

03

Value Creation Platform

INDEX

Corporate Governance	68
Directors of Nomura Holdings	77
Conversation with Outside Director	79
Message from Newly Appointed Outside Director	82
Code of Conduct	83
Compliance	85
Whistleblowing System	87
Internal Audit	88
Risk Management	89
Resilience	93

Corporate Governance

The Company is working to further enhance its corporate governance through various measures to strengthen its governance system, including diversification of the composition of the Board of Directors and implementation of Board Effectiveness Evaluation.

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 including shareholders and clients, strengthening corporate governance is one of the most important issues.

For this reason, the Company is working to strengthen and enhance a system that pursues sustainable growth and flexible Group management while ensuring the effectiveness of management supervision and management transparency.

As a company with Three Board Committees, the Company aims to enhance oversight functions by separation of management oversight from business execution, and accelerate decision-making by delegation of authority regarding business execution from the Board of Directors to the Executive Officers.

The Company is also working to diversify the composition of the Board of Directors by establishing an Outside Directors structure in 2001 and inviting foreign Outside Directors and female Outside Directors from 2010, with the majority being 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 Chairperson to further enhance our corporate governance structure.

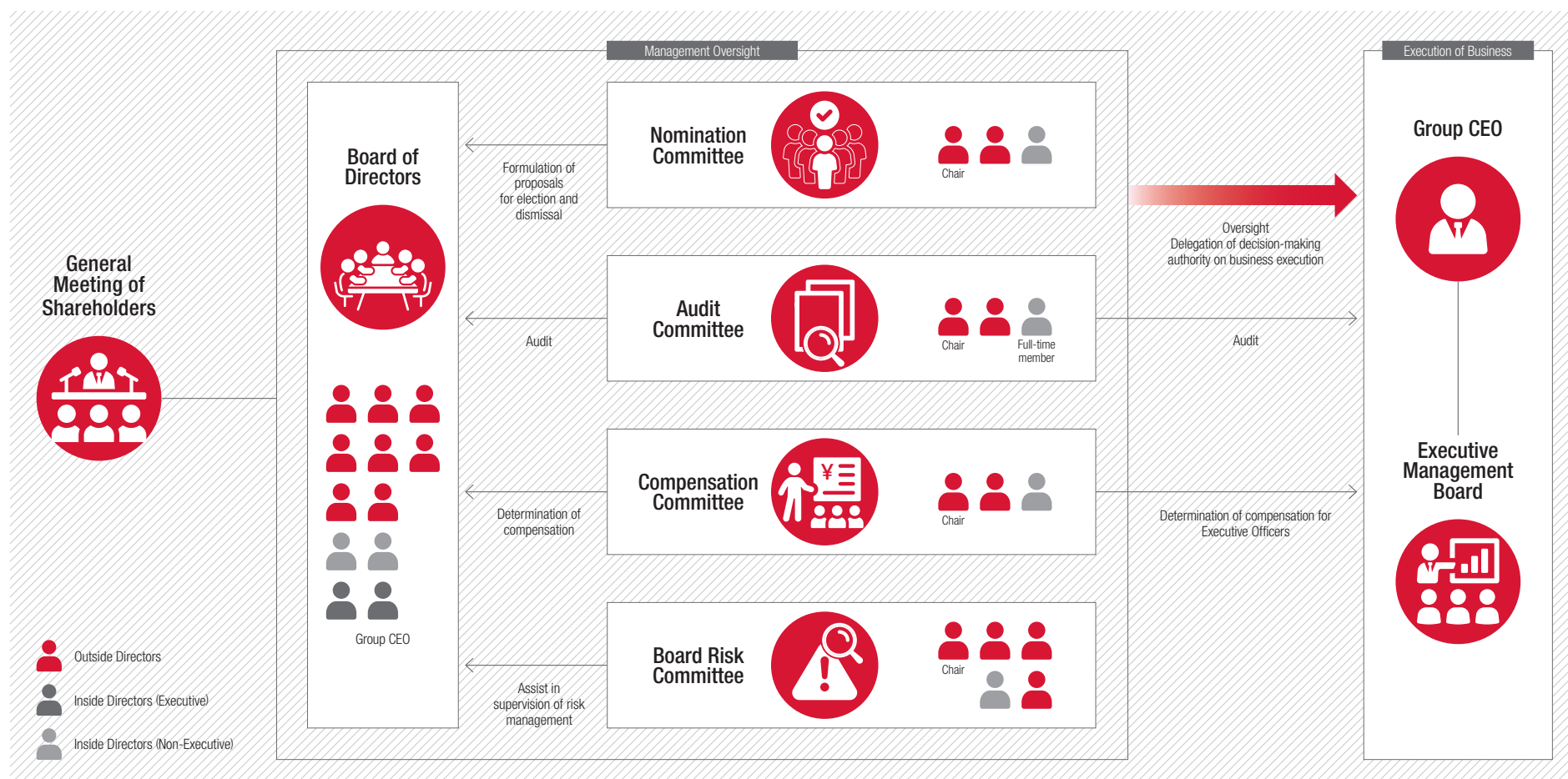
Since the fiscal year ended March 2016, we have also conducted a Board Effectiveness Evaluation.

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.

Amid the changing environment, it is necessary to promote flexible responses while maintaining an appropriate financial base and effectively utilizing management resources through improvements in capital efficiency. To this end, the Company will continue to strengthen the supervisory function of the Board of Directors from the viewpoint of implementing a transparent, fair, prompt and decisive decision making, taking into consideration the perspectives of various stakeholders, including shareholders and clients.

Structure of Corporate Governance

● Overview of our Corporate Governance Structure (Structure after the General Meeting of Shareholders held in June 2024)



Number of meetings in the fiscal year ended March 2024
 Board of Directors: 11, Nomination Committee: 7, Audit Committee: 13, Compensation Committee: 11, Board Risk Committee: 5

● Roles of Nomination, Audit, Compensation and Board Risk Committee, and the Executive Management Board



Nomination Committee

This Committee is a statutory body and determines the details of any proposals concerning the election and dismissal of Directors to be submitted to General Meeting of Shareholders.



Audit Committee

This Committee is a statutory body and (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 Meeting of Shareholders.



Compensation Committee

This Committee is a statutory body and 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 body of which purpose is to assist the Board of Directors in supervising Nomura Group's risk management and to contribute to enhancement of the risk management.



Executive Management Board

The Executive Management Board 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.

Among the matters delegated to the Executive Officers by resolutions adopted by the Board of Directors, particularly important matters of business execution must be decided upon deliberation by specific management bodies within the Company including the Executive Management Board, the Group Risk Management Committee, the Nomura Group Conduct Committee, the Sustainability Committee and the Internal Controls Committee.

Group Risk Management
Committee

P.89

Nomura Group Conduct
Committee

P.83

Sustainability
Committee

P.59

Internal Controls Committee



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



Nomura Holdings Corporate Governance Guidelines
https://www.nomuraholdings.com/company/cg/data/cg_guideline.pdf

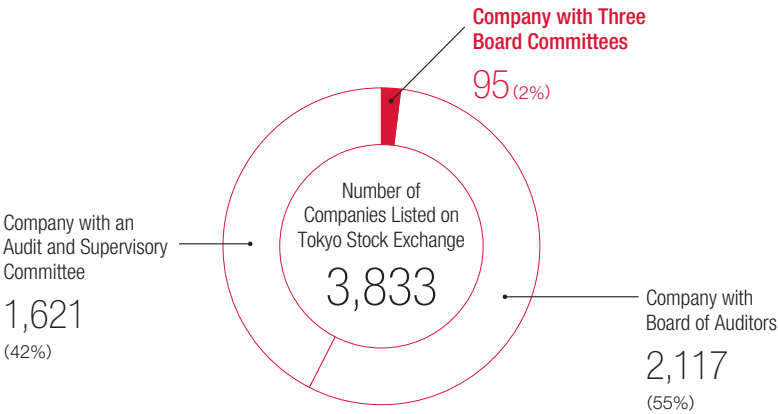


Corporate Governance Report
https://www.nomuraholdings.com/company/cg/data/cg_report.pdf

● Major Initiatives to Strengthen Governance

Establishment of Outside Directors structure	2001
Adopted Company with Committees structure (now known as a Company with Three Board Committees)	2003
Election of Foreign Outside Directors	2010
Election of Female Outside Directors	2010
Establishment of Meetings of the Outside Directors	2015
Disclosure of Board Effectiveness Evaluation Results	2016
Appointment of Outside Director as Chairperson of Nomination, Audit and Compensation Committee	2019
Establishment of Board Risk Committee	2021

● Form of Corporate Governance of Japanese Companies



Source: Nomura, Japan Exchange Group "Corporate Governance Information Search" (As of August 1, 2024)

Roles of the Board of Directors

As a company with Three Board Committees, the Company aims to enhance oversight functions by separation of management oversight from business execution and accelerate decision-making by delegation of authority regarding business execution from the Board of Directors to the Executive Officers.

The main role of the Company's Board of Directors is management oversight and the purpose of the Board of Directors of the Company is to strive for the Company's sustainable growth and maximization of corporate value over the medium- to long-term.

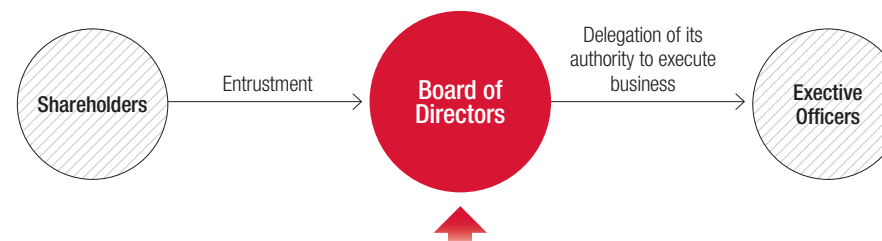
The Board of Directors, in addition to ensuring the fairness and transparency of the management, determines the "Fundamental Management Policy," and based on such policy, appointments of Executive Officers that manage the Company such as the Group CEO and makes important business execution decisions.

The Board of Directors, to enable active discussion from diversified perspectives, consists of members with diversity, such as in gender, international experience and work experience, and with expertise in areas such as accounting, corporate management, and law, etc.

Further, for the appropriate exercise of the Board of Directors' management oversight function, there is a general rule that the majority of the Board of Directors must be Outside Directors.

Going forward, the Company will continue to diversify the composition of the Board of Directors, conduct oversight from multilateral and medium- to long-term perspectives, and work to ensure management transparency.

● Positioning of the Board of Directors



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 medium- 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 / dismissal of the Group CEO and other Executive Officers based on the company's business results, etc., and determining significant business execution decisions, etc.

● Composition of the Board of Directors

	2001	2010	2024
Ratio of Outside Directors	17%	58%	67%
Ratio of Foreign Directors	-	17%	33%
Ratio of Female Directors	-	8%	25%

● Expected Roles of Directors

The Company sets forth the roles expected of directors in the Corporate Governance Guidelines as follows, and requires each director to oversee the execution of business.

1

One of the main roles of the Outside Directors shall be to oversee the execution of business by the Executive Officers from an independent and objective perspective, to provide advice to the management, or raise issues as necessary, leveraging each Outside Director's experience and expertise.

2

One of the main roles of the Inside Directors who do not concurrently serve as Executive Officers shall be to provide advice to the management and raise issues at or outside of the Meetings of the Board of Directors, applying their expertise regarding the business of the Nomura Group.

3

One of the main roles of the Directors who concurrently serve as Executive Officers shall be to explain and report the status of overall business execution to the Board of Directors so that the Board can understand the business execution status and the status of the Company and effectively perform its management oversight functions.

● Main Items Discussed by the Board of Directors (FY2023/24)

At the Board of Directors of the Company, a diverse group of members engage in constructive discussions and exchanges of opinions on a wide range of important themes. For example, Outside Directors use their experience and knowledge to provide advice and raise issues on topics such as medium- to long-term strategies and effective use of capital. In addition, Nomura Group Purpose formulated in April 2024 was also discussed in various ways by the Board of Directors, ranging from consideration, formulation, and implementation measures.

Main Agendas		Content of the Discussion
Formulation of Nomura Group Purpose	»»»	Formulation of Nomura Group Purpose and redefinition of corporate philosophy
Strategy of Retail Division*	»»»	Competitive environment, business model to aim and resource reallocation and strategy, etc.
Strategy of Wholesale Division	»»»	Progress on strategic plan and performance and priority issues of Wholesale Division
Strategy of Investment Management Division	»»»	Overview of Investment Management Division, vision, accumulation of traditional business and expanding the AUM of alternative asset, etc.
Cross-Divisional Strategy/Current Efforts to Generate Group Premium	»»»	Cross-divisional strategy and overview of each measure, etc.
Attributed Capital Status and Utilization of Capital Capacity	»»»	Status of capital capacity, impact of Basel III and resource allocation, etc.
Next Fiscal Year's Group Budget	»»»	Approach to the next fiscal year's Group budget and strategies of each Division, etc.
Report of Structural Reform Committee	»»»	Progress of Structural Reform Committee (established to accelerate Group's structural reform and ensure a sustainable financial and operational foundation to support future growth)
Dialogue with Shareholders	»»»	Dialogue with top shareholders and proxy advisors
Voting Results Analysis of 2023 Annual General Meeting	»»»	Overview of the voting result of 2023 Annual General Meeting of Shareholders
Shareholder Return Policy	»»»	Shareholder return policy, comparison of shareholder composition of Japanese companies, investment behavior and preferences based on investor attributes and the status of domestic competitors, etc.
Investor Day	»»»	Key topics for FY2023/24 regarding Group wide business and other categories based on the content of Investor Day
Report of Disclosure Documents	»»»	The Annual Securities Reports, Form 20-F, Annual Report, action to implement management that is conscious of cost of capital and stock price, etc.
Enhancement of Information Disclosure	»»»	Expanding disclosure of non-financial information and effects on enterprise value, etc.
Sustainability-related Report	»»»	Status of domestic and international regulations and policies related to sustainability and Nomura Group initiatives, etc.
Report of Investment Securities Committee	»»»	Status of deliberations of the Investment Securities Committee and policy of investment securities, etc.
Resilience-related Report	»»»	External environment for operational resilience and current status of our operational resilience, etc.
Report on the Board Effectiveness Evaluation	»»»	Initiatives to strengthen the effectiveness of the Board of Directors implemented in FY2023/24, etc.

* Effective April 1, 2024, the Company changed the name of "Retail Division" to "Wealth Management Division."

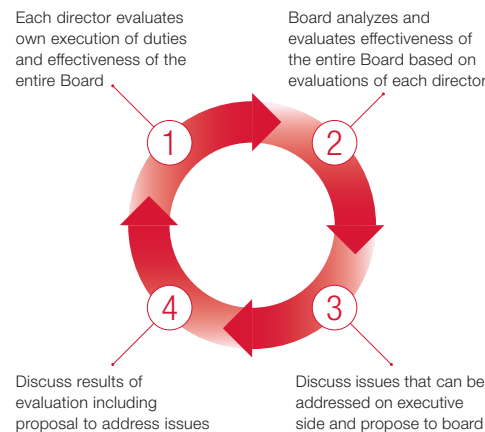
Board Effectiveness Evaluation

The Company has been conducting Board Effectiveness Evaluation since FY2015/16.

Each director assesses management of the Board, including quantity and quality of information offered and discussions by Board, sharing findings at Board and Outside Directors Meetings and learns from the results in order to continue strengthening their oversight function.

In addition to evaluations by each director, third-party evaluations are conducted by external organizations on a regular basis (the most recent evaluation was conducted in FY2022/2023).

● PDCA Cycle to Ensure Effectiveness of Board



Evaluation Items

- Overall evaluation of the Board of Directors
- Composition and operation of the Board of Directors
- Information provided to the Board of Directors
- The Board of Director's involvement in management goals and strategies
- Management oversight functions of the Board of Directors
- Each committee
- Monitoring of dialogue with stakeholders
- Meetings of the Outside Directors, etc.

● FY2023/24 Response to the Results of FY2022/23

» In order for the Board of Directors to fully exercise its supervisory function, the Company has continued to make efforts such as selecting agenda items related to medium- to long-term Nomura Group strategies and securing sufficient time for deliberations.

● Summary of the Board Effectiveness Evaluation in FY2023/24

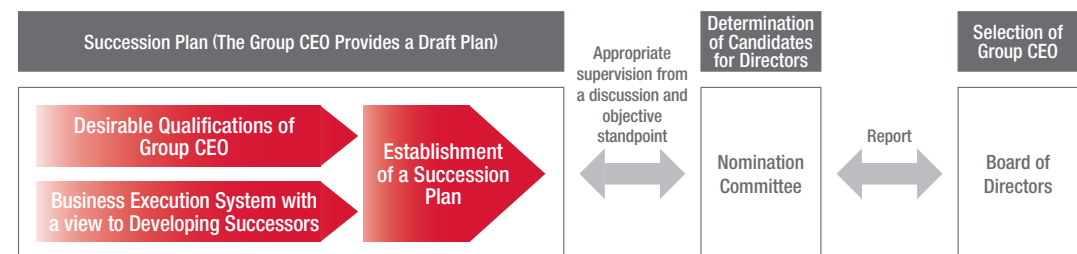
» A high level of evaluation of "Diversity in the composition of the Board of Directors, in-depth knowledge and expertise of each director, appropriate management of proceedings, and active implementation of committee activities," which was evaluated by a third-party evaluation organization in FY2022/2023 and is a strength that supports effectiveness of Board of Directors, is continued to maintain.

● Future Challenges

- » Analysis of the company's performance from a long-term perspective
- » Enhancing efforts to provide information to each stakeholder
- » Strengthening of initiatives related to sustainability

Succession Plan

The Group CEO reports his succession plans to the Nomination Committee each year. The succession plan includes ideas about the qualifications required to be the Group CEO and a business execution system that considers business environment and cultivating successor. The Nomination Committee oversees succession plans and their implementation from an independent and objective perspective.



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.

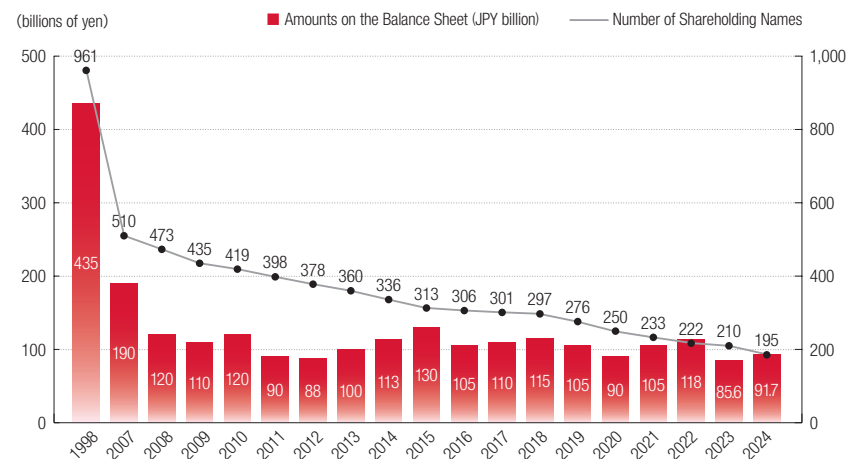
As of the end of March 2024, we held 195 companies' stocks. Total amount recorded on the balance sheet was 91.7 billion yen (total market value of holdings) representing only 2.6% of our Tier1 capital.

In principle, the Company's policy is to proceed with the sale of strategic shareholdings, and we have ongoing discussions concerning the value of strategic shareholdings (see the lower right chart).

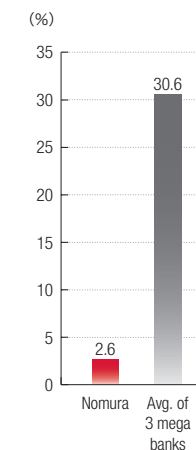
Regarding strategic shareholdings, we balance the risks and costs involved in holding such shares with potential benefits into business strategy, such as additional opportunities to increase the revenues of our businesses through expansion of transactions, or business alliances with partners whose shares are held, and we 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, and the Board of Directors verifies the content of the discussion. 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. We will continue to sell such shareholdings with a target of reducing the names of strategic shareholdings held (including unlisted names) by 25% in the five years from April 1, 2022 to March 31, 2027.

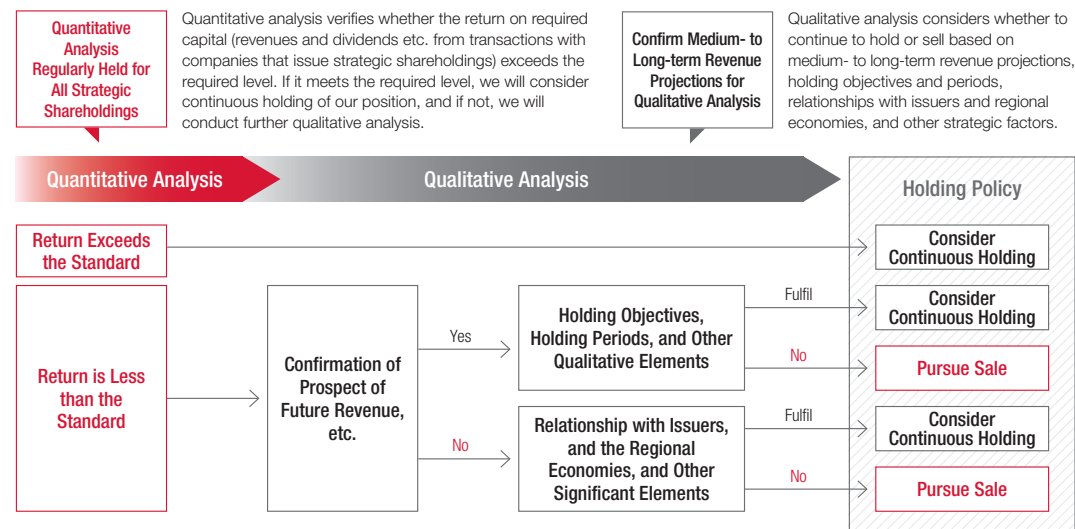
● Changes in Number of Strategic Shareholdings and Market Value (Annual Securities Report disclosure based)



● Ratio of Strategic Shareholdings to Tier1 Capital (March 2024)



● Process for Reviewing the Value of Strategic Shareholdings

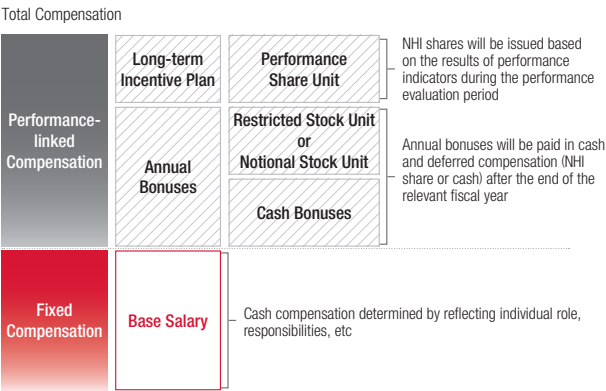


Compensation

Compensation for Directors and Executive Officers (“Statutory Officers”) of NHI is subject to two policies: the Nomura Group compensation policy that applies to our employees and Statutory Officers, and the Compensation Policy for Directors and Executive Officers of that applies to Statutory Officers. We have developed these policies to enable us to achieve sustainable growth, deliver long-term growth in shareholder value, deliver excellence to our clients, enhance our competitive strength in the global markets and enhance our reputation. The Compensation Committee reviews and updates these policies. We also have established Compensation Recovery Policy separately.

We have established a compensation policy for our officers and employees, including Senior Managing Directors of NHI and directors of our subsidiaries but exclude Directors and Executive Officers of NHI. This policy is referred as our Employee Policy.

● Compensation Framework for Statutory Officers



● Compensation Governance

As a company with Three Board Committees, as defined under Japanese Corporate Law, NHI has established an independent statutory Compensation Committee, which comprises primarily Outside Directors as members. The Committee has established both our Basic Policy and our Compensation Policy for Statutory Officers, based on which compensation for Directors and Executive Officers of NHI is determined.

- » Scheme of Compensation for Statutory Officers
Compensation of Statutory Officers is divided into fixed compensation and performance-linked compensation, with fixed compensation consisting of base salary and performance-linked compensation consisting of an annual bonus and long-term incentive plans. In order to provide incentives for the improvement of medium to long-term corporate value and to align the interests of shareholders, a portion of the compensation is paid through stock-based compensation awards with specified deferral periods.
- » Fixed Compensation
Base salary is paid in cash and determined based on factors such as professional background, career history, responsibilities and compensation standards of related business fields.
- » Performance-linked Compensation
 - With respect to the Group CEO, given the overall responsibility of business execution of the Nomura Group, the basic amount of the performance-linked compensation is calculated based on the level of achievement in actual value(s) against the target value(s) of key performance indicator(s) and performance metrics that form the basis for their calculation. In addition, qualitative evaluation competitor benchmarking is also reflected when determining final annual bonus amount.
 - With respect to Directors and other Executive Officers, the amount of annual bonus is determined with the annual bonus of Group CEO as standard baseline, taking into consideration roles and responsibilities, local remuneration regulations and compensation levels in each jurisdiction etc., in addition to a qualitative evaluation of individual performance.
 - Audit Committee members and Outside Directors are not bonus-eligible in order to maintain and ensure their independence from business execution.
- a) Annual Bonuses
In principle, certain portion of any annual bonus payment should be deferred.
- b) Long-term Incentive Plan
Payments under long-term incentive plans are made when a certain degree of achievements are accomplished. Payments are made in stock-based compensation awards.

The Outline of Current Stock Based Compensation Awards is as Follows.

Type of Award	Key Features
Restricted Stock Units (“RSUs”)	<ul style="list-style-type: none">• Introduced as the main form of deferred compensation since the fiscal year ended March 31, 2018.• Settled in the Company’s common stock.• Graded vesting period is set as three years in principle.
Notional Stock Units (“NSUs”)	<ul style="list-style-type: none">• Linked to the price of the Company’s common stock Cash-settled in local currency.• Graded vesting period is set as three years in principle.
Performance Share Units (“PSUs”)	<ul style="list-style-type: none">• Introduced as the Long Term Incentive Plan since the fiscal year ended March 31, 2024.• The number of shares to be awarded will be determined by depended on the degree of achievement of the performance targets of the three fiscal years.• Performance evaluation period is set as more than three years in principle.

● Effect of Payment of Stock Based Compensation as Deferred Compensation

By providing equity-linked compensation as deferred compensation, the economic value of the compensation is linked to the stock price of Nomura, and a certain vesting period is set.

- » Alignment of interests with shareholders.
- » Medium-term incentives and retention by providing an opportunity for the economic value of Deferred Compensation at the time of grant to be increased by a rise in shares during a period of time from grant to vesting.
- » Promotion of cross-divisional collaboration and cooperation by providing a common goal of increasing corporate value over the medium- to long-term.

Due to these benefits, the active use of Deferred Compensation is also recommended by regulators in the key jurisdictions in which we operate.

With respect to Deferred Compensation in Nomura, a deferral period is generally three or more years from the following fiscal year or later. This is in line with the "Principles for Sound Compensation Practices" issued by the Financial Stability Board which recommends, among other things, a deferral period of three or more years.

● Sound and Effective Risk Management

We seek to maintain sound and effective risk management with an appropriate risk appetite. We update performance measurement metrics and indicators used for determining compensation by considering both financial and non-financial risks underlying each business. Qualitative factors such as conduct, compliance, professional ethics and corporate philosophy are also considered in determining the final amount of remuneration provided to each officer and employee, which may include a reduction in compensation as a result of disciplinary actions. In addition, when granting compensation, it shall be specified that in the event of a material revision of financial statements or a material violation of applicable laws and regulations or Nomura Group rules and policies, compensation may be subject to reduction, suspension, forfeiture of rights, cancellation, offset by other compensation, or re-payment (so-called "clawback").

● Introduction of PSU

The Company has decided to introduce Performance-based Share Units (Performance Share Unit: PSU) as a long-term incentive plan. Under NHI's PSU program, the base number of NHI shares to be granted is initially determined based on NHI's performance and other factors each fiscal year. Following the performance period, the number of NHI shares to be awarded will vary from 0% to 150% of the base number of NHI shares depending on the degree of achievement of the performance targets for the three fiscal years. The performance indicators used in evaluation are ROE (average values over the performance evaluation period) and TSR (absolute values over the performance evaluation period).

Performance Evaluation Indicators and Grant Ratio

Performance Indicators	Composition Ratio	Change in the Grant Ratio	Evaluation Method
ROE	50%	0% -150%	Calculated based on the actual (average) values for the three-year performance evaluation period
TSR	50%	0% -150%	Calculated based on the actual value (absolute value) during the three-year performance evaluation period

Calculation Method for the Base Number of Shares and the Number of Shares to be Granted

Calculation method for the base number of shares

The base number of NHI shares shall be calculated by dividing the amount determined with reference to the performance and qualitative evaluation of the target fiscal year, as well as competitor benchmarking with the NHI share price at the time of grant.

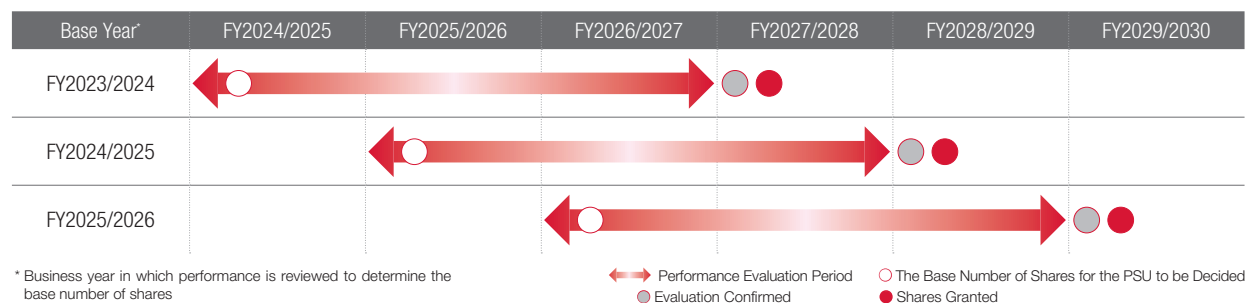
Calculation method for the number of NHI shares to be granted

After the end of the performance evaluation period, the number of NHI shares to be granted will be calculated in accordance with the predetermined method.

For more details, please refer to our website
<https://www.nomuraholdings.com/company/cg/compensation.html>

Performance Evaluation Period and Payment Schedule

The performance evaluation period shall be three years from the fiscal year in which the base number of PSUs is determined. After the performance evaluation period has concluded, the evaluation shall be finalized and the stock compensation based on PSUs shall be paid.



Delivery Method

The NHI shares awarded at the end of the performance evaluation period will be primarily issued from treasury stock.