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.

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**Nomination Committee**

It determines the details of any proposals concerning the election and dismissal of Directors to be submitted to general meetings of shareholders by the Board of Directors.

**Audit Committee**

This Committee (i) audits the execution by the Directors and Executive Officers of their duties (ii) prepares the audit reports and (iii) determines the details of proposals concerning the election, dismissal, and non-reappointment of the independent auditors to be submitted to general meetings of shareholders.

**Compensation Committee**

It determines the Company’s policy with respect to the determination of the details of each Director and Executive Officer’s compensation. It also determines the details of each Director and Executive Officer’s actual compensation.

**Board Risk Committee**

This Committee is a non-statutory organ of which purpose is to assist the Board of Directors in supervising Nomura Group’s risk management and to contribute to sophistication of the risk management.

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**Executive Management Board**

It deliberates on and determines important management matters of Nomura such as management strategy, business plan and budget as well as the allocation of management resources.

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**Group Risk Management Committee**

P.73

Nomura Holdings Corporate Governance Guidelines


**Nomura Group Conduct Committee**

P.67

**Sustainability Committee**

P.39

**Internal Controls Committee**

https://www.nomuraholdings.com/company/cg/intcon.html

**Corporate Governance Report**

Form of Corporate Governance of Japanese companies

- Number of companies listed on TSE: 3,815
  - Company with Audit etc. Committees: 1,511 (40%)
  - Company with Three Board Committees: 2,213 (58%)

  - Ratio of Female Directors: 2001: —, 2010: 8%, 2023: 23%

Adopted a Company with Committees, etc. structure (now known as a Company with Three Board Committees) in 2003.

Regularly held Outside Directors Meetings: 2015

Overview of our Corporate Governance Structure

- General Meeting of shareholders
  - Nomination Committee: 8 meetings (Chair)
  - Audit Committee: 15 meetings (Chair)
  - Compensation Committee: 7 meetings (Chair)
  - Board Risk Committee: 5 meetings (Chair)

- Delegation of decision-making authority on business execution
- Oversight

Management Oversight

- Outside Directors
- Inside Directors (Executive)
- Inside Directors (Non-Executive)

Value Creation Story 1

Value Creation Story 2

Management Message

Financial and non-financial data

Nomura Report 2023
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.

**Initiatives in FY2022/23**

- A review of areas such as time allocation and agenda setting were carried out to ensure sufficient time for discussion of agenda items relating to mid- to long-term group management strategies.
- On the basis of the heightened overseas ratio in the Company’s business portfolio, in addition to the appointment of a non-Japanese director to the Audit Committee, discussions were carried out at the Board Risk Committee regarding topics such as the risk management framework and strategically important risks.
- By engaging in initiatives such as carrying out regular meetings with executive officers and outside directors, initiatives to improve governance have continued to be carried out.

**Evaluation Results in FY2022/23**

Received the following evaluation from a third-party evaluator

- The establishment of a monitoring system for global business operation and the progress in adding 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 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.

**Initiatives since FY2023/24**

- In order to further enhance the management oversight function of the Board of Directors in regard to mid- to long-term management strategy, implementation of initiatives, such as a review of the ideal way in which the Board of Directors should be involved in relevant agenda items, and a reformation of the ideal way to operate the Board of Directors, based on the Company’s role as a holding company, are being considered.

Upon entrustment from the shareholders, Board of Directors determines the “Fundamental Management Policy” to seek sustainable corporate growth and maximization of corporate value over the mid- to long-term, and appoint Executive Officers who will manage the company in accordance with the policy.

As a general rule, Board of Directors delegates its authority to execute business to the Executive Officers, to the extent permitted by law, and its main role shall be management oversight.

Board of Directors ensures fairness and transparency of the management by performing its oversight functions, while making decisions in the best interests of the Company to continue business and to enhance corporate value through the appointment/dissolution of the Group CEO and other Executive Officers based on the company’s business results, etc., and determining significant business execution decisions, etc.
### Main Items Discussed by the Board of Directors (FY2022/23)

<table>
<thead>
<tr>
<th>Topic</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Impact Analysis on Macroeconomic Changes</strong></td>
<td>Financial risk management in company-wide level and business strategy from each business for response to macroeconomic fluctuations</td>
</tr>
<tr>
<td><strong>SR Communication</strong></td>
<td>Dialogue with top shareholders of institutional investors about enhancement of risk management and dialogue with institutional shareholders and proxy advisory firms in FY2022/23</td>
</tr>
<tr>
<td><strong>Medium-to-long term business strategy</strong></td>
<td>Management vision for FY2024/25 and Divisional KPIs and KGIs based on Investor Day</td>
</tr>
<tr>
<td><strong>Measures to promote initiatives to foster corporate culture</strong></td>
<td>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</td>
</tr>
<tr>
<td><strong>Enhancement of Disclosure</strong></td>
<td>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</td>
</tr>
<tr>
<td><strong>Current situation and strategy of Investment Management Division</strong></td>
<td>Investment Management Division overview, public markets businesses, private markets businesses, new business and IM Division’s internal control</td>
</tr>
<tr>
<td><strong>Current situation and strategy of Digital Company</strong></td>
<td>Digital Company overview, KPI, digital investment plans and targeted outcomes</td>
</tr>
<tr>
<td><strong>Report on the Investment Securities Committee</strong></td>
<td>Overall status of strategic shareholdings and quantitative reduction target and external disclosure plan</td>
</tr>
<tr>
<td><strong>Health and Productivity Management and New ways of working</strong></td>
<td>Nomura Ways of Working overview, program structure and Change Network as network which employees engage in driving changes</td>
</tr>
<tr>
<td><strong>Analysis of Voting Status of 2022 Annual General Meeting of Shareholders</strong></td>
<td>Overview of the voting result of 2022 Annual General Meeting of Shareholders</td>
</tr>
</tbody>
</table>

### 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/actual 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”)

### Total compensation*2

<table>
<thead>
<tr>
<th>Fixed compensation</th>
<th>Variable compensation</th>
<th>RSU</th>
<th>Cash bonus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base salary</td>
<td>Paid by cash based on the position and responsibility</td>
<td>Basically half of annual bonus is paid as deferred compensation, (deferred for 3 years in principle)</td>
<td>Paid in cash after the financial year end</td>
</tr>
</tbody>
</table>

### Compensation paid to Directors and Executive Officers (FY2022/23)*3

<table>
<thead>
<tr>
<th>Position</th>
<th>Number of People</th>
<th>Directors (Outside Directors)</th>
<th>Executive Officers</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Salary</td>
<td>354 (197)</td>
<td>516</td>
<td>871</td>
<td></td>
</tr>
<tr>
<td>Performance-linked compensation</td>
<td>80 (-)</td>
<td>688</td>
<td>768</td>
<td></td>
</tr>
<tr>
<td>Non-monetary compensation</td>
<td>65 (-)</td>
<td>577</td>
<td>641</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>499 (197)</td>
<td>1,781</td>
<td>2,280</td>
<td></td>
</tr>
</tbody>
</table>

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

*3 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.