

Corporate Governance

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.

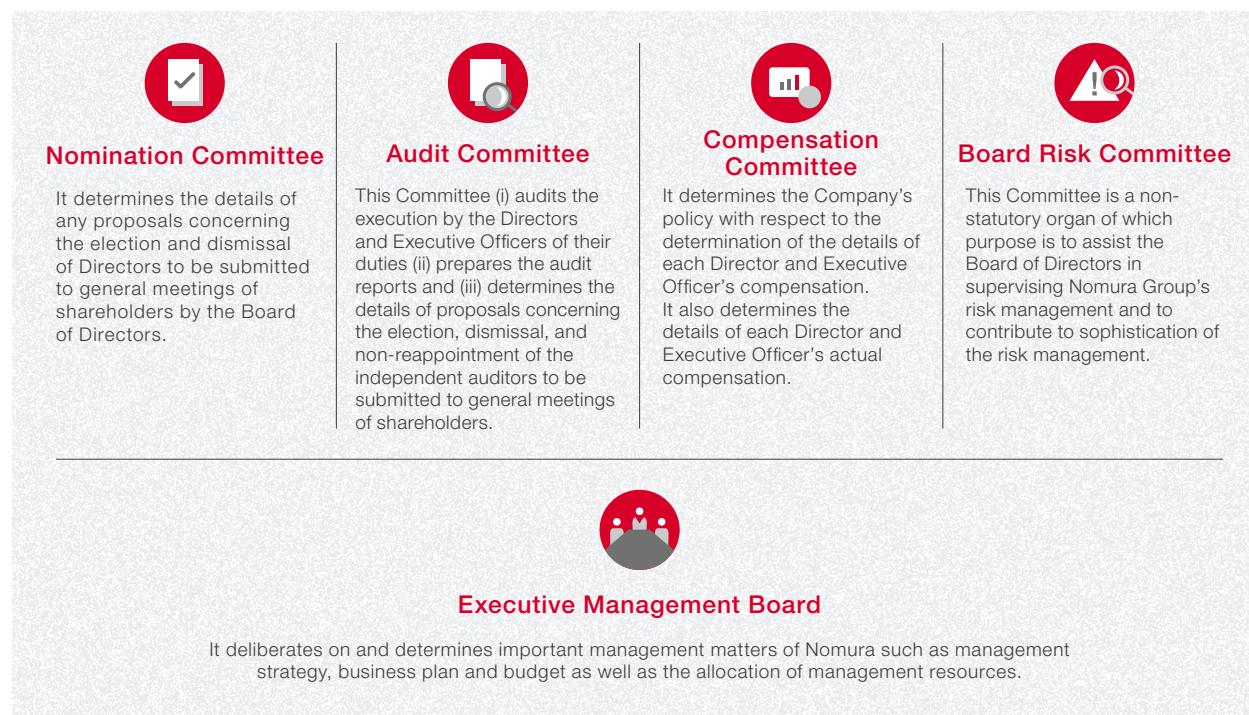
In 2010, Outside Directors from abroad joined the Board of Directors, which is now comprised of a majority of Outside Directors.

In 2015, we established "Outside Directors Meetings" where they discuss matters related to our business and corporate governance regularly.

Since 2019, all three of our committees (Nomination Committee, Audit Committee, Compensation Committee) have an Outside Director as the Chairman to further enhance our corporate governance structure.

In addition, the Succession Plan is discussed in the Nomination Committee, concerning the Group CEO qualifications based on factors such as the business environment and candidate proposal to further develop our governance structure.

Furthermore, in 2021, as part of the enhancement of risk management, Nomura established the Board Risk Committee as a specialized oversight body to strengthen oversight from an independent perspective.

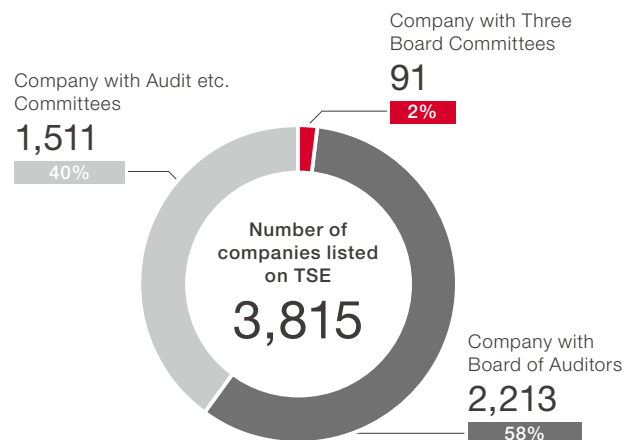


Group Risk Management Committee P.73	Nomura Group Conduct Committee P.67	Sustainability Committee P.39	Internal Controls Committee https://www.nomuraholdings.com/company/cg/intcon.html
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Nomura Holdings Corporate Governance Guidelines
https://www.nomuraholdings.com/company/cg/data/cg_guideline.pdf

Corporate Governance Report
https://www.nomuraholdings.com/company/cg/data/cg_report.pdf

Form of Corporate Governance of Japanese companies



Source: Nomura, Japan Exchange Group "Corporate Governance Information Search" (As of July 31, 2023)

Adopted a Company with Committees, etc. structure (now known as a Company with Three Board Committees)

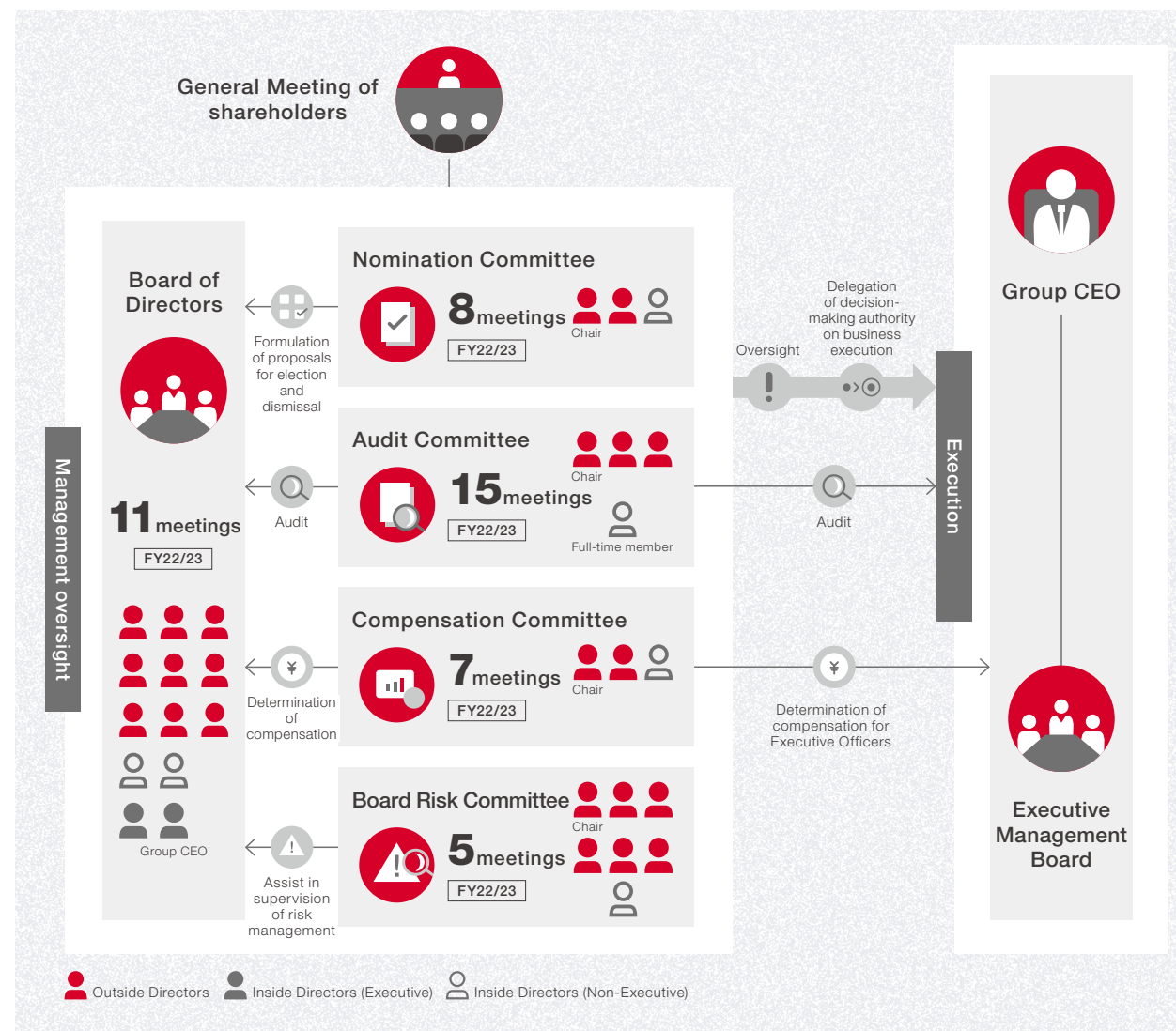
2003

Regularly held Outside Directors Meetings

2015

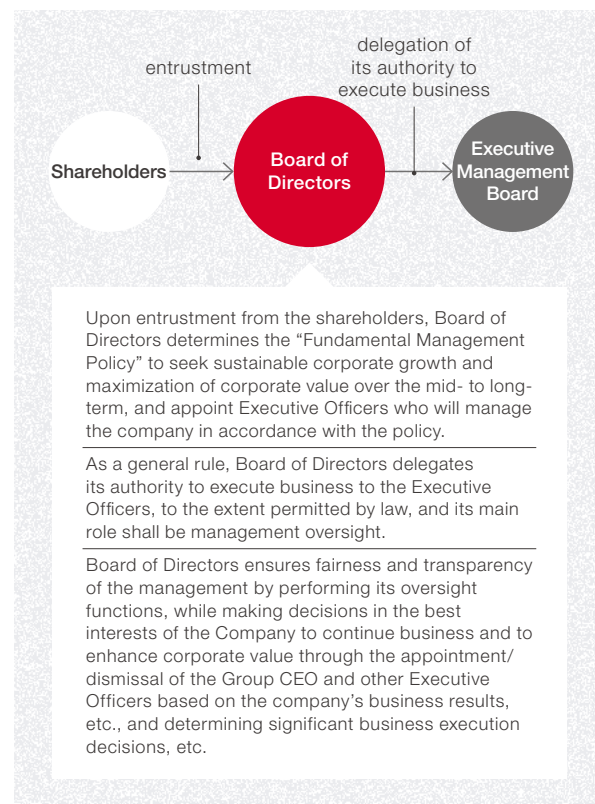
	2001	2010	2023
Ratio of Outside Directors	17%	58%	69%
Ratio of non-Japanese Directors	—	17%	31%
Ratio of Female Directors	—	8%	23%

Overview of our Corporate Governance Structure



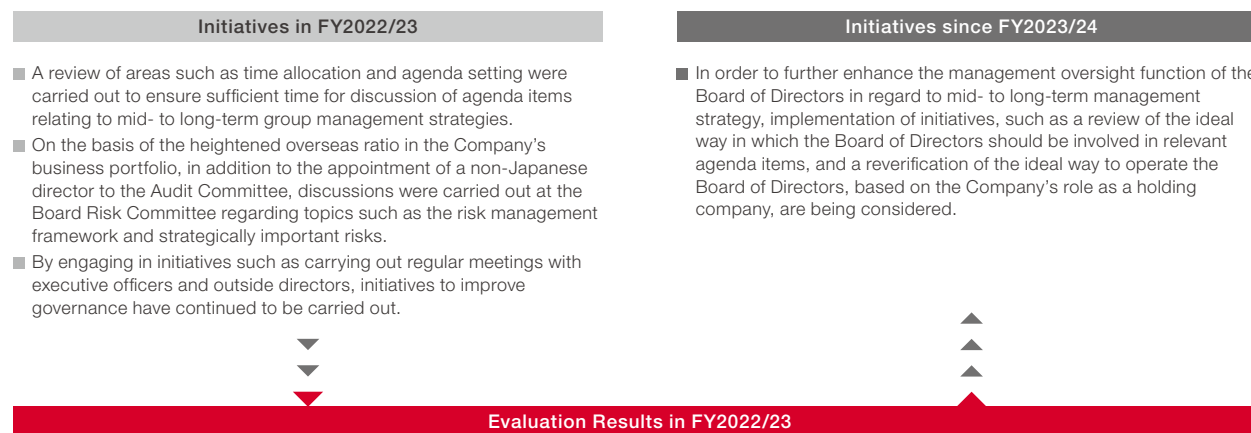
Roles of the Board of Directors

As a company with Three Board Committees, we aim to enhance oversight functions by separation of management oversight from business execution and accelerate the Group's decision-making by delegation of authority regarding business execution to the Executive Officers. In addition, we have worked to ensure management transparency by diversifying the attributes of Directors and supervising from a multilateral and medium- to long-term perspective.



The Effectiveness Evaluation of the Board of Directors

Our Board of Directors has defined a rule to evaluate its overall effectiveness every year and to disclose its results. In addition, a third-party evaluator (Board Advisors Japan, Inc.) interviewed each director, and evaluated the effectiveness in FY2022/23. On the basis of these initiatives, the Board of Directors' evaluation is that the effectiveness of the Board of Directors is fully secured.



Received the following evaluation from a third-party evaluator

- The establishment of a monitoring system for global business operation and the progress in addressing the risks surrounding the management have steadily increased the effectiveness of the Board of Directors.
- As the strengths that support the effectiveness, the diversity of the Board of Directors, the deep knowledge/expertise of each director, appropriate management of board meetings, and active implementation of the activities of each committee were confirmed.
- The challenges in order to achieve further upgrade the Board of Directors' functions are:
 - Consensus on the need for a medium-to long-term group strategy
 - Agenda setting and monitoring based on the role of the Board of Directors
 - Upgrading the function of the Board of Directors' Secretariat
 - Strengthening the function of the Nomination Committee

The strengths that support the effectiveness of the Board of Directors

Diversity and knowledge of each director

Eight outside directors out of the twelve directors (including four non-Japanese and three women)* actively ask questions and make comments that bring new perspectives and insights to executives, drawing on their expertise and wide-ranging knowledge and experience in areas such as finance and corporate management.

*Composition as of March 2023, when the effectiveness evaluation was conducted

Agenda and proceedings

The agenda is set broadly and the chairperson actively encourages each director to speak, resulting in high quality discussions. The trust that has been fostered between the supervisory and executives, as well as among the directors, has led to constructive discussions.

Each Committee

The contribution of domestic and foreign outside directors with their expertise has increased the effectiveness of the Board Risk Committee and the Audit Committee, bringing a healthy sense of urgency and useful insights to executives.

Main Items Discussed by the Board of Directors (FY2022/23)

Impact Analysis on Macroeconomic Changes	Financial risk management in company-wide level and business strategy from each business for response to macroeconomic fluctuations
SR Communication	Dialogue with top shareholders of institutional investors about enhancement of risk management and dialogue with institutional shareholders and proxy advisory firms in FY2022/23
Medium-to-long term business strategy	Management vision for FY2024/25 and Divisional KPIs and KGIs based on Investor Day
Measures to promote initiatives to foster corporate culture	Identifying what types of employees and organizations are needed by the Group, mechanism to encourage managers to develop the human resources and organizations they seek and firm-wide efforts to achieve organizational change for initiatives
Enhancement of Disclosure	Review of the frequency of meetings with the aim of expanding information disclosure (particularly for non-financial information), and key initiatives of statutory disclosure and voluntary disclosure
Current situation and strategy of Investment Management Division	Investment Management Division overview, public markets businesses, private markets businesses, new business and IM Division's internal control
Current situation and strategy of Digital Company	Digital Company overview, KPI, digital investment plans and targeted outcomes
Report on the Investment Securities Committee	Overall status of strategic shareholdings and quantitative reduction target and external disclosure plan
Health and Productivity Management and New ways of working (Nomura Ways of Working)	Nomura Ways of Working overview, program structure and Change Network as network which employees engage in driving changes
Analysis of Voting Status of 2022 Annual General Meeting of Shareholders	Overview of the voting result of 2022 Annual General Meeting of Shareholders

IT Strategy	Issues and the committee structure to promote DX strategy
Sustainability Report	UN Principles for Responsible Banking (PRB) Report 2022, Net-Zero Plan and Nomura Sustainability Day 2022
Content Company Report	Initiatives of Content Company
The Sustainability Related Business of Investment Banking	Overview, market position, focus area, etc. of Nomura Greentech under US Investment Banking
Productivity of Retail Division	Position, productivity comparison with competitors and initiatives going-forward, etc. of Retail Division
Updates for the Investment Securities Committee	Progress and budget/acutual analysis of the quantitative targets of the sale disposal, etc.
Group Budget of the Next Fiscal Year	Concept of the group budget of the next fiscal year and each division strategy
Electronic Provision of Convocation Notice	Our policy regarding the convocation notice and the voting form and document delivery to the shareholders, etc.
Revision of the "Nomura Group Code of Conduct"	Background and important points of revision of "Nomura Group Code of Conduct 2023"
Report on the Board Effectiveness Review	Initiatives for enhancing the Board effectiveness and the process and results of the expert third party review of the board effectiveness

Compensation Policy and Compensation Scheme

We have developed the Compensation Policy of Nomura Group and the Compensation Policy for Directors and Executive Officers, 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. Compensation for Directors and Executive Officers is determined by the Compensation Committee each fiscal year based on those policies with discussion for its individual appropriateness. In addition, we have established compensation policy for Nomura Group officers and employees, including senior managing directors of NHI and directors of subsidiaries of NHI but excluding directors and executive officers and clarified compensation for officers and employees and specific management guidelines.

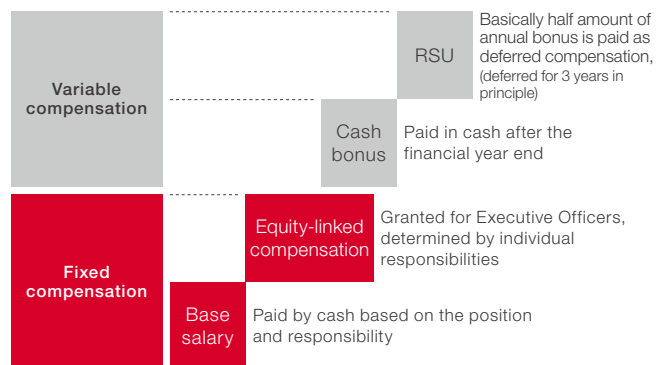
Scheme of compensation for Directors and Executive Officers

- Under our Compensation Policy, basically half of the aggregate amount of the Annual Bonus of the Directors and Executive Officers is paid in deferred compensation.
- Deferred compensation is paid as RSU*¹ in principle.
- Effect of payment of RSU
 - To link economic value of compensation to share price and align interests with shareholders.
 - To give mid-term incentive by providing the period time from grant to vesting.
- Any voluntary resignation, material modification of the financial statements, material breach of Nomura's internal policies and regulations etc. are subject to forfeiture, reduction or clawback (Conclusion of individual contracts including "clawback clause")

Compensation Policy

Compensation Governance	<ul style="list-style-type: none"> ■ As a company with three Board Committees structure, pursuant to Japanese corporate law, an independent statutory Compensation Committee has been established. ■ The Committee considers and determines the details of individual compensation for Directors and Executive Officers. ■ With respect to the relevant policies and total compensation funding for Nomura Group officers and employees other than NHI's Directors and Executive Officers, certain decisions regarding employment and remuneration matters are delegated to the "Human Resources Committee ("HRC")" by Executive Management Board of NHI.
	<ul style="list-style-type: none"> ■ Nomura Group recognizes that its employees are key in contributing to society in line with our mission of "We help to enrich society through our expertise in capital markets." ■ Compensation for Nomura Group employees is designed to support achieving below 1) – 3) key elements. In addition, in order to ensure that Nomura attracts, retains, motivates and develops talent, the level and structure of remuneration takes into account the roles and responsibilities of individuals as well as the market pay levels, relevant laws and regulations in Japan and overseas. In Addition, ESG is mentioned in "1) Sustainable corporate growth and increasing enterprise value over the medium- to long-term."
Compensation Policies and Practices	<div> <div>1 Sustainable corporate growth and increasing enterprise value over the medium- to long-term</div> <div>2 Sound and effective risk management</div> <div>3 Alignment of interests with shareholders</div> </div>

Total compensation*²



*1. Restricted Stock Unit. Phantom stock may be applied as an exception.

*2. This figure does not indicate the percentage of each remuneration, but shows the breakdown of remuneration.

Compensation paid to Directors and Executive Officers (FY2022/23)*¹

Monetary Unit: Millions of yen

Position	Directors (Outside Directors)	Executive Officers	Total
Number of People	10 (8)	8	18
Base Salary	354 (197)	516	871
Performance-linked compensation	80 (-)	688	768
Non-monetary compensation	65 (-)	577	641
Total	499 (197)	1,781	2,280

*1 Subsidiaries of the Company paid 68 million yen to Outside Directors as compensation, etc. for their directorship at those subsidiaries for the fiscal year ended March 31, 2023.

*2 Directors who were concurrently serving as Executive Officers are included in that of Executive Officers.

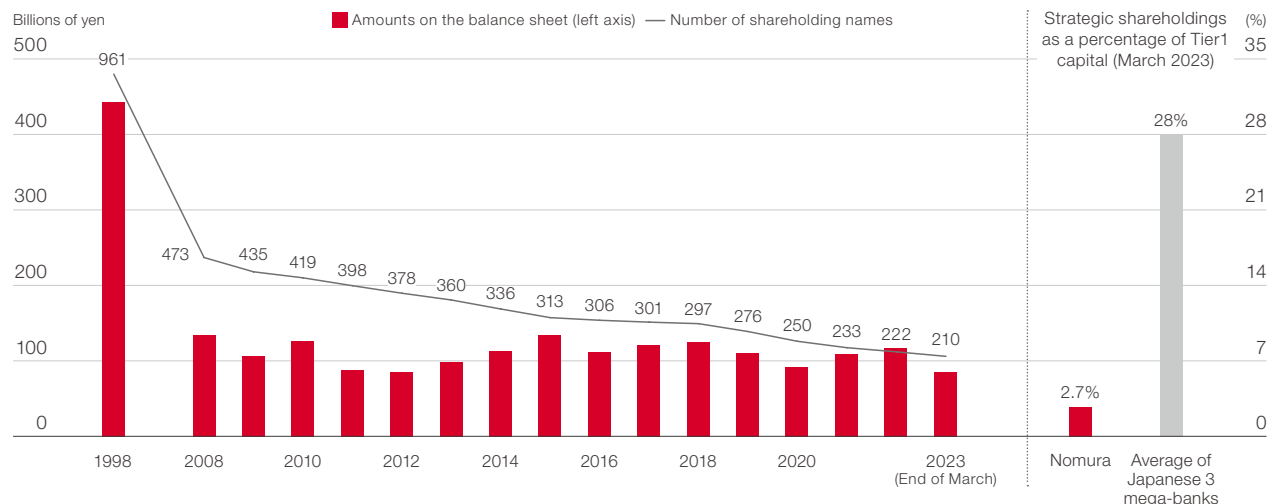
Basic policy for strategic shareholdings

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 the end of March 2023, our Company held 210 companies' stocks. Total amount recorded on the balance sheet was 85.6 billion yen (total market value of holdings) representing only 2.7% of our Tier 1 capital.

We have ongoing discussions concerning the value of strategic shareholdings (see the right 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 Investment Securities Committee established by the Board of Directors. 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.

To date we have sold approximately 40% of the strategic shareholding names in the 10 years since 2013. Going forward, we will continue to sell such shares by setting a new target of reducing the names of shareholdings held (including unlisted names) by 25% in the 5 years from April 1, 2022 to March 31, 2027.

Strategic shareholdings



Process for reviewing the value of strategic shareholdings

