continue strengthening their oversight function.

Second, the Internal Audit department, which is independent from business execution, conducts their internal audit (This is commonly referred to as the 'Three Lines of Defense' approach. See page 63 for details).

The status of the internal audits is reported to the ‘Internal Controls Committee’ chaired by the Group CEO and attended by members of the Audit Committee. Deliberations of the Internal Controls Committee are reported to the Board of Directors. The Audit Committee collaborates directly with the Internal Audit department and submits reports to the Board of Directors.

To strengthen the independence of the Internal Audit department from business execution functions, and implementation plans, their budget formulation and the election and dismissal of their heads require the consent of the Audit Committee.

Structure of Nomura Holdings’ internal controls system

- Oversight: Board of Directors
- Business Execution: Group CEO
- Business Risk Management: Executive Management Board

* Internal Controls Committee deliberates and determines matters regarding the establishment and evaluation of internal controls for the Nomura Group's business management structure as well as matters regarding the improvement of corporate behavior. Upon the consent of the Audit Committee, the Committee approves the internal audit plan, the budget regarding the internal audit, and elects and dismisses the Head of the Internal Audit Division. The Committee is appointed by the Nomura Group Board and consists of Directors (person(s) designated by Group CEO) and non-directors (person(s) designated by Group CEO). The Committee is comprised of Directors (person(s) designated by the Audit Committee and Director(s) designated by Board of Directors).
Compensation for Directors and Executive Officers

As Nomura has adopted the “Company with Three Board Committees” structure, the Compensation Committee has established the Compensation Policy of Nomura Group and the Compensation Policy for Directors and Executive Officers. We ensure that the Nomura Group’s compensation framework aligns with our business strategy.

Compensation Policy of Nomura Group

We have developed our compensation policy to enable us to achieve sustainable growth, realize a long-term increase in shareholder value, deliver added value to our clients, compete in the global market and enhance our reputation.

1. Align with Nomura’s values and strategies
2. Reflect group, divisional, and individual performance
3. Establish appropriate performance measurement with a focus on risk
4. Align employee and shareholder interests
5. Appropriate compensation structures
6. Ensure robust governance and control processes

Compensation Policy for Directors and Executive Officers

The compensation of Directors and Executive Officers comprises fixed compensation and variable compensation, and is determined by the Compensation Committee based on this policy.

A portion of compensation may be deferred or paid in the form of equity-linked awards. Equity-linked awards have vesting periods to ensure that the medium to long-term interests of Directors and Executive Officers are closely aligned with those of shareholders. In addition, the deferred compensation may not be paid or may be forfeited under certain circumstances.

Compensation framework: fixed compensation and variable compensation

Nomura delivers compensation to senior management and employees through fixed and variable components.

(1) Fixed Compensation

Fixed compensation primarily consists of base salary and other allowances.

Base salary is determined by examining individual duty, role, responsibility, knowledge, skills, competencies, experience, etc. Other allowances are determined by reflecting the local labor market standards and practices.

(2) Variable Compensation

Variable compensation is consisted of cash bonuses and deferred compensation, which are performance-linked compensations. In determining performance-linked compensation, following indicators are referred. In addition to referring these financial indicators, the total compensation is determined by comprehensively considering individual responsibility and performance, as well as trends of global competitors and industry-wide.

Compensation paid to Directors and Executive Officers

<table>
<thead>
<tr>
<th>Position</th>
<th>Number of People*</th>
<th>Director’s Compensation (Directors)</th>
<th>Executive Officers</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of People*</td>
<td>8 (R)</td>
<td>8</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>Basic Compensation** (millions of yen)</td>
<td>253</td>
<td>526</td>
<td>560</td>
<td>813</td>
</tr>
<tr>
<td>Bonus (millions of yen)</td>
<td>100</td>
<td>1,301</td>
<td>1,301</td>
<td>638</td>
</tr>
<tr>
<td>Deferred Compensation*** (millions of yen)</td>
<td>15</td>
<td>203</td>
<td>203</td>
<td>218</td>
</tr>
<tr>
<td>Total (millions of yen)</td>
<td>368</td>
<td>1,301</td>
<td>1,669</td>
<td></td>
</tr>
</tbody>
</table>

Notes: 1. Compensation to Directors who are concurrently serving as Executive Officers is included in total of Executive Officers.
2. Basic compensation of 5% of salary is included other compensation (such as country pass allowances) of 750,000 yen.
3. In addition to basic compensation of Executive Officers, 27 million yen of corporate housing costs, such as housing allowances and related adjustments, were provided.
4. Deferred compensation (such as RSUs, stock options, etc.) granted during and prior to the fiscal year ended March 31, 2020 is recognized as expense in the financial statements for the fiscal year ended March 31, 2020.
5. Subsidiaries of the Company paid 61 million yen to Outside Directors in addition to fixed compensation. Deferred compensation of 480 million yen was paid to three subsidiaries for the fiscal year ended March 31, 2020.
6. The Company withheld retirement bonuses to Directors in 2009.

Basic policy for strategic shareholdings

Over the past 20 years, Nomura Group has consistently reduced its investments in strategic shareholdings that are not used for pure investment purposes. As of end of March 2020, our Company held 250 companies’ stocks, total assets recorded on the balance sheet is ¥92.1 billion (total market value of holdings) and represented only 3.6% of our Tier1 capital.

We have ongoing discussions concerning the value of strategic shareholdings (see below chart). Regarding strategic shareholdings, we balance the risks and costs involved in holding such shares with potential benefits into business strategy, such as additional opportunities to increase the revenues of our businesses through expansion of transactions, or business alliances with partners whose shares are held, and Nomura shall hold such shares only if such shareholdings will contribute to maintaining or enhancing the corporate value of the Nomura Group. These topics are discussed by the Strategic Shareholders Discussion Committee established by Board of Directors (held twice during fiscal year ended March 2020). As a result, we will proceed with the sale of such shareholdings, where it has been determined to be reasonable upon consideration of the impact on the market and other circumstances.

Process for Reviewing the value of strategic shareholdings

**Quantitative analysis regularly hold for all strategic shareholdings**

- Verification of whether the return on required capital (Revenues and dividends from transactions with companies, etc.) exceeds the required level. If it meets the required level, we will continue to hold our position, and if not, we will conduct further qualitative analysis.

**Qualitative analysis**

- Qualitative analysis considers whether to continue to hold or sell based on medium to long-term revenue projections, holding objectives and periods, relationships with issuers and regional economies, and other strategic factors.

### Qualitative analysis

- **Objectives, durations and other qualitative factors for holding**
  - Meets criteria
  - Meets criteria
  - Meets criteria

- **Relationship with issuers, regional economic, and other significant factors**
  - Meets criteria
  - Meets criteria
  - Meets criteria

### Process for Reviewing the value of strategic shareholdings

1. **Quantitative analysis**
   - **Expected return of stock above criteria**
     - Meets expectation
   - **Expected return of stock below criteria**
     - Under expectation

2. **Qualitative analysis**
   - **Confirmation of return prospects etc.**
     - Under criteria
   - **Holding policy**
     - Continue holding
     - Continue holding
     - Continue holding

---

*Note: Compensation for Directors and Executive Officers: https://www.nomuraholdings.com/company/gp/compensation.html*
Hiroshi Kimura
Outside Director
Chairman of the Nomination Committee / Chairman of the Compensation Committee
Honorary Company Fellow of Japan Tobacco Inc.

Could you explain activities of the Nomination Committee, and what is discussed in the Committee?

The mission of the Nomination Committee is to decide each year’s nominees to the Board of Directors with sufficient reasoning and to define the independence criteria for outside directors. Over the past couple years, we have spent the most time on our key task; planning for a successor to the Group CEO. The committee rules stipulate that the Nomination Committee must meet at least once a year. Normally, the Committee meets about three times a year, but the number increased to six in fiscal year ended March 2019 and nine in fiscal March 2020.

What perspectives are important to the Nomination Committee when selecting nominees for Nomura Holdings’ board of directors?

Nomura’s Corporate Governance Guidelines state the requirements for directors, the first is to ensure a diverse board, and the second is to have a majority of outside directors. Diversity includes nationality, gender, and specialty of directors. As for internal directors, the Group CEO and Group COO (currently unassigned) are also appointed as directors. As a result, of the 10 currently on the Board, six are from the outside, including two non-Japanese and two female directors. Outside directors are required to meet independence criteria in addition to their expertise.

It effectively started from 2018. Mr. Nagai, the Group CEO at that time, attended the Nomination Committee as an advisory explainer to the Committee and we gradually narrowed down the list of candidates from more than 10 people. First, we identified and defined the requirements for the next leader since the business environment has changed considerably from Mr. Nagai’s time. Looking ahead to the future, we discussed at length which qualifications, experiences and leadership styles are necessary to lead in this changing environment. I felt the discussions became really focused and intensive at the three Nomination Committees in August, October and November 2019. During the Committee meeting in December, the Committee decided on Mr. Okuda and submitted its recommendation to the Board of Directors.

In December 2019, Nomura announced its key managerial position effective April 2020. When did you begin discussing and eventually decide upon appointing Mr. Okuda as the new Group CEO?

It effectively started from 2018. Mr. Nagai, the Group CEO at that time, attended the Nomination Committee as an advisory explainer to the Committee and we gradually narrowed down the list of candidates from more than 10 people. First, we identified and defined the requirements for the next leader since the business environment has changed considerably from Mr. Nagai’s time. Looking ahead to the future, we discussed at length which qualifications, experiences and leadership styles are necessary to lead in this changing environment. I felt the discussions became really focused and intensive at the three Nomination Committees in August, October and November 2019. During the Committee meeting in December, the Committee decided on Mr. Okuda and submitted its recommendation to the Board of Directors.

In fact, the Nomination Committee members do not have many opportunities to speak directly with incumbent executives. On the other hand, the Audit Committee conducts monthly interviews and each member has opportunities to meet not only the heads of each business division, but also the executive officers under them. As a result of the opinion raised by the Board of Directors and the evaluation of the effectiveness process three years ago, outside directors other than the Audit Committee members can now attend meetings. If timing allows, I attend the Committee meetings and ask questions. Outside directors can also attend meetings where executives from Japan and overseas gather to discuss the business conditions and strategies for the Group and its divisions. By attending these meetings, the members of the Nomination Committee have a chance to meet the executives and know who each candidate is, and this indeed helped smooth our screening process.
Nomura is a company filled with extremely talented personnel. In fact, if you look around, there are so many people from Nomura who play important parts in various fields. I think Nomura encourages nurturing people. The reason we recommended Mr. Okuda from such a large pool of talented people is that we felt he will be a great leader during times when Nomura continues to transform itself five or ten years from now. Furthermore, Mr. Okuda has worked mainly in the Wholesale Division and also has overseas experience. Taking into consideration the macroeconomic environment, including the declining birthrate, aging population and the decline in commission rates in Japan, we believe that there are limitations to significant growth in earnings even if we increase our share in Japan. Under these circumstances, it is the Wholesale business and capital markets business, as well as new business areas such as China and the Merchant Banking business, that have greater future growth potential. Mr. Okuda was the best person to lead the firm’s focus of the client franchise in addition to established brokerage capabilities in the Wholesale business.

Although the Wholesale Division reported valuation losses in response to the sudden market downturn in March of this year, we feel that our fundamental competitiveness in this business has steadily improved both last year and this year. However, there are questions about the volatility of earnings. One year, the Wholesale business may deliver significant profits and in the next year, it could swing to a loss. I cannot guarantee this will not occur. Stabilizing overseas earnings and raising profitability are important financial objectives for Nomura. This does not mean that we need to expand aggressively, instead, we need to manage the growth while controlling costs properly.

In the face of rapidly evolving technology and infrastructure demand, as demonstrated in response to the coronavirus pandemic, we must be running ahead of advancements in digitalization, which are expected to accelerate in the future. Partnerships with regional financial institutions in Japan and with LINE and other companies in Japan and overseas. We would like to incorporate qualitative information in an easy-to-understand manner, also possesses the ability to convey communicating externally and internally. He excels with both conceptual thinking and planning ability, and is also effective at properly.

Identifying the right balance could determine our competitiveness. We have decided that Mr. Okuda is the most appropriate person to lead the firm in accelerating these efforts while also tackling the challenges we face, and maintaining overall balance. He instinctively excels with both conceptual thinking and planning ability, and is also effective at communicating externally and internally. He possesses the ability to convey information in an easy-to-understand manner, instead of relying on financial terminology.

Lastly, if there are any challenges regarding Nomura Holdings’ governance, how will you address changes?

As I mentioned at the outset, I believe that Nomura’s approach and structure for governance is quite advanced. Executives are responsible for ensuring proper corporate governance. In response to last year’s inappropriate communication of information, and in order to ensure that such incidents never recur, the firm had created the Nomura Group Code of Conduct through discussions at all levels of the company. It’s very rigorous and based on foundational principles. In order to eliminate some of the misconceptions that employees can engage in activities that are not explicitly forbidden in the rules, they must ask themselves whether their actions align with the principles and meet the standard of ethics required of them. I ask myself five set questions and if all can be answered “Yes,” I can proceed with the action in question. This is very important. However, development of governance has no end point. The environment will change and evolve, and I believe that we have to continue taking necessary actions to improve governance and address new matters.

We would like to incorporate qualitative evaluation as well. For example, better fiduciary duty fulfillment and client satisfaction that result in an increase to client assets could be important factors for some divisions. In addition, the KPIs we refer to for performance evaluation may differ between the firm-wide management and individual business executives.

In some financial institutions, an outside director serves as the Chairman of the Board of Directors. However, I think an internal director as Chairman works better for Nomura. While we certainly have outside directors who are familiar with financial industry, they do not know everything about the securities industry. The Chairman’s responsibility is to facilitate discussion. In the past, the Chairman rarely had influence on the conclusion, and I have never had any concerns. Mr. Koga, who served as the Chairman until March this year, was evaluated highly for the effectiveness of the Board of Directors. As the majority of Nomura’s Board are outside directors, the board has the ability to change Chairman should the sitting Chairman have material problems in fulfilling his duties. This is a safeguard though, I don’t believe that situation would arise. At present, the Board of Directors, including six outside directors, is engaged in vigorous discussions, and the Chairman may lead, but not individually make decisions.

There is an opinion that Chairman of the Board of Directors should be an outside director, but is not currently the case for Nomura. What is your opinion?

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Directors of Nomura Holdings

Koji Nagai (Chairman of the Board of Directors) 
Member of the Nomination Committee/Member of the Compensation Committee

Hisato Miyashita (Chairman of the Nomination Committee)
Director of the Nomination Committee/Chaired of the Compensation Committee

Hiroshi Kimura (Chairman of the Board)
Chairman of the Nomination Committee/Chaired of the Compensation Committee/Member of the Nomination Committee/Member of the Compensation Committee

Kazuhiko Ishimura
Member of the Nomination Committee/Member of the Compensation Committee/Director of AGC Inc.

Noriaki Shimazaki (Chairman of the Audit Committee) 
Advisor of the IFRS Foundation Asia-Oceania Office/Full-time Representative Director and Executive Vice President of Sumitomo Corporation

Mari Sono
Member of the Audit Committee/Certified Public Accountant/Former Commissioner of the Securities and Exchange Surveillance Commission

Michael Lim Choo San
Former Executive Chairman of PricewaterhouseCoopers, Singapore

Laura Simone Unger
Former Commissioner and Acting chairperson of the U.S. Securities and Exchange Commission (SEC)

Kentaro Okuda
Representative Executive Officer and President Group CEO

Toshio Morita
Director and Representative Executive Officer

Distribution of skill-set for each Director

<table>
<thead>
<tr>
<th>Name</th>
<th>Non-Executive Director</th>
<th>Executive Director</th>
<th>Outside Director</th>
<th>Chairman of the Committee</th>
<th>Member of the Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Koji Nagai</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Hisato Miyashita</td>
<td>0</td>
<td>0</td>
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<td>0</td>
</tr>
<tr>
<td>Hiroshi Kimura</td>
<td>0</td>
<td>0</td>
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</tr>
<tr>
<td>Kazuhiko Ishimura</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Noriaki Shimazaki</td>
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<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Mari Sono</td>
<td>0</td>
<td>0</td>
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<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Michael Lim Choo San</td>
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<td>0</td>
<td>0</td>
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<td>Laura Simone Unger</td>
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<td>Kentaro Okuda</td>
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<td>Toshio Morita</td>
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Chairman of the Committee: 0
Member of the Committee: 0
Nomination: 0
Corporate governance: 0
International business: 0
Financial industry: 0
Accounting/Financial: 0
Legal: 0
## Executive Officers and Senior Managing Directors of Nomura Holdings (As of July 1, 2020)

### Executive Officers
- **Representative Executive Officer, President and Group CEO**: Kentaro Okuda
- **Representative Executive Officer, Chief Health Officer (CHO)**: Toshio Morita
- **Executive Managing Director, Head of Asset Management**: Junko Nakagawa
- **Executive Managing Director, Chief of Staff and Chief Compliance Officer (CCO)**: Tomoyuki Teraguchi
- **Executive Managing Director, Chief Financial Officer (CFO)**: Takumi Kitamura
- **Executive Managing Director, Chief Risk Officer (CRO)**: Sotaro Kato (based in New York)

### Senior Managing Directors
- **Retail**: Satoshi Arai
- **Wholesale (based in London)**: Steven Ashley
- **Head of Global Markets**: Yutaka Nakajima
- **Global Head of Investment Banking**: Masahiro Goto
- **Deputy Head of Global Markets (based in Singapore)**: Rig Karkhanis
- **Deputy Head of Global Markets (based in New York)**: Jonathan Raff
- **Asia Wealth Management (based in Singapore)**: Yoji Hibino
- **Investment Banking (based in Hong Kong)**: Kenji Toshima
- **Head of Merchant Banking**: Masahiko Maekawa
- **Merchant Banking**: Yukata Mogi

### Senior Managing Directors of Content Company
- **Head of Content Company**: Chie Toriumi
- **Future Innovation Company**: Hajime Ikeda
- **Deputy Head of Future Innovation Company and Innovations**: Chuzaburo Yagi

### Corporate
- **Chief Strategy Officer (CEO)**: Toru Otsuka
- **Chief Administrative Officer (CAO) and CEO of Nomura Europe Holdings plc**: Jonathan Lewis
- **Group Finance**: Michio Okazaki
- **Group Legal**: Yoshifumi Kishida
- **Group Legal and Compliance**: Takako Mori
- **Global Human Resources**: Etsuro Miwa

### Banking
- **Banking**: Kenji Kimura

### Americas
- **Executive Chairman of Nomura Holding America, Inc. (based in New York)**: Kunio Watanabe
- **CEO of Nomura Holding America, Inc. (based in New York)**: Yo Akatsuka

### EMEA
- **Vice Chairman of Nomura Europe Holdings plc (based in London)**: Takeo Aoki

### Asia ex-Japan
- **Head of China Committee**: Toshiyazu Iiyama
- **Asia (based in Singapore)**: Vikas Sharma

### Internal Audit
- **Group Internal Audit**: Shoji Ogawa

## Outside Directors of major subsidiaries in Japan (As of July 1, 2020)

(Nomura Securities Co., Ltd. / Nomura Asset Management Co., Ltd.)

### Nomura Securities Co., Ltd.
- **Advisory Attorney of TMI Associates, Former Superintending Prosecutor**: Toshiaki Hiwatari
- **Former Chairman of the Board of Directors of Kao Corporation**: Motoki Ozaki

### Nomura Asset Management Co., Ltd.
- **Board Chairperson of NPO Triton Arts Network**: Rikio Nagahama
- **Of-Counsel, Attorney-at-Law, Anderson Mori & Tomohane**: Akiko Kimura
CODE of CONDUCT

Nomura Holdings published the Nomura Group Code of Conduct in December 2019. The Code of Conduct is a guide for all in Nomura to translate into actions the core values of entrepreneurial leadership, teamwork and integrity included in Nomura Group’s Corporate Philosophy. The Code represents the commitment by everyone at Nomura to adhere to the highest standards of ethics and integrity in their business conduct with all clients and stakeholders.

Nomura Group Code of Conduct

Nomura Group’s Corporate Philosophy defines the Group’s mission as “Contribute to enrich society through our expertise in capital markets” and the Group’s vision as being “a Financial Services Group selected by clients as the most trusted partner.” The firm has embraced entrepreneurial leadership, teamwork and integrity as the three values to cherish in order to realize our mission and vision. The Nomura Group Code of Conduct provides guidelines of concrete actions (behavior) we should take in line with the three values in the various business situations we encounter every day. These business situations include planning and execution of management strategies, managing risk, and building business frameworks. The Code of Conduct’s scope extends well beyond just legal compliance. The Code is the foundation that supports the Group, linking our vision with the three important values. The Code includes the “Nomura 5 YES,” a set of five questions which prompt our people to stop and think to create actions about the propriety of their own actions when they are in doubt.

The Nomura Group Code of Conduct sets out 10 specific guidelines for our actions according to our three major stakeholders: our clients, our people, and society, from the perspective of how we view them in light of the three values of entrepreneurial leadership, teamwork and integrity. In addition to legal compliance as well as general professional and social ethics, these guidelines cover all aspects of our activities, including the fundamental view on client services, personnel development, diversity and inclusion, respect for human rights, and our stance on addressing social challenges.

Ensuring Commitment to the Code of Conduct

To ensure that our people clearly understand and abide by the Code of Conduct, and to foster the correct culture in the firm, we have incorporated the Code of Conduct into trainings for new employees and by title and themes, along with posting the “Nomura 5 YES” on our websites, PC screen savers, and smartphones.

To further motivate our employees to abide by the Code of Conduct, we have revised our personnel review system and also recognize employees who conduct good business in accordance with the Code. A special website that features actual examples of desirable conduct and poses questions to viewers is now available, utilizing pictures and diagrams to help them make use of the “Nomura 5 YES” when they are faced with difficult decisions. An e-mail magazine that introduces topics related to the Code of Conduct and compliance is also being distributed by employees voluntarily.

Each August 3, the firm observes Nomura Founding Principles and Corporate Ethics Day. On this day, all Group executives and employees pledge to comply with the Nomura Group Code of Conduct. Against the backdrop of this Group-wide initiative, each division holds its own activities, such as seminars and group discussions.

Promoting Proper Conduct: Conduct Program

The firm engages in business operations based on the "Conduct Program," a Group-wide framework that aims for everyone to understand and abide by the Code of Conduct and to reduce risks arising from inappropriate conduct. We have created committees at the executive level, subcommittees at the department and branch management level, and working groups at lower levels. Under the Group-wide framework, these bodies work to disseminate ideas and encourage desirable conduct, as well as managing risk by limiting inappropriate conduct through regulations and monitoring.

In each division, under the supervision of the division head, a Senior Conduct Officer and his/her support team play a central role in drafting an annual plan and implementing specific activities laid out in the plan. A management PDCA cycle is then utilized to ensure effectiveness. This includes identifying conduct that could adversely impact clients and/or the market, formulating preventive measures, monitoring, identifying problems, and planning subsequent actions. Employees' contributions to these efforts are reflected in their performance reviews, thereby providing additional motivation for them to be proactively involved.

Structure to Implement Conduct

The firm has created committees at the executive level, subcommittees at the department and branch management level, and working groups at lower levels. Under the Group-wide framework, these bodies work to disseminate ideas and encourage desirable conduct, as well as managing risk by limiting inappropriate conduct through regulations and monitoring. In each division, under the supervision of the division head, a Senior Conduct Officer and his/her support team play a central role in drafting an annual plan and implementing specific activities laid out in the plan. A management PDCA cycle is then utilized to ensure effectiveness. This includes identifying conduct that could adversely impact clients and/or the market, formulating preventive measures, monitoring, identifying problems, and planning subsequent actions. Employees' contributions to these efforts are reflected in their performance reviews, thereby providing additional motivation for them to be proactively involved.
Recognizing compliance and conduct risk management to be critical to overall management, Nomura Group has established the "Conduct Program," a fundamental document that contains the frameworks and initiatives targeting compliance and appropriate conduct. This document is a key part of the Group's framework for achieving a high level of compliance and conduct risk management that transcends legal compliance.

Nomura Group engages in a variety of initiatives based on the Conduct Program to ensure that each and every member of the Group can act appropriately in accordance with the Nomura Group Code of Conduct, the guidelines stipulating the behavior required of professionals in a financial services group.

Compliance and conduct risk management system

All Group companies and departments establish thorough compliance, and establish adequate control frameworks to ensure that their members do not engage in activities suspected of being in violation of laws or regulations. In the event that such issues arise, they are reported to members of senior management and handled appropriately.

Based on the Conduct Program, Nomura Group has a Group Conduct Committee comprising executive officers which deliberates on organizational aspects and important matters related to compliance and conduct risk management. The committee also verifies the effectiveness of the Conduct Program through monitoring and other measures.

Approach to conduct risk management

Compliance risk refers to the risk of incurring financial losses, including fines, or damage to reputation, as a result of violations of laws or regulations, actions that undermine the fairness and equality of financial markets, or improper conduct that adversely impacts client protection.

Compliance risk includes conduct risk, which is the risk that the conduct of any member of Nomura Group deviates from the social norms and ethics required of a financial institution, and, as a result, adversely affects client protection and the soundness of the market.

Based on the non-financial risk management framework, Nomura Group has stipulated the approach and policies for conduct risk management in the Risk Appetite Statement and the Conduct Program. Based on the three lines of defense approach, as the first line of defense, division heads are responsible for managing conduct risk in their respective divisions. Each division has a Senior Conduct Officer, whose job is to assist the division head in managing conduct risk and keep the division head in check. Compliance and conduct-related departments are responsible for the second line functions. They provide advice and guidance with respect to the conduct risk management implemented by the first line of defense, keep the first line of defense in check, as well as monitor and verify the effectiveness of the first line's measures. As the third line of defense, from an independent position, the Internal Audit Department studies and verifies the conduct risk management frameworks put in place by the first and second lines of defense, and gives advice for making improvements. Conduct risk management is conducted in accordance with the PDCA cycle approach. Under this approach, risks are identified, then assessed using the Risk and Control Self-Assessment (RCSA), controlled to prevent risks from materializing, and monitored using various indicators such as Key Risk Indicators (KRI).
Strengthening the conduct risk management framework

Nomura Group believes that compliance is not limited to legal compliance, but also a means of satisfying society’s expectations and engaging in common-sense behavior. We continuously work to strengthen our internal control system in order to achieve a level of compliance and conduct risk management surpassing legal compliance alone.

Compliance Hotline

The firm has established the Nomura Group Compliance Hotline in order to maintain and ensure an effective compliance framework at each Nomura Group company. This Compliance Hotline is a means for all persons working at a Group company (including contract employees, temporary staff, etc.) who become aware of a potential legal or regulatory violation, an action that threatens the Nomura Group Code of Conduct, or a suspicious action related to accounting or accounting audits, to directly report such information to specified persons, including outside attorneys, designated by Nomura Group (informsants may also report through providers of specialist outside entities and have the option of remaining anonymous). The Compliance Hotline is accessible 24 hours a day, seven days a week, and is available in English and Japanese. Matters reported through the Compliance Hotline are investigated under the direction of the person who received the report, while maintaining strict confidentiality for the reporting individual. If a problem is found, appropriate corrective measures are taken, and strict measures are in place to ensure that there is no retaliation against informants. Internal documents and the intranet are used to ensure that employees are familiar with the Compliance Hotline and to encourage them to use this system as necessary. By promoting the use of the Compliance Hotline, we are working to foster an environment in which anyone who senses something strange can speak up about it.

In FY2019/20, there were 101 calls received via the Compliance Hotline, and in all cases a thorough review was conducted and appropriate measures were taken. In November 2019, Nomura was registered as the whistleblowing system under the Japan Consumer Affairs Agency’s “Whistleblowing Compliance Management System (WCMSS)”.

Segregation of customer assets 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 Principle Guideline No. 54 of the Industry Group’s Segregation of Customer Assets Code. As of March 31, 2020, 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.

Compliance and conduct training

Nomura Group provides comprehensive compliance and conduct training for all executive officers and employees on topics such as combating money laundering and the financing of terrorism, managing conflicts of interest, preventing insider trading, complying with firewall regulations, and managing client information. We are working to raise the level of legal and regulatory knowledge among executives and employees, raise compliance awareness, and foster a corporate culture of pursuing appropriate business practices.

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. We are considering introducing and using various IT tools required in the course of promoting new work styles such as telecommuting and web conferencing, from the perspective of making sure that data are properly managed.
Ensuring fair financial business practices

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

The Nomura Group Code of Conduct sets forth the basic policy of preventing money laundering and combating the financing of terrorism (AML/CFT) with a high level of control to prevent proceeds from criminal activity from flowing into the financial and capital markets or to be used to finance terrorism. Nomura has also established the “Nomura Group Anti-Money Laundering and Combating the Financing of Terrorism Policy,” a global policy on AML/CFT to stipulate the common rules to be established in each region and at each subsidiary. We have also established specific standards that apply across the entire Group in areas of particular importance, such as client due diligence and responding to economic sanctions. Nomura Group is working to strengthen its AML/CFT management system throughout the Group by complying with the laws and regulations of each country and by closely monitoring international regulatory developments, including recommendations by the Financial Action Task Force (FATF).

The Financial Crime Department was established to assist the Group AML/CFT Head in maintaining an effective AML/CFT management framework. Each Nomura Group company designates an Anti-Money Laundering Compliance Officer who is responsible for that company’s AML/CFT management framework. Nomura Securities appoints AML/CFT Officers in each department and branch to oversee the planning and implementation of the AML/CFT management framework.

Concrete measures to prevent money laundering

Using a risk-based approach, Nomura Group has established a range of measures aimed at preventing money laundering and other illegal activities.

Examples of Nomura Securities’ measures

Customer due diligence

Due diligence when clients open accounts and continuous updates of client information, etc.

Transaction monitoring

Introduction of a system to monitor abnormal transactions

Formulating, implementing, verifying, and reviewing policies, procedures, plans, etc.

Verification and check of the status of AML/CFT, and reconsideration and improvement of the management framework

Three lines of defense

Implementation of risk mitigation measures through the first line (sales departments), checks and balances through the second line (compliance-related departments), and independent verification through the third line (Audit Division)

Group-wide management framework

Established the “Nomura Group Anti-Money Laundering and Combating the Financing of Terrorism Policy” to strengthen the internal control system throughout the Group. In addition, regular training and education on AML/CFT are conducted to foster awareness within the firm. Training is provided to all employees and Group companies, as well as to employees by position and department.

Elimination of transactions with anti-social forces

In order to eliminate transactions with anti-social forces, the Nomura Group Code of Conduct, the guideline that all Nomura people must abide by, stipulates that Nomura must reject all transactions with anti-social forces or groups, with a basic policy of eradicating all ties with anti-social forces.

Prevention of bribery and corruption

The Nomura Group Code of Conduct stipulates that all executives and employees must understand and comply with all applicable laws and regulations, including laws regulating bribery and tax evasion. Suspected violations of laws and regulations, including bribery, and acts in violation of The Nomura Group Code of Conduct are subject to reporting under the Nomura Group Compliance Hotline. Nomura Securities has established the “Guidelines for Gifts and Entertainment” applicable to entertaining public officials as well as officers and employees of private sector organizations, and strives to prevent bribery and ensure fair transactions by carrying out continuous training to make sure all people in the company are aware of and understand these guidelines. We also monitor the use of entertainment expense accounts to ensure that they are used appropriately.

Prevention of insider trading

In accordance with laws and regulations, Nomura Securities prohibits accepting orders knowing that they violate or are likely to violate insider trading 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 (an insider), we first confirm that the order will not be an insider trade or the party in question does not possess undisclosed material information. Furthermore, Nomura Securities has established the “Regulations on Material Nonpublic Information obtained from Public Officials.” These regulations stipulate the systems for managing and reporting undisclosed corporate information and undisclosed material information, as well as the prohibited acts such as soliciting securities if in possession of such information.

Measures to prevent conflicts of interest

Nomura Group provides global financial services through numerous Group companies. We have established a conflict of interest management system based on the “Nomura Group Conflicts of Interest Management Policy” to ensure that conflicts of interest with customers do not materialize.

Specifically, each Group company develops its own system to appropriately manage conflicts of interest. Nomura Holdings’ Group Compliance Department, which is in charge of managing conflicts of interest, determines whether a risk of conflicts of interest exists within Nomura Group. If there is concern about a conflict of interest, the Nomura Holdings Group Compliance Department appropriately manages the situation to prevent any conflicts of interest from materializing.

Examining market manipulation and other unfair transactions

Nomura Securities examines transactions on a daily basis to determine whether there is a risk that our own transactions, or those we execute on behalf of clients, could constitute unfair trading, such as market manipulation, intentional market formation, or insider trading. Based on the review, we interview and give warnings to those persons who have engaged in transactions that are suspected of being unfair. We continuously monitor transactions in accounts for which we deem there to be a risk of recurrence of suspicious trades. If no improvements are seen, we stop executing received orders, and take other appropriate measures. In addition, we periodically analyze the results of examinations, verify the effectiveness of the examinations and the soundness of the examination system as part of our effort to build and maintain an appropriate trading management framework.
Risk Management

Nomura Group promotes integrated risk management as part of the firm's management strategy to control various risks inherent in daily operations, secure capital soundness in any economic environment, achieve business plans, protect customers and comply with laws and regulations.

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

All executives and employees of Nomura Group, irrespective of their function, actively engage in risk management. Nomura Group aims to identify the risks that could lead to significant losses by categorizing the types of risks associated with its business activities, as well as the impacts of risks and their likelihood of occurrence. In principle, Nomura Group avoids risks that are difficult to identify and manage. Nomura Group recognizes that there are risks that cannot be identified at present. As financial professionals, all executives and employees of Nomura Group must expand their knowledge of risks, and foster a corporate culture that appropriately recognizes, evaluates and manages risks.

Three lines of defense

All executives and employees of Nomura Group actively engage in the risk management through the three lines of defense framework.

1. First line of defense
   Departments engaged in trading and sales
   As a risk owner, the first line identifies, assesses, and manages risks arising in the course of daily operations in accordance with the Risk Appetite Statement, company policies, and procedures.

2. Second line of defense
   Departments engaged in risk management
   The second line is responsible for establishing the risk management framework and supporting the first line. The second line independently monitors risks and reports to senior management. As necessary, the second line controls the first line's risk-taking activities.

3. Third line of defense
   Internal Audit Department
   The third line examines the operations and governance of the first and second lines and advises on improvement.

Risk appetite

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 levels of risk (risk appetite) that the firm is to take, as documented in the Risk Appetite Statement.

Our Risk Appetite Statement is approved by the Executive Management Board, and risks are monitored daily against the risk appetite.

If by any chance risk levels exceed the risk appetite, senior management consults with those directly involved and takes actions to eliminate excessive risk as necessary.

Categories for which risk appetite is established

<table>
<thead>
<tr>
<th>Capital adequacy and liquidity</th>
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<tbody>
<tr>
<td>Nomura Group defines the level of capital adequacy and sound liquidity as risk appetite, taking into account the regulatory requirements, funding capacity, and business environment.</td>
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<thead>
<tr>
<th>Financial risk</th>
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<tr>
<td>Nomura Group allocates financial resources to each business in order to achieve corporate strategies and business plans, while remaining within the bounds of the risk appetite for capital adequacy and liquidity. Nomura Group defines the types and levels of financial risks that each business takes within its allocated resources as financial risk appetite. In setting the financial risk appetite, Nomura Group classifies market and credit risks into segments according to the nature of business, and uses quantitative metrics or qualitative indicators as well as processes to capture these characteristics.</td>
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<table>
<thead>
<tr>
<th>Non-financial risk</th>
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<tr>
<td>Non-financial risks exist in daily activities and processes, and can result in a financial loss or significant adverse impact on Nomura Group, our clients and financial markets. It is therefore everyone’s responsibility to manage non-financial risks in line with Nomura Group’s risk appetite.</td>
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Nomura Group’s major financial risk

<table>
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<th>Mark to market risk</th>
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<tr>
<td>Risk of incurring losses due to a change in the value of assets or liabilities resulting from movements in interest rates, currencies, and prices of stocks and other securities</td>
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<tr>
<th>Market liquidity risk</th>
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<tr>
<td>Risk that trading costs will increase due to the time taken to close positions, or that trading will become unfeasible due to rapid changes in the market.</td>
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<tr>
<th>Default risk</th>
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<tr>
<td>Risk of incurring losses when a counterparty or issuer fails to meet its obligations.</td>
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<tr>
<th>Event risk</th>
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<tr>
<td>Risks inherent in specific financial transactions, such as losses from events caused by discontinuous changes in the market. Events may or may not result from fluctuations in financial markets.</td>
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<table>
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<tr>
<th>Model risk</th>
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<tbody>
<tr>
<td>Nomura Group uses models for valuation of financial instruments, for measurement of key risks including Value at Risk and counterparty exposure, for estimating liquidity, and for asset price verification. Model uncertainty due to simplification, incorrect use of a model, or reduced model suitability in the current market environment can lead to financial losses and failure to satisfy regulatory requirements. This is called model risk.</td>
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Nomura Report 2020

Risk Management

### Non-Financial Risk

Non-financial risk includes Operational Risk and Reputational Risk.

### Operational Risk

Risk of financial loss or non-financial impact arising from inadequate or failed internal processes, people and systems, or from external events. Nomura Group’s approach to operational risk management includes four core processes: operational risk event reporting, risk and control self-assessment (RCSA), monitoring using key risk indicators (KRI), and scenario analysis. Managed operational risks are divided into the 10 categories below.

#### Risk Category

- **Compliance**
- **Legal**
- **IT and Cyber Security**
- **Business Resilience**
- **Third-Party**
- **Financial Reporting & Tax**
- **People**
- **Transaction Lifecycle**
- **Prudential Risk Frameworks**
- **Fraud**

#### Definition

- **Compliance**: Risk of financial loss or reputational damage due to violations of financial services laws, rules or regulations, and improper conduct which disrupts the integrity of the financial markets and causes unfair client treatment.
- **Legal**: Risk of financial loss or reputational damage due to (i) ambiguity and/or insufficiency in contractual terms to secure Nomura’s legal rights and/or enforceability of the contractual terms; (ii) failure to comply with applicable laws and regulations; and/or (iii) failure to adopt changes in laws and regulations.
- **IT and Cyber Security**: Risk of financial loss or reputational damage due to (i) poor performance or unavailability of IT systems; (ii) data corruption and/or; (iii) unauthorised or improper access to IT systems and data from within or outside the institution.
- **Business Resilience**: Risk of financial loss or reputational damage due to inability to resume normal business operations during a business disruption event and damage to or unavailability of physical assets from natural disasters and other events.
- **Third-Party**: Risk of financial loss or reputational damage due to failure of third party to perform in line with expectations.
- **Financial Reporting & Tax**: Risk of financial loss or reputational damage due to material misstatement or omission in the firm’s (i) external financial reporting, regulatory reporting or internal financial management reporting; and/or (ii) external tax reporting or payments.
- **People**: Risk of financial loss, staff impact or reputational damage due to acts inconsistent with employment or health and safety laws or employment norms and agreements.
- **Transaction Lifecycle**: Risk of financial loss or reputational damage due to failures in transaction processing and/or process management.
- **Prudential Risk Frameworks**: Risk of financial loss or reputational damage due to inadequate prudential risk management frameworks.
- **Fraud**: Risk of financial loss or reputational damage due to intent to defraud, misappropriate property or conduct unauthorized activity by an internal or third party.

### Reputational Risk

The possible damage to Nomura’s reputation and associated risk to earnings, capital or liquidity arising from any association, action or inaction which could be perceived by stakeholders to be inappropriate, unethical or inconsistent with Nomura Group’s values and corporate philosophy. All personnel must consider the impact of their actions or inactions on Nomura’s reputation and apply high standards to their behavior as set out in the Nomura Group Code of Conduct.

### Risk management activities

Based on the concept of PDCA cycle (Plan, Do, Check and Action), all executives and employees of Nomura Group conduct risk management activities as three defensive lines or committees to ensure that the various risks inherent in daily operations do not exceed the level of risk appetite.

#### Plan

In order to realize Nomura Group’s corporate philosophy, the Executive Management Board formulates business plans and establishes risk appetite taking into account the business environment and the state of management resources. These are reviewed annually or as needed.

#### Do

Each business division carries out its business plans in accordance with the risk appetite and the Code of Conduct.

#### Check

The first line of defense identifies, assesses and manages risks that may exceed the risk appetite, and the second line of defense advises, supports and checks the first line of defense through monitoring, analysis, stress testing and predictive management. The third line of defense examines and advises on these from an independent position.

#### Action

Each business division works to improve risks that may exceed the risk appetite, as well as carries out activities based on the advice, support and checks received from the second line of defense.
Nomura Group regards natural disasters such as earthquakes and typhoons, man-made disasters such as fires and terrorism, infectious diseases like coronavirus, system failures, and information asset leaks as the key types of crises that must be prepared for. In the event for such a crisis, we have established a business continuity framework and work on a wide range of measures, including educating our people about our disaster response measures.

Business continuity framework
The Group Crisis Management Committee is tasked with preparing for crises, and under the committee's leadership the Group has been continually strengthening the crisis management program and the business continuity framework both in Japan and overseas. The Group Crisis Management Committee is chaired by a senior officer appointed by the Group CEO, and comprises senior officers from Group companies. Resolutions passed by the committee are reported to the Executive Management Board. In the event of a major disaster, the committee functions as the Command Center to lead the Group's response. As a specific example of this business continuity framework, a system has been enforced so that operations can be continued at backup offices in the event that key offices are rendered unusable due to an earthquake or other disaster. We also have a remote backup data center that protects critical data and applications in the event of a data center failure. Furthermore, we have bolstered our infrastructure, which includes power generators, so that in the event of a power down affecting a wide area, such as a powerful earthquake directly beneath the Tokyo metropolitan area, we can continue our critical functions to avoid systemic risk and to protect our clients from being impacted. Similar infrastructure have also been put in place at our key overseas offices.

In response to the coronavirus pandemic, and in accordance with Group guidelines, we worked to prevent the spread of the virus before significant outbreaks occurred in Japan and overseas by restricting travel and other activities that could accelerate its spread. When the Japanese government declared a state of emergency we temporarily suspended business operations at domestic branches. We have also enhanced the remote work capability and established a work system that has allowed us to both continue our business operations and prevent the spread of coronavirus. At our key overseas offices, we have ensured business continuity through remote work. In Japan, the Crisis Management Committee Office regularly conducts employee safety confirmation drills, disaster prevention drills, and business continuity drills to ensure that we are able to respond quickly should a crisis occur. At overseas offices, these exercises are carried out by the Business Continuity Management Team in each location. Through these and other efforts, we aim to become more proficient at handling crises and strengthen our systems for managing them.

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 create the network 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).

In response to the coronavirus pandemic, and in accordance with the Nomura Group Information Security Policy, relevant seminars and training programs are regularly provided for employees. 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.

Cybersecurity management
- 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.
- Nomura is cooperating with information sharing organizations such as Financial ISAC Japan and FS-ISAC and cyber security vendors to gather and share information on the cyber attackers and their approaches.

Business Continuity Management / Cyber Security
To fulfill our social responsibilities as a corporate citizen, Nomura Group actively engages in ESG activities to contribute to the development of financial markets through our business activities as well as works to achieve sustainable growth and resolve social challenges. Working with all of our stakeholders, including clients, business partners, and employees, the entire Nomura Group promotes activities to realize a sustainable society.

ESG execution process

Our ESG Committee is a management-level decision-making body that plays an integral role in Nomura Group’s sustainable growth and our aim to contribute to resolving social issues. 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 Nomura Group as a whole and for approving and deciding on related activities. The ESG Committee’s activities are reported to the Board of Directors and the Executive Management Board as the occasion demands. The Committee also considers specific business operations that will contribute to the Sustainable Development Goals (SDGs) established by the United Nations. As a subordinate body of the ESG Committee, we have established separate subordinate organizations consisting of members from related groups which examine business opportunities and risks related to ESG, including climate change and Nomura Group’s efforts to reduce environmental impact.

Summary of ESG Committee meetings

In FY2019/20, two ESG Committee meetings were held to realign important ESG issues (materiality) and discuss TCFD disclosure.

Number of meetings

2 (from April 1, 2019 to March 31, 2020)

Agenda items

- Important ESG Issues (Materiality)
- Matters related to TCFD
- Reports related to climate change
- Realignment of key ESG issues (materiality)
- Establishment of the TCFD Working Group
- Risks and opportunities related to climate change
- Trends in Sustainable Finance in Japan and overseas
- Matters related to UNEP FI PRB signing

To accelerate our efforts to provide financing and other solutions for low-carbon projects, our Wholesale Division created the Forum which is led by the Head of Wholesale and comprises employees from relevant departments across the firm. The Forum will monitor market and regulatory trends, identify opportunities for financial products and services that will contribute to sustainability, and take an active role in industry initiatives, while accumulating expertise at the same time.
TCFD Task Force on Climate-related Financial Disclosures

As a good corporate citizen, Nomura Group recognizes the importance of disclosing climate-related financial information. Nomura supports the Task Force on Climate-related Financial Disclosures (TCFD) and we are committed to consistent and effective disclosures aligned with the TCFD recommendations.

Strategy and Risk Management

We will work to expand our business opportunities in response to growing interest in the transition to a low-carbon society, as well as identify and appropriately manage risks associated with climate change.

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Risks</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of financial service</strong></td>
<td><strong>Example of initiative</strong></td>
<td><strong>Details</strong></td>
</tr>
<tr>
<td>Advisory/Financing</td>
<td>Strengthen ESG-related advisory and financing through the acquisition of Greentech Capital Advisors</td>
<td>Support the transition of social infrastructure (energy, transportation, food, water, waste, etc.) to more sustainable systems</td>
</tr>
<tr>
<td>Research</td>
<td>Establishment of the Nomura Research Center of Sustainability</td>
<td>Provision of information and proposals on sustainability</td>
</tr>
<tr>
<td>Financial products</td>
<td>Expansion and sales of ESG/ESG-related investment products</td>
<td>Provision of products seeking both investment gains and the resolution of social problems</td>
</tr>
</tbody>
</table>

**Metrics and Targets**

**Sustainable finance targets**

Greentech Capital Advisors, which was acquired in April 2020, has completed more Clean Energy and Energy Smart M&A transactions than any other advisor, and has raised $4 billion of growth capital for private innovation companies over the past 10 years. Now as part of Nomura, Greentech seeks to help clients raise capital equal to or greater than this amount over the next five years.

**Reducing CO₂ emissions in business activities**

In December 2018, Nomura established group-wide CO₂ emission reduction targets for the medium and long term. As of March 2020, we had already achieved a 41.7% reduction in CO₂ emissions, which exceeds our medium-term target level. We will continue to work toward achieving our long-term target.

**TCFD Disclosure Roadmap**

**2018 - 2020**

- Efforts to date
  - Commitment to support TCFD
  - Participation in the TCFD Consortium
  - Group-wide TCFD Working Group established under the ESG Committee
  - Creation of the Wholesale Sustainability Forum under the ESG Committee (studies ESG-related opportunities)
  - Creation of the Climate Risk Working Group under the ESG Committee (studies ESG-related risk)

**2020 - 2021**

- Future initiatives
  - Strengthen the following processes, taking ESG factors into consideration
    - Process for new transactions
    - Credit evaluation
    - Scenario analyses
  - Strengthen primary services and advisory services related to ESG
    - Provide value-added information on sustainability closely linked to the financial and capital markets, and enhance proposals
    - Encourage greater awareness and understanding among investors about sustainable finance

**Disclosure**

- Published the Nomura Group TCFD Report
- Update the Nomura Group TCFD Report

**Strategy**

- Identify risks and opportunities related to climate change

**TCFD Initiatives in the Asset Management Division**

Nomura Asset Management supports the TCFD, and through its engagement activities Nomura Asset Management actively encourages portfolio companies to support the TCFD, disclose climate-related financial information, and integrate climate-related risks and opportunities into management strategies. For more information, please refer to Nomura Asset Management’s “Responsible Investment Report.”
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 companies in Japan to provide financial and economics education to young people who will be the leaders of the future. In 2001, we began offering courses for university students, and today more than 400 employees from our branches throughout Japan provide lectures. We also provide classes at elementary schools, junior high schools and high schools nationwide. Requests to provide classes have been increasing against the backdrop of the Japanese government’s curriculum guidelines which will be gradually implemented from FY2020/21 which aim to provide opportunities for people to learn about the economy together. As of June 30, 2020, we have sent learning materials to more than 1,500 households, helping people learn how society works through the economy. We also provide employees of private companies and government employees with opportunities to enhance their financial literacy, including life planning seminars and workshops on defined contribution pension plans for individuals. In November 2018, we launched the “Nomura Financial Academy,” a tuition-based program open to the general public that helps participants systematically learn about life planning, asset management, and other aspects of personal finance which they can put into practice in their own lives. Starting in FY2020/21, classes are available online, and students can select the courses they want to take from among all of the offered classes, which are designed for different age groups and purposes. Nomura Group will continue to proactively endeavor to improve financial literacy and contribute to the “from savings to asset formation through investment” trend in Japan. The smooth circulation of money, which is said to be the lifeblood of society, is essential for the achievement of all of the SDGs, and a correct understanding of finance and the economy is also the foundation for achieving all of the SDGs. To achieve the SDGs, Nomura Group will continue to teach people about the role and value of money in society, and offer financial and economics education to help people lead independent lives.

**Nikkei Stock League**

Nomura Holdings has supported “Nikkei Stock League” (a contest for learning about stocks hosted by Nihon Keizai Shimbun) as a special partner since its inaugural year in FY2000/01. In FY2019/20, the 20th year of the Nikkei Stock League, more than 7,000 students from junior high schools, high schools, and universities participated, creating virtual stock portfolios based on their own investment themes and submitting reports. Every year, more than 100 Nomura Group employees volunteer to read and judge reports, evaluating the originality of investment themes and the participants’ level of understanding of economic and social mechanisms. Employees look forward to reading students’ reports, as students evaluate Japanese companies from a fresh perspective based on their sensitivities as young people. Participating in the Nikkei Stock League prompts students to consider what type of future and society they find to be ideal. They learn the significance of investing in companies that will help make that kind of future a reality, and come to the realization that through investment they can solve social problems, form sound capital markets, and support a prosperous society. In the 21st edition of the Nikkei Stock League, new initiatives such as webinars are being launched. We look forward to continuing to support the ever-evolving Nikkei Stock League.

**Special Seminar for Women**

On “Securities Investment Day” in October 2019, Nomura Holdings held a special seminar for women entitled “Get the Power to Shine!” At this seminar, organized by the Nihon Keizai Shimbun and co-hosted by Nomura Holdings, a Nomura Securities employee gave a lecture about basic investment knowledge, while a Nikkei Prize winner gave a lecture about investment techniques and shareholder benefits. Participants expressed interest in learning about how to use fragrances in business situations and what kind of effect doing so can have. We will continue to provide opportunities for people of all ages to casually and enjoyably learn about investing.
**HUMAN RESOURCES STRATEGY**

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 Nomura Group Code of Conduct, forbids discrimination based on nationality, ethnic origin, gender, gender identity, gender preference, beliefs, social standing, 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 system

Nomura Group takes an integrated approach to talent management by employing professionals 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 talent 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 abilities to the workplace.

### Introduction of new personnel system

Nomura Securities introduced a new personnel system in April 2020. In an operating environment marked by great change, such as diverse work styles and digital innovation, we aim to be a company that continues to attract competent and motivated talent. The new personnel system is designed to help expand opportunities for talented employees to leverage their abilities regardless of their age or the number of years working in Group, and to support each individual in building a professional career that leverages their unique aptitudes.

### Proper evaluation and compensation

To properly evaluate performance and further the development of personnel, the Group adopts an integrated personnel evaluation system. From this fiscal year, we have further incorporated compliance and conduct into evaluations. Depending on the division, the Group also undertakes a 360-degree evaluation for certain personnel in managerial-level positions. 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**


### Recruiting and hiring 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, or other attributes. We strive to recruit outstanding and diverse personnel and to increase contact with students in a variety of ways, including the use of our “Career Support System” for new graduate recruitment, enhancing our internship programs, and participating in international student recruitment events.

In addition, we are also focusing on mid-career hires who can contribute immediately. We are also seeking to acquire human resources in a variety of ways, such as through the reemployment of retired employees and the mid-career hiring of people.

### 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 aimed at fostering a vibrant and unified corporate culture is important.

Accordingly, we provide diverse education and training programs to help employees at all levels proactively develop their careers. In Nomura Securities, each division appoints in-house trainers to conduct training by years of service, job position or other attribute, so that each and every employee can be active and successful in utilizing her or his capabilities and personal strengths.

“Nomura Passport” recruitment program for doctoral students in science and engineering. In addition, we are making efforts to provide job seekers with a variety of ways to interact with our firm, such as hiring throughout the year and holding some recruitment events and interviews online. 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.

### Amount invested in employees

<table>
<thead>
<tr>
<th>Education and training expenses</th>
<th>In-house training</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Japan</strong></td>
<td><strong>Japan</strong></td>
</tr>
<tr>
<td>2,441 million yen</td>
<td>3,100 million yen</td>
</tr>
<tr>
<td><strong>Europe</strong></td>
<td><strong>Asia-Pacific</strong></td>
</tr>
<tr>
<td>108 million yen</td>
<td>108 million yen</td>
</tr>
<tr>
<td><strong>Americas</strong></td>
<td><strong>Cumulative total of participants:</strong></td>
</tr>
<tr>
<td>108 million yen</td>
<td>187,639 employees</td>
</tr>
<tr>
<td><strong>Cumulative total of hours:</strong></td>
<td><strong>565,949 hours</strong></td>
</tr>
<tr>
<td>2,441 million yen</td>
<td>3,100 million yen</td>
</tr>
</tbody>
</table>

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

Includes annual online and in-person group training by years of service, job position or according to title, and human resource development through on-the-job training. We have also created a self-study support system comprising a large number of e-learning and correspondence education to support employees in their efforts to develop skills on their own. At the same time, we have established various overseas training programs to develop human resources who can play an active role on the global stage.
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, since 2017, Nomura has launched the "Nomura Work Style Innovation" initiative, which comprises "Work Style Reform" and "Health & Productivity Management," and has been developing an environment that enables diverse employees to demonstrate their talents and play active roles. In this regard, we have developed and internally announced guidelines with quantitative targets. Nomura has further promoted these initiatives by posting messages from top management and positive examples on the internal website and by appointing people in charge of advancing initiatives in each division. We are currently facing a challenging environment due to the spread of coronavirus, and the number of employees working remotely has increased dramatically in a short period of time. We will continue to promote all forms of digitization, such as streamlining operations using technology and centralizing operations. At the same time, as we move towards a new normal, we will pursue additional productivity improvements by addressing new challenges and by listening to new ideas.

Emphasis on mental health

Mental health training participation rate (from 2017)

External evaluations

https://www.nomuraholdings.com/csr/evaluations/

Employee networks

Nomura Group has voluntary employee networks operating at its offices globally. These employee networks provide information, hold events, and offer opportunities for internal and external exchange regarding diversity.

Supporting women’s careers

Nomura Securities revised the Action Plan for the Promotion of Women’s Participation and Advancement established in 2015, to a new Action Plan based on the new management vision and new personnel system with the aim of advancing the firm to a higher stage. To achieve this, the firm is taking further steps to create an environment in which women can play active roles. In addition, in order to create a comfortable work environment for employees who have time constraints due to childcare and/or family nursing care, the firm provides information on support for work-life balance and encourages men to take childcare leave, among other initiatives.

Various types of diversity

In April 2019, Nomura Holdings became the first company in the Japanese financial services industry to sign the "UN Standards of Conduct for Business for Tackling Discrimination against LGBTI People." Nomura Securities is working to increase the number of LGBTI supporters (allies) and to support employees with disabilities and those undergoing cancer treatment to balance their work and treatment.

Employment of people with disabilities

In recent years, the desire to work for persons with disabilities has increased rapidly, and it has become a corporate responsibility to provide them with opportunities to develop their careers. Nomura Kagayaki Co., Ltd., a subsidiary of Nomura Group, was established on October 1, 2019 to provide a more flexible work environment for people with disabilities so that they can work with peace of mind. This includes ensuring work that takes into account the special characteristics of people with disabilities, improving the work environment, and assigning appropriate specialists. Nomura Kagayaki provides opportunities for career development in Nomura Group to people with disabilities while creating a work environment where they can work with a sense of security. The name of the company embodies Nomura's strong desire to be a company that shines and thrives forever, along with the strong wish for each and every one of our employees with disabilities to continue to thrive and shine. On January 23, 2020, Nomura Kagayaki Co., Ltd. was designated as a special subsidiary company under the Act on Promotion of Employment of Persons with Disabilities. Nomura Group aims to realize a symbiotic society by further promoting and stabilizing the employment of persons with disabilities.
Financial Review analysis and the fiscal year ended March 31, 2020

Business environment

The global economy slowed in 2019 towards the summer. Concerns around U.S.-China trade friction have destabilized financial markets and forced major central banks to resume monetary easing. In the U.S., the Federal Reserve Board (FRB) introduced a precautionary interest rate cut in July, and in the euro area, the European Central Bank (ECB) decided on an easing program in September, including a deeper rate cut into negative interest rates and the resumption of quantitative easing.

In the fall, the expectation of a global economic recovery increased as the U.S. and China moved toward a trade agreement. However, in 2020, the global spread of the coronavirus pandemic weighed on the global economy, and economic growth in the first quarter declined sharply.

In the U.S., the growth rate of real GDP in 2019 was +2.3% indicating a moderate economic recovery. In the first half of 2019, concerns about an economic slowdown heightened due to an increase in tariffs on Chinese products and the expansion of the tariff eligible items, but in the latter half of 2019, the U.S. and China moving toward a trade agreement and concerns about trade friction eased. However, starting in early 2020, the coronavirus pandemic has caused a major economic downturn, and in March, the FRB launched a significant monetary easing program. The Dow Jones Industrial Average declined 15% from $29,250 at the end of March 2019 to $21,917 at the end of March 2020. The yield on 10-year U.S. Treasuries also fell by 24-25bps, from 2.41% at the end of March 2019 to 1.67% at the end of March 2020.

Although the euro area economy also maintained positive growth, the stronger environmental controls, and bond yields generally remained monetary easing framework with interest rate levels and the composition of total assets and liabilities, including trading assets, repurchase agreements and reverse repurchase agreement transactions, as well as term structure and volatility of interest rates, remain an integral part of trading activities.

Yields on Japanese government bonds over the past 5 years*8

Yield on Japanese government bonds over the past 5 years*8

(billions of yen) FY2018/19 FY2019/20 Year-on-year Comments

<table>
<thead>
<tr>
<th>Component</th>
<th>FY2018/19</th>
<th>FY2019/20</th>
<th>Year-on-year</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commission</td>
<td>293.1</td>
<td>308.8</td>
<td>5.4%</td>
<td>Commissions from sales of stocks and investment trusts increased.</td>
</tr>
<tr>
<td>Fees from investment banking</td>
<td>101.5</td>
<td>103.2</td>
<td>1.7%</td>
<td>The solution business related to M&amp;A and financing activity contributed to the improved profitability, but the market shock in the middle of February led to the cancellation or postponement of IPO projects.</td>
</tr>
<tr>
<td>Asset management and portfolio service fees</td>
<td>245.5</td>
<td>238.2</td>
<td>-3.0%</td>
<td>While fees continued to flow into Defined Contribution Pension Plans and ETIs, the sharp market decline in the fiscal fourth quarter resulted in a decline in AUM and management fees.</td>
</tr>
<tr>
<td>Net gain (loss) on trading</td>
<td>343.0</td>
<td>356.6</td>
<td>4.0%</td>
<td>Fixed income business mainly contributed to the increase in revenues.</td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gain (loss) on private equity and debt investments</td>
<td>1.0</td>
<td>-0.1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest and dividends</td>
<td>777.0</td>
<td>794.5</td>
<td>2.3%</td>
<td>Gain on the sale of shares in Nomura Research Institute contributed to the increase in profitability</td>
</tr>
<tr>
<td>Gain (loss) on investments in equity securities</td>
<td>-7.0</td>
<td>-14.7</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>securities Other</td>
<td>81.1</td>
<td>166.0</td>
<td>104.7%</td>
<td>Gain on the sale of shares in Nomura Research Institute contributed to the increase in profitability</td>
</tr>
<tr>
<td>Total revenue</td>
<td>1,835.1</td>
<td>1,952.5</td>
<td>6.4%</td>
<td>Gain on the sale of shares in Nomura Research Institute contributed to the increase in profitability</td>
</tr>
<tr>
<td>Interest expenses</td>
<td>718.3</td>
<td>664.7</td>
<td>-7.5%</td>
<td>Gain on the sale of shares in Nomura Research Institute contributed to the increase in profitability</td>
</tr>
<tr>
<td>Net revenue</td>
<td>1,116.8</td>
<td>1,287.8</td>
<td>15.3%</td>
<td>Gain on the sale of shares in Nomura Research Institute contributed to the increase in profitability</td>
</tr>
<tr>
<td>Non-interest expenses</td>
<td>1,154.5</td>
<td>1,039.6</td>
<td>-10.0%</td>
<td>This decline was mainly due to the absence of a one-time impairment of ¥11.4 billion on goodwill attributable to Wholesale segment that had been recognized in the previous year</td>
</tr>
<tr>
<td>Income (loss) before income taxes</td>
<td>-7.0</td>
<td>248.3</td>
<td>-</td>
<td>Gain on the sale of shares in Nomura Research Institute contributed to the increase in profitability</td>
</tr>
<tr>
<td>Net income (loss) attributable to Nomura Holdings shareholders</td>
<td>-100.4</td>
<td>217.0</td>
<td>-</td>
<td>Gain on the sale of shares in Nomura Research Institute contributed to the increase in profitability</td>
</tr>
</tbody>
</table>

*8 Source: U.S. Department of Commerce, Eurostat, Emerging and Developing Asia, IMF, Japan, Cabinet Office. Fiscal year in Japan and calendar year in the other countries

* Source: Bloomberg
Performance by Business Segment

Retail Division: Net revenue for the fiscal year ended March 2020 decreased 0.9% to ¥336.4 trillion, a decrease of 5.4% from the previous fiscal year, primarily due to a valuation loss on shares of American Century Investments. Income before income taxes decreased 15.6% to ¥29.8 billion. In the investment trust business, inflows continued into products that contribute to the formation of assets for “100 years of f meditation products, provided for Defined Contribution Pension Plans, and ETFs. In the investment advisory business, we continued to see inflows from clients such as public pension funds; in the past year, cash inflows totaled approximately ¥2 trillion. In response to the market downturn in March, the balance of assets under management at the end of March 2020 was ¥49.3 trillion, a decrease of ¥2.1 trillion from the end of March 2019, though the business remains solid.

Asset Management Division: Net revenue for the fiscal year ended March 2020 was ¥48.6 billion, a year-on-year increase of 16.8% driven by a significant recovery in Fixed Income revenue. This growth across Rates, FX/EM products was supported by increased client activity and higher volatility. Non-interest expenses decreased 16.6% to ¥556.4 billion primarily due to a ¥1 billion (Approx. ¥110 billion) cost reduction initiative that has progressed faster than originally planned, the absence of previous year’s goodwill impairment losses attributable to Wholesale, and restructuring charges associated with a business portfolio review. As a result, income before income taxes recovered to ¥50.3 billion, a turnaround from the loss in the previous year.

Overseas Business

International income before income taxes for the year ended March 2020 was ¥13.1 billion, a significant improvement from the previous year. The improvements largely were attributable to a recovery in Fixed Income earnings, mainly from Rates, FX/EM in Asia, the successful implementation of cost reduction measures such as the concentration of management resources in areas with competitive advantage through the review of the business portfolio, and the absence of one-time charges (impairment loss of goodwill attributable to Wholesale, restructuring costs associated with business portfolio review, legal costs related to past transactions, etc.) recorded in the previous year. By geographic segment, the Americas and Asia/Oceania reported profits, while Europe posted a loss of ¥14.1 billion, due to valuation losses on loan related positions caused by significant market movements in March 2020.

Consolidated Capital Adequacy Ratio

The consolidated Common Equity Tier 1 ratio as of March 31, 2020 was 15.34%, down from 17.11% as of March 31, 2019. The main factor was an increase in risk-weighed assets attributable to a recovery in Fixed Income revenue. This growth across Rates, FX/EM products was supported by increased client activity and higher volatility. Non-interest expenses decreased 16.6% to ¥556.4 billion primarily due to a ¥1 billion (Approx. ¥110 billion) cost reduction initiative that has progressed faster than originally planned, the absence of previous year’s goodwill impairment losses attributable to Wholesale, and restructuring charges associated with a business portfolio review. As a result, income before income taxes recovered to ¥50.3 billion, a turnaround from the loss in the previous year.

Overseas Business

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Return to shareholders

Our fundamental policy is to return profits to shareholders by continuously increasing shareholder value and paying dividends. Regarding dividends, the consolidated dividend payout ratio of 30%, based on semiannual consolidated results, is one of the important indicators. The dividend amount for each fiscal year will be determined by comprehensively taking into account the trends in the regulatory environment, including the strengthening of the Basel requirements, in Japan and overseas, as well as consolidated business results. Dividends are, in principle, paid twice a year (base dates: September 30, March 31). Total shareholder return policy, including share buybacks, is at least 50%.

Based on the above policy regarding dividends from surplus, we paid a dividend of ¥15 per share with a record date of September 30, 2019 and a dividend of ¥5 per share with a record date of March 31, 2020. As a result, the annual dividend is ¥20 per share. We also decided to repurchase our own shares on June 18, 2019 and repurchased approximately ¥150 billion of our own shares by February 21, 2020.
### Key Financial Data

#### (billions of yen)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenue</td>
<td>1,604.2</td>
<td>1,395.7</td>
<td>1,403.2</td>
<td>1,497.0</td>
<td>1,116.8</td>
<td>1,287.8</td>
</tr>
<tr>
<td>Income (loss) before income taxes</td>
<td>346.8</td>
<td>165.2</td>
<td>322.8</td>
<td>328.2</td>
<td>(37.7)</td>
<td>248.3</td>
</tr>
<tr>
<td>Net Income (loss)*</td>
<td>224.8</td>
<td>131.6</td>
<td>239.6</td>
<td>219.3</td>
<td>(100.4)</td>
<td>217.0</td>
</tr>
</tbody>
</table>

*Net income (loss) attributable to Nomura Holdings shareholders.

#### (billions of yen)

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</thead>
<tbody>
<tr>
<td>Net revenue</td>
<td>476.5</td>
<td>435.6</td>
<td>374.4</td>
<td>412.9</td>
<td>339.5</td>
<td>336.4</td>
</tr>
<tr>
<td>Retail</td>
<td>92.4</td>
<td>96.4</td>
<td>99.4</td>
<td>127.3</td>
<td>97.8</td>
<td>92.8</td>
</tr>
<tr>
<td>Wholesale</td>
<td>789.9</td>
<td>720.3</td>
<td>739.3</td>
<td>715.3</td>
<td>555.4</td>
<td>648.6</td>
</tr>
<tr>
<td>Subtotal</td>
<td>1,358.7</td>
<td>1,251.3</td>
<td>1,213.1</td>
<td>1,256.0</td>
<td>992.7</td>
<td>1,077.6</td>
</tr>
<tr>
<td>Other</td>
<td>220.8</td>
<td>165.1</td>
<td>183.5</td>
<td>239.5</td>
<td>131.3</td>
<td>231.6</td>
</tr>
<tr>
<td>Unrealized gain (loss) on investments in equity securities held for operating purposes</td>
<td>24.7</td>
<td>(20.7)</td>
<td>6.6</td>
<td>1.9</td>
<td>(2.1)</td>
<td>(21.3)</td>
</tr>
<tr>
<td>Income (loss) before income taxes</td>
<td>1,604.2</td>
<td>1,395.7</td>
<td>1,403.2</td>
<td>1,497.0</td>
<td>1,116.8</td>
<td>1,287.8</td>
</tr>
</tbody>
</table>

#### Income (loss) before income taxes by region

<table>
<thead>
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</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>363.2</td>
<td>244.8</td>
<td>234.7</td>
<td>328.2</td>
<td>128.2</td>
<td>235.2</td>
</tr>
<tr>
<td>Americas</td>
<td>(27.6)</td>
<td>(32.0)</td>
<td>50.8</td>
<td>(8.8)</td>
<td>(114.1)</td>
<td>7.4</td>
</tr>
<tr>
<td>Europe</td>
<td>(23.5)</td>
<td>(67.4)</td>
<td>14.4</td>
<td>(14.7)</td>
<td>(56.8)</td>
<td>(14.1)</td>
</tr>
<tr>
<td>Asia and Oceania</td>
<td>34.6</td>
<td>19.8</td>
<td>23.7</td>
<td>22.6</td>
<td>5.0</td>
<td>19.8</td>
</tr>
<tr>
<td>Subtotal</td>
<td>(16.4)</td>
<td>(79.6)</td>
<td>88.1</td>
<td>(67.9)</td>
<td>165.9</td>
<td>13.1</td>
</tr>
<tr>
<td>Consolidated</td>
<td>346.8</td>
<td>165.2</td>
<td>322.8</td>
<td>328.2</td>
<td>(37.7)</td>
<td>248.3</td>
</tr>
</tbody>
</table>

#### (billions of yen)

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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic-net income attributable to Nomura Holdings shareholders per share (EPS)</td>
<td>6.36</td>
<td>3.36</td>
<td>6.72</td>
<td>6.13</td>
<td>(29.90)</td>
<td>67.76</td>
</tr>
<tr>
<td>Diluted-net income attributable to Nomura Holdings shareholders per share (EPS)</td>
<td>60.03</td>
<td>35.52</td>
<td>65.65</td>
<td>61.88</td>
<td>(29.90)</td>
<td>66.20</td>
</tr>
<tr>
<td>Nomura Holdings shareholders' equity per share (EPS)</td>
<td>7,504.9</td>
<td>7,482.9</td>
<td>7,907.0</td>
<td>810.31</td>
<td>7,946.9</td>
<td>873.26</td>
</tr>
<tr>
<td>Dividends per share (Yen)</td>
<td>19.6</td>
<td>13.0</td>
<td>20.0</td>
<td>20.0</td>
<td>6.0</td>
<td>20.0</td>
</tr>
<tr>
<td>Dividend payout ratio</td>
<td>33.8%</td>
<td>35.6%</td>
<td>29.7%</td>
<td>31.7%</td>
<td>(20.1)%</td>
<td>23.5%</td>
</tr>
</tbody>
</table>

#### Consolidated capital adequacy, etc.*

| Tier1 capital | 2,459.2 | 2,577.5 | 2,689.8 | 2,666.4 | 2,605.9 | 2,571.5 |
| Tier1 inclusive | 3,612.0 | 3,231.0 | 3,106.0 | 3,061.0 | 3,006.0 | 3,006.0 |
| Total capital | 8,102.0 | 7,713.0 | 7,120.0 | 6,913.0 | 6,751.0 | 6,502.0 |
| Tier1 capital ratio | 29.6% | 32.3% | 33.4% | 32.6% | 33.3% | 32.9% |
| CET1 capital ratio | 29.6% | 32.3% | 33.4% | 32.6% | 33.3% | 32.9% |
| CET1 inclusive ratio | 35.1% | 37.8% | 39.1% | 38.3% | 39.0% | 38.8% |
| Tier1 inclusive ratio | 29.6% | 32.3% | 33.4% | 32.6% | 33.3% | 32.9% |
| Consolidated leverage ratio | 3.82% | 4.28% | 4.63% | 4.74% | 5.03% | 4.83% |

#### ROE

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</thead>
<tbody>
<tr>
<td>ROE</td>
<td>8.6%</td>
<td>4.9%</td>
<td>8.7%</td>
<td>7.9%</td>
<td>-</td>
</tr>
</tbody>
</table>

#### B/S (billions of yen)

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</thead>
<tbody>
<tr>
<td>Total Nomura Holdings shareholders’ equity</td>
<td>2,707.8</td>
<td>2,700.2</td>
<td>2,789.9</td>
<td>2,763.0</td>
<td>2,631.1</td>
<td>2,635.5</td>
</tr>
<tr>
<td>Total Net leverage (times)</td>
<td>9.3</td>
<td>9.8</td>
<td>8.6</td>
<td>8.8</td>
<td>9.0</td>
<td>10.6</td>
</tr>
</tbody>
</table>

*Total assets minus securities purchased under agreements to resell and securities borrowed, divided by Nomura Holdings shareholders’ equity.
Eleven-Year Consolidated Financial Summary

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

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Total Revenue</th>
<th>Operating Income</th>
<th>Income Tax Expense</th>
<th>Net Income (Loss)</th>
<th>Other Income</th>
<th>Net Cash Provided by Operating Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2010/10</td>
<td>335,083</td>
<td>12,467,213</td>
<td>2,071,714</td>
<td>15,156,318</td>
<td>2,369,435</td>
<td>(1,500,770)</td>
</tr>
<tr>
<td>FY2011/11</td>
<td>405,463</td>
<td>13,742,646</td>
<td>2,211,423</td>
<td>14,115,257</td>
<td>3,097,428</td>
<td>(2,235,893)</td>
</tr>
<tr>
<td>FY2012/12</td>
<td>343,909</td>
<td>17,347,001</td>
<td>2,570,678</td>
<td>16,719,520</td>
<td>3,875,199</td>
<td>(3,875,199)</td>
</tr>
<tr>
<td>FY2013/13</td>
<td>144,211</td>
<td>18,729,825</td>
<td>3,097,428</td>
<td>15,077,660</td>
<td>4,248,885</td>
<td>(4,248,885)</td>
</tr>
<tr>
<td>FY2014/15</td>
<td>141,898</td>
<td>16,237,743</td>
<td>3,969,578</td>
<td>13,268,164</td>
<td>4,314,403</td>
<td>(4,314,403)</td>
</tr>
<tr>
<td>FY2015/16</td>
<td>203,437</td>
<td>17,306,959</td>
<td>4,248,885</td>
<td>15,058,074</td>
<td>4,865,349</td>
<td>(4,865,349)</td>
</tr>
<tr>
<td>FY2016/17</td>
<td>200,058</td>
<td>215,419</td>
<td>5,176,131</td>
<td>16,243,280</td>
<td>5,971,195</td>
<td>(5,971,195)</td>
</tr>
<tr>
<td>FY2017/18</td>
<td>241,616</td>
<td>245,816</td>
<td>5,971,195</td>
<td>17,347,001</td>
<td>6,681,806</td>
<td>(6,681,806)</td>
</tr>
<tr>
<td>FY2018/19</td>
<td>249,816</td>
<td>256,519</td>
<td>7,165,195</td>
<td>18,729,825</td>
<td>7,564,204</td>
<td>(7,564,204)</td>
</tr>
<tr>
<td>FY2019/20</td>
<td>245,519</td>
<td>256,519</td>
<td>7,165,195</td>
<td>18,729,825</td>
<td>7,564,204</td>
<td>(7,564,204)</td>
</tr>
</tbody>
</table>

(Millions of yen)
Environment, social and governance (ESG) Data

Corporate governance

Members of the Board

<table>
<thead>
<tr>
<th>Unit</th>
<th>June 30, 2015</th>
<th>June 30, 2016</th>
<th>June 30, 2017</th>
<th>June 30, 2018</th>
<th>June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors</td>
<td>No. of people</td>
<td>12</td>
<td>11</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Outside Directors</td>
<td>No. of people</td>
<td>7</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Non-Japanese Directors</td>
<td>No. of people</td>
<td>3</td>
<td>3</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Female Directors</td>
<td>No. of people</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Ratio (%)</td>
<td>58</td>
<td>55</td>
<td>60</td>
<td>60</td>
<td>60</td>
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</table>

Board of Directors meetings

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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>No. of times held</td>
<td>19</td>
<td>19</td>
<td>19</td>
<td>19</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td>Average attendance rate (%)</td>
<td>99</td>
<td>100</td>
<td>99</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Average term of office</td>
<td>3.8</td>
<td>3.2</td>
<td>3.3</td>
<td>2.7</td>
<td>3.7</td>
<td>4.7</td>
</tr>
</tbody>
</table>

Caseload at Customer Help Desk Department (Nomura Securities)

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</thead>
<tbody>
<tr>
<td>Total</td>
<td>No. of cases</td>
<td>5,640</td>
<td>5,767</td>
<td>6,003</td>
<td>7,054</td>
<td>7,843</td>
</tr>
<tr>
<td>Complaints</td>
<td>No. of cases</td>
<td>2,537</td>
<td>2,771</td>
<td>2,531</td>
<td>2,479</td>
<td>2,542</td>
</tr>
<tr>
<td>Inquiries</td>
<td>No. of cases</td>
<td>2,768</td>
<td>2,749</td>
<td>2,367</td>
<td>2,141*</td>
<td>2,652</td>
</tr>
<tr>
<td>Opinions and requests</td>
<td>No. of cases</td>
<td>81</td>
<td>126</td>
<td>98</td>
<td>270</td>
<td>237</td>
</tr>
<tr>
<td>Other</td>
<td>No. of cases</td>
<td>156</td>
<td>119</td>
<td>107</td>
<td>158</td>
<td>212</td>
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Contributing to Sound and Sustainable Capital Markets

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</thead>
<tbody>
<tr>
<td>Toll Free Line</td>
<td>No. of teams</td>
<td>1,361</td>
<td>1,429</td>
<td>1,618</td>
<td>1,832</td>
<td>1,792</td>
</tr>
<tr>
<td>Nikeko Stock League Since 2000</td>
<td>No. of teams</td>
<td>5,167</td>
<td>5,587</td>
<td>6,462</td>
<td>7,180</td>
<td>7,103</td>
</tr>
<tr>
<td>Number of educational materials supplied*</td>
<td>No. of schools</td>
<td>527</td>
<td>440</td>
<td>434</td>
<td>470</td>
<td>730</td>
</tr>
<tr>
<td>Number of cases</td>
<td>39,650</td>
<td>27,305</td>
<td>30,167</td>
<td>37,163</td>
<td>61,081</td>
<td>62,698</td>
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</table>

Developing human resources who respect diversity

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</tr>
</thead>
<tbody>
<tr>
<td>Education and training expenses</td>
<td>Total</td>
<td>Millions of yen</td>
<td>2,972</td>
<td>2,880</td>
<td>2,767</td>
<td>2,987</td>
</tr>
<tr>
<td>Japan</td>
<td>Million of yen</td>
<td>2,076</td>
<td>2,020</td>
<td>2,084</td>
<td>2,093</td>
<td>2,004</td>
</tr>
<tr>
<td>Europe</td>
<td>Million of yen</td>
<td>115</td>
<td>225</td>
<td>161</td>
<td>228</td>
<td>280</td>
</tr>
<tr>
<td>Americas</td>
<td>Million of yen</td>
<td>573</td>
<td>426</td>
<td>299</td>
<td>435</td>
<td>694</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>Million of yen</td>
<td>258</td>
<td>203</td>
<td>213</td>
<td>252</td>
<td>247</td>
</tr>
</tbody>
</table>

Participation in education and training

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</thead>
<tbody>
<tr>
<td>Total</td>
<td>Aggregate no. of hours</td>
<td>507,639</td>
<td>490,386</td>
<td>501,377</td>
<td>530,869</td>
<td>537,323</td>
</tr>
<tr>
<td>Japan</td>
<td>Aggregate no. of participants</td>
<td>132,672</td>
<td>211,014</td>
<td>196,819</td>
<td>277,824</td>
<td>302,460</td>
</tr>
<tr>
<td>Europe</td>
<td>Aggregate no. of participants</td>
<td>333,305</td>
<td>307,295</td>
<td>303,854</td>
<td>298,571</td>
<td>332,570</td>
</tr>
<tr>
<td>Americas</td>
<td>Aggregate no. of participants</td>
<td>14,398</td>
<td>16,234</td>
<td>15,851</td>
<td>14,896</td>
<td>18,879</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>Aggregate no. of participants</td>
<td>48,434</td>
<td>47,709</td>
<td>39,638</td>
<td>49,288</td>
<td>43,787</td>
</tr>
<tr>
<td>Total</td>
<td>Aggregate no. of participants</td>
<td>41,654</td>
<td>62,077</td>
<td>44,325</td>
<td>70,240</td>
<td>77,539</td>
</tr>
</tbody>
</table>

Corporate Information / Data

Strategies for Value Creation

Strengths Supporting Value Creation

Corporate Information / Data

Contributing to Sustainable Communities

Community contribution expenditures

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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>Million of yen</td>
<td>1,457</td>
<td>1,325</td>
<td>1,704</td>
<td>1,224</td>
<td>1,717</td>
</tr>
<tr>
<td>Arts, culture, and sports</td>
<td>Million of yen</td>
<td>333</td>
<td>102</td>
<td>567</td>
<td>157</td>
<td>476</td>
</tr>
<tr>
<td>Science and academic achievement</td>
<td>Million of yen</td>
<td>114</td>
<td>120</td>
<td>116</td>
<td>109</td>
<td>230</td>
</tr>
<tr>
<td>Community contribution</td>
<td>Million of yen</td>
<td>161</td>
<td>162</td>
<td>169</td>
<td>261</td>
<td>277</td>
</tr>
<tr>
<td>Welfare and health</td>
<td>Million of yen</td>
<td>89</td>
<td>79</td>
<td>53</td>
<td>33</td>
<td>48</td>
</tr>
<tr>
<td>Environment</td>
<td>Million of yen</td>
<td>34</td>
<td>29</td>
<td>71</td>
<td>59</td>
<td>69</td>
</tr>
<tr>
<td>Human rights and labor</td>
<td>Million of yen</td>
<td>19</td>
<td>39</td>
<td>12</td>
<td>6</td>
<td>16</td>
</tr>
<tr>
<td>Disaster relief</td>
<td>Million of yen</td>
<td>68</td>
<td>56</td>
<td>61</td>
<td>9</td>
<td>18</td>
</tr>
<tr>
<td>Other</td>
<td>Million of yen</td>
<td>113</td>
<td>176</td>
<td>184</td>
<td>185</td>
<td>175</td>
</tr>
</tbody>
</table>

Notes: Figures may not add up to totals due to rounding.

Participants and materials in financial and economics education

<table>
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</thead>
<tbody>
<tr>
<td>Financial courses for universities since 2005</td>
<td>No. of schools</td>
<td>9,836</td>
<td>9,637</td>
<td>15,317</td>
<td>19,377</td>
<td>18,919</td>
</tr>
<tr>
<td>Financial courses for the general public since 2003</td>
<td>No. of schools</td>
<td>108</td>
<td>106</td>
<td>104</td>
<td>106</td>
<td>102</td>
</tr>
<tr>
<td>Financial courses for the general public since 2003</td>
<td>No. of participants</td>
<td>11,000</td>
<td>11,000</td>
<td>11,200</td>
<td>11,000</td>
<td>11,200</td>
</tr>
<tr>
<td>Nikeko Stock League Since 2000</td>
<td>No. of schools</td>
<td>24,712</td>
<td>14,905</td>
<td>10,056</td>
<td>8,105</td>
<td>7,421</td>
</tr>
<tr>
<td>Number of educational materials supplied*</td>
<td>No. of schools</td>
<td>527</td>
<td>440</td>
<td>434</td>
<td>470</td>
<td>730</td>
</tr>
<tr>
<td>Number of cases</td>
<td>39,650</td>
<td>27,305</td>
<td>30,167</td>
<td>37,163</td>
<td>61,081</td>
<td>62,698</td>
</tr>
</tbody>
</table>

* 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.
### Composition of human resources who respect diversity

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Total</td>
<td>28,672</td>
<td>28,865</td>
<td>28,186</td>
<td>28,048</td>
<td>27,864</td>
<td>26,629</td>
</tr>
<tr>
<td>Ratio of male employees (%)</td>
<td>62</td>
<td>62</td>
<td>61</td>
<td>61</td>
<td>60</td>
<td>60</td>
</tr>
<tr>
<td>Ratio of female employees (%)</td>
<td>38</td>
<td>38</td>
<td>39</td>
<td>39</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Japan</td>
<td>15,973</td>
<td>16,083</td>
<td>16,227</td>
<td>15,819</td>
<td>15,862</td>
<td>15,748</td>
</tr>
<tr>
<td>Ratio of male employees (%)</td>
<td>58</td>
<td>58</td>
<td>58</td>
<td>58</td>
<td>57</td>
<td>57</td>
</tr>
<tr>
<td>Ratio of female employees (%)</td>
<td>42</td>
<td>42</td>
<td>42</td>
<td>44</td>
<td>43</td>
<td>43</td>
</tr>
<tr>
<td>Europe</td>
<td>3,485</td>
<td>3,424</td>
<td>3,056</td>
<td>2,909</td>
<td>2,691</td>
<td>2,691</td>
</tr>
<tr>
<td>Ratio of male employees (%)</td>
<td>71</td>
<td>71</td>
<td>70</td>
<td>69</td>
<td>68</td>
<td>68</td>
</tr>
<tr>
<td>Ratio of female employees (%)</td>
<td>29</td>
<td>29</td>
<td>30</td>
<td>31</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td>Americas</td>
<td>2,449</td>
<td>2,503</td>
<td>2,314</td>
<td>2,357</td>
<td>2,320</td>
<td>2,320</td>
</tr>
<tr>
<td>Ratio of male employees (%)</td>
<td>74</td>
<td>74</td>
<td>74</td>
<td>74</td>
<td>74</td>
<td>74</td>
</tr>
<tr>
<td>Ratio of female employees (%)</td>
<td>26</td>
<td>26</td>
<td>26</td>
<td>26</td>
<td>27</td>
<td>27</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>6,765</td>
<td>6,855</td>
<td>6,619</td>
<td>6,810</td>
<td>6,746</td>
<td>6,070</td>
</tr>
<tr>
<td>Ratio of male employees (%)</td>
<td>61</td>
<td>61</td>
<td>59</td>
<td>60</td>
<td>59</td>
<td>59</td>
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<tr>
<td>Ratio of female employees (%)</td>
<td>39</td>
<td>39</td>
<td>41</td>
<td>40</td>
<td>41</td>
<td>41</td>
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</table>

### Number of new hires

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</thead>
<tbody>
<tr>
<td>Total</td>
<td>2,934</td>
<td>2,968</td>
<td>2,763</td>
<td>2,901</td>
<td>2,779</td>
<td>2,704</td>
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<tr>
<td>Ratio of male employees (%)</td>
<td>67</td>
<td>67</td>
<td>65</td>
<td>61</td>
<td>59</td>
<td>60</td>
</tr>
<tr>
<td>Ratio of female employees (%)</td>
<td>33</td>
<td>33</td>
<td>43</td>
<td>41</td>
<td>40</td>
<td>40</td>
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<tr>
<td>Japan</td>
<td>845</td>
<td>902</td>
<td>1,107</td>
<td>1,008</td>
<td>1,056</td>
<td>1,004</td>
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<tr>
<td>Ratio of male employees (%)</td>
<td>57</td>
<td>58</td>
<td>53</td>
<td>54</td>
<td>51</td>
<td>53</td>
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<tr>
<td>Ratio of female employees (%)</td>
<td>43</td>
<td>42</td>
<td>47</td>
<td>46</td>
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</tr>
<tr>
<td>Europe</td>
<td>510</td>
<td>405</td>
<td>283</td>
<td>376</td>
<td>346</td>
<td>286</td>
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<tr>
<td>Ratio of male employees (%)</td>
<td>76</td>
<td>71</td>
<td>67</td>
<td>69</td>
<td>67</td>
<td>67</td>
</tr>
<tr>
<td>Ratio of female employees (%)</td>
<td>24</td>
<td>29</td>
<td>33</td>
<td>31</td>
<td>33</td>
<td>33</td>
</tr>
<tr>
<td>Americas</td>
<td>175</td>
<td>208</td>
<td>214</td>
<td>220</td>
<td>227</td>
<td>234</td>
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<tr>
<td>Ratio of male employees (%)</td>
<td>75</td>
<td>74</td>
<td>71</td>
<td>74</td>
<td>76</td>
<td>71</td>
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<td>Ratio of female employees (%)</td>
<td>25</td>
<td>26</td>
<td>29</td>
<td>26</td>
<td>24</td>
<td>29</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>1,069</td>
<td>1,107</td>
<td>1,055</td>
<td>1,162</td>
<td>1,000</td>
<td>875</td>
</tr>
<tr>
<td>Ratio of male employees (%)</td>
<td>67</td>
<td>64</td>
<td>54</td>
<td>60</td>
<td>59</td>
<td>57</td>
</tr>
<tr>
<td>Ratio of female employees (%)</td>
<td>33</td>
<td>36</td>
<td>46</td>
<td>40</td>
<td>41</td>
<td>43</td>
</tr>
</tbody>
</table>

### Composition of managers

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>8,329</td>
<td>8,535</td>
<td>9,110</td>
<td>9,174</td>
<td>9,187</td>
<td>8,734</td>
</tr>
<tr>
<td>Ratio of male employees (%)</td>
<td>85</td>
<td>84</td>
<td>86</td>
<td>84</td>
<td>83</td>
<td>82</td>
</tr>
<tr>
<td>Ratio of female employees (%)</td>
<td>15</td>
<td>16</td>
<td>14</td>
<td>16</td>
<td>17</td>
<td>18</td>
</tr>
<tr>
<td>Japan</td>
<td>3,673</td>
<td>3,615</td>
<td>4,672</td>
<td>4,493</td>
<td>4,493</td>
<td>4,267</td>
</tr>
<tr>
<td>Ratio of male employees (%)</td>
<td>94</td>
<td>93</td>
<td>92</td>
<td>91</td>
<td>90</td>
<td>89</td>
</tr>
<tr>
<td>Ratio of female employees (%)</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>Europe</td>
<td>1,790</td>
<td>1,838</td>
<td>1,559</td>
<td>1,624</td>
<td>1,568</td>
<td>1,473</td>
</tr>
<tr>
<td>Ratio of male employees (%)</td>
<td>83</td>
<td>82</td>
<td>81</td>
<td>80</td>
<td>79</td>
<td>78</td>
</tr>
<tr>
<td>Ratio of female employees (%)</td>
<td>17</td>
<td>18</td>
<td>19</td>
<td>20</td>
<td>21</td>
<td>21</td>
</tr>
<tr>
<td>Americas</td>
<td>1,243</td>
<td>1,339</td>
<td>1,279</td>
<td>1,386</td>
<td>1,395</td>
<td>1,257</td>
</tr>
<tr>
<td>Ratio of male employees (%)</td>
<td>81</td>
<td>80</td>
<td>80</td>
<td>81</td>
<td>80</td>
<td>80</td>
</tr>
<tr>
<td>Ratio of female employees (%)</td>
<td>19</td>
<td>20</td>
<td>20</td>
<td>19</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>1,523</td>
<td>1,683</td>
<td>1,600</td>
<td>1,691</td>
<td>1,771</td>
<td>1,677</td>
</tr>
<tr>
<td>Ratio of male employees (%)</td>
<td>59</td>
<td>65</td>
<td>70</td>
<td>70</td>
<td>68</td>
<td>67</td>
</tr>
<tr>
<td>Ratio of female employees (%)</td>
<td>29</td>
<td>29</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
</tr>
</tbody>
</table>

---

1. Employee composition: The Nomura Group is the scope of the listing (on a consolidated basis).
3. Unit: *1 Employee composition: The Nomura Group is the scope of the listing (on a consolidated basis).
4. 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, Bangkok and Seoul offices in Asia include emissions from automobiles used on a daily basis (The Seoul office was added to the scope of calculation from FY2019/20).
Corporate Data

Company name: Nomura Holdings, Inc.
Date of incorporation: December 25, 1925
Head office: 1-9-1, Nihonbashi, Chuo-ku, Tokyo 103-8445, Japan
Paid-in capital: ¥594,493 million
Group employees: 26,619
Common stock issued: 3,493,562,671 shares
Number of shareholders: 349,668 (Unit shareholders:326,975)

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
Depositary 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, 2020)

Major shareholders (Top 10)*

<table>
<thead>
<tr>
<th>Name of shareholder</th>
<th>Number of shares owned (thousands)**</th>
<th>Ownership (%)**</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Master Trust Bank of Japan, Ltd. (Trust Account)</td>
<td>228,152</td>
<td>7.5%</td>
</tr>
<tr>
<td>Japan Trustee Services Bank, Ltd. (Trust Account)</td>
<td>163,096</td>
<td>5.4%</td>
</tr>
<tr>
<td>Japan Trustee Services Bank, Ltd. (Trust Account 5)</td>
<td>70,680</td>
<td>2.3%</td>
</tr>
<tr>
<td>JP Morgan Chase Bank 385151</td>
<td>53,546</td>
<td>1.8%</td>
</tr>
<tr>
<td>Northern Trust Co. (AVFC) Re Silchester International Investors International Value Equity Trust</td>
<td>51,872</td>
<td>1.7%</td>
</tr>
<tr>
<td>Japan Trustee Services Bank, Ltd. (Trust Account 7)</td>
<td>50,758</td>
<td>1.7%</td>
</tr>
<tr>
<td>State Street Bank West Client-Treaty 505234</td>
<td>49,110</td>
<td>1.6%</td>
</tr>
<tr>
<td>Northern Trust Co. (AVFC) Re U.S. Tax Exempted Pension Funds</td>
<td>39,176</td>
<td>1.3%</td>
</tr>
<tr>
<td>Japan Trustee Services Bank, Ltd. (Trust Account 1)</td>
<td>36,260</td>
<td>1.2%</td>
</tr>
<tr>
<td>SSBTC Client Omnibus Account</td>
<td>34,172</td>
<td>1.1%</td>
</tr>
</tbody>
</table>

*The company has 454,625 thousand shares of treasury stock as of March 31, 2020 which is not included in the major shareholders list above.
**Figures for Number of Shares Owned are rounded down to the nearest thousand and figure for Percentage of Shares Owned are calculated excluding treasury stock.

Total Shareholder Return (TSR)

Holding Period*1 1 year 2 years 3 years 4 years 5 years
Nomura Holdings
73.1% 102.6% 94.6% 65.0% 76.0%
TOPIX
89.2% 102.3% 118.5% 112.5% 101.8%

Credit Ratings (As of June 30, 2020)

| R&I | A+ | a-1 | A+ | a-1 |
| JCR | AA- | - | AA- | - |
| Moody’s | A3 | P-2 | Baa1 | - |
| Standard & Poor’s | A- | A-2 | BBB+ | A-2 |
| Fitch Ratings | A- | F1 | A- | F1 |

Basic Information in the Report

Period covered: April 1, 2019 to March 31, 2020
(Some content may be outside this time frame.)
Reporting cycle: Once a year
Previous: August 2019
Current: August 2020
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)
Please access the following URL on our corporate website for our GRI Guidelines Index.
International Integrated Reporting Frameworks recommended by the International Integrated Reporting Council and the World Intellectual Capital Initiative
Guidance for Collaborative Value Creation of Japan’s Ministry of Economy, Trade, and Industry
Environmental Reporting Guidelines (2018 Version) of Japan’s Ministry of the Environment

Component ratio of shareholders (Unit: share basis)

- Individuals and others (including treasury stock): 40.6%
- Financial institutions (including financial institutions’ firms): 25.6%
- Other legal entities: 4.2%
- Foreign legal entities: 29.6%
Independent Assurance

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.

Independent Assurance Report

July 15, 2020

TO:
Mr. Kentaro Okuda
President and Group CEO
Nomura Holdings, Inc.

Kenji Sawami
Engagement Partner
Ernst & Young ShinNihon LLC
Tokyo, Japan

We, Ernst & Young ShinNihon LLC, have been commissioned by Nomura Holdings, Inc. (hereafter the “Company”) and have 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, 2020 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” (http://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, 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.

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 and, with respect to GHG emissions, Assurance Engagements on Greenhouse Gas Statements (“ISAE 3410”), issued by the International Auditing and Assurance Standards Board.
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;
- Performing analytical procedures concerning the Indicators at the Company and major subsidiary’s 2 sites;
- Testing, on a sample basis, underlying source information and conducting relevant re-calculations at the Company and major subsidiary’s 2 sites.
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.