

ESG (Environment, Social and Governance) initiatives

Nomura Holdings, Inc.

December 2019

1**Introduction**

2

Nomura's ESG (Environment, Society and Governance)

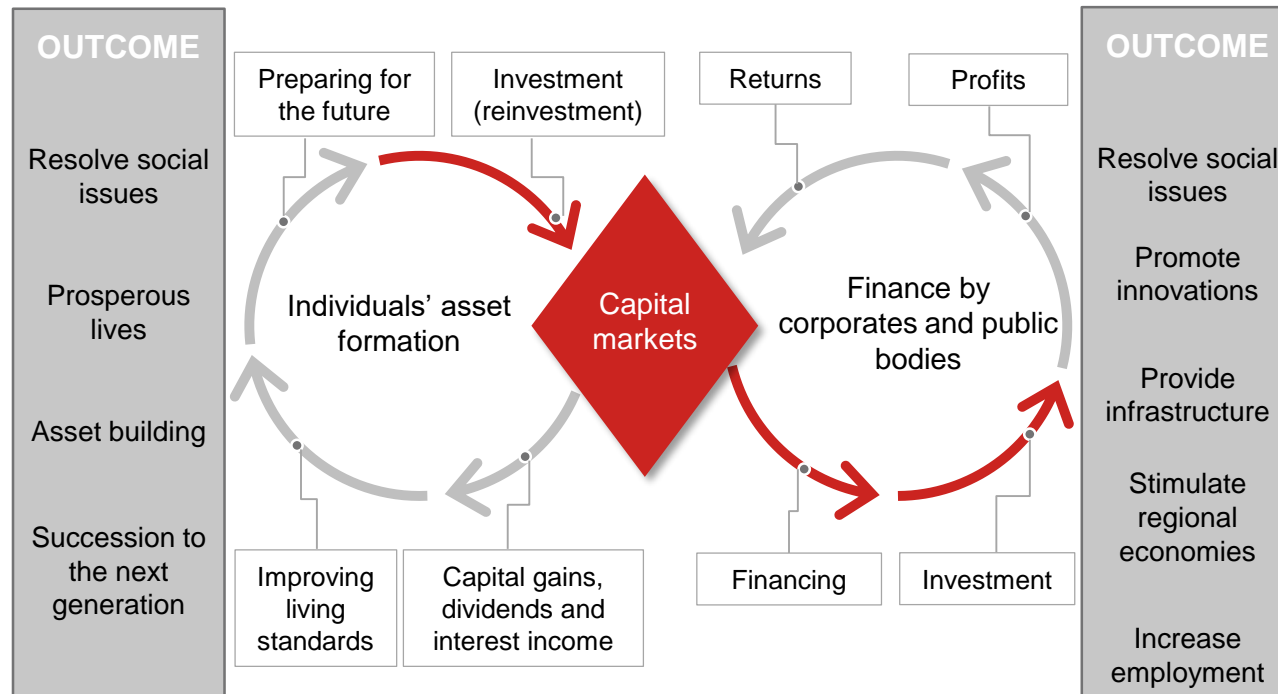
3

Strengthening the Corporate Governance System

4

Activities of the Board of Directors

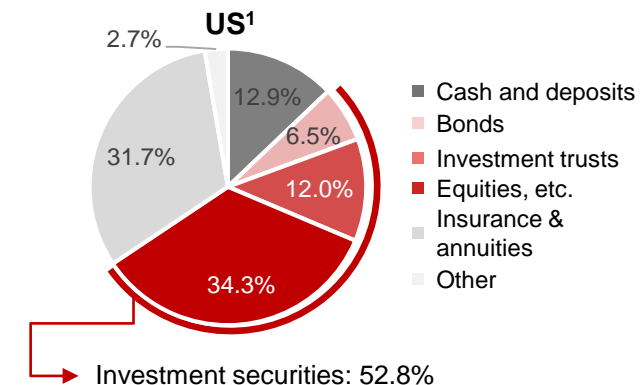
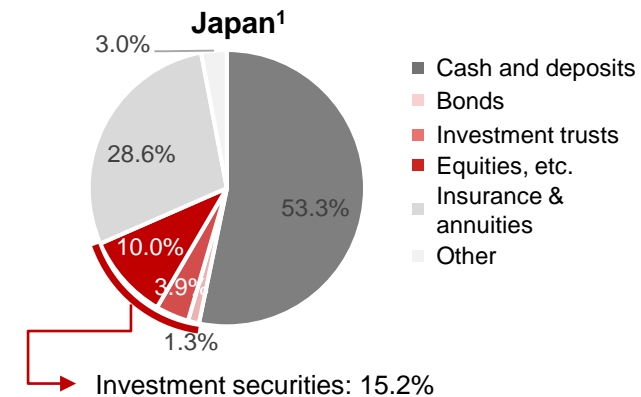
Social contribution through risk capital cycle



Nomura connects both investors and companies to the capital markets, thereby supporting the productive use of risk capital, paving the way to a better future.

Challenges in Japan

- More than 50% of individual financial assets sits in cash and bank deposits
- Shift from saving to asset building still halfway



Mission

Contributing to Society

We help to enrich society through our expertise in capital markets

Vision

Trusted Partner

As a leading financial institution, we aim to be the most trusted partner for our clients

Values

Entrepreneurial Leadership With passion and courage, we continually innovate to meet the needs of our stakeholders

Teamwork To build our values and 'Deliver Together', we promote diversity and collaboration across divisions and regions

Integrity Personal integrity is paramount to us. We act honestly, fairly and openly

1

Introduction

2

Nomura's ESG (Environment, Society and Governance)

3

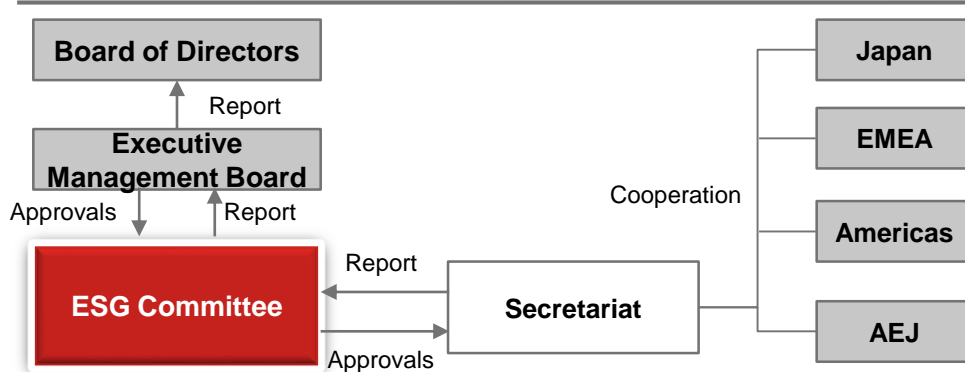
Strengthening the Corporate Governance System

4

Activities of the Board of Directors

- The Nomura Group reorganized the CSR Committee chaired by an executive officer into the ESG Committee chaired by the Group CEO in FY2018/19, in an attempt to deal with issues related to ESG in ways that are more strategic than before

Framework



ESG Committee members, and discussions in FY2018/19

Chairman	Group CEO
Members	Nomura Group executives in charge of businesses and corporates
# of meetings	2 (from April 1, 2018 to March 31, 2019)
Agenda	<ul style="list-style-type: none"> Matters concerning ESG initiatives and information disclosure Matters concerning fundamental ESG policy ESG risks and opportunities Reports related to climate change
Outline of discussions	<ul style="list-style-type: none"> Formulation of the Nomura Group ESG Statement Review of material ESG issues (materiality) Response to TCFD Matters concerning Medium/Long-term CO₂ Emission Reduction Target Matters concerning sustainable development goals (SDGs), etc.

Initiatives in FY2018/19 and onwards

Jul 2018

Nomura Holdings pledged support for TCFD

TCFD

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Sep 2018

Conducted group work on the subject of the SDGs in Nomura Group Executive Meeting (incl. Outside Directors)

- Relationship between long-term management vision (Vision C&C) and SDGs
- Changes in the relationship between Nomura and stakeholders
- Deepening Nomura's sustainable growth model

Dec 2018

Established mid- and long-term CO₂ emission reduction targets

Area	Global	
Target type	Absolute	
Base year	FY2012/13	
Target years	Mid-term	Long-term
	FY2030/31	FY2050/51
Level	32% reduction	65% reduction

Jan 2019

Established Nomura Group ESG Statement

To further promote the realization of a sustainable environment and society by informing stakeholders of our approach to ESG-related activities and our envisaged response to environmental and social risks.

Mar 2019

Nomura Asset Management pledged support for TCFD

Jul 2019

Identified “Nomura Group Materiality” by comprehensively reviewing management issues and key traditional ESG issues

Nomura Group Materiality

Identified “Nomura Group Materiality” by comprehensively reviewing management issues and key traditional ESG issues

Nomura Group Materiality			
	Categories	Material issues	Metrics
Platform toward sustainable growth	Corporate governance	Strengthen corporate governance	<ul style="list-style-type: none"> Diversity of the Board of Directors Reflecting qualitative factors such as compliance in executive compensation
	Compliance	<ul style="list-style-type: none"> Instilling the Code of Conduct and ensuring an operational framework Legal compliance and reporting of violations Fair financial business practices Prevent bribery Prevent financial crime 	<ul style="list-style-type: none"> Number of calls to compliance hotline Compliance training Status of compliance with Code of Ethics Understanding of policies for providing gifts and entertainment Progress in building the operational framework
	Risk management	<ul style="list-style-type: none"> Establish and strengthen risk management systems Ensure financial soundness and transparency Business resilience Address social and environmental risks 	Risk Appetite Monitoring
	Human resources valuing diversity	<ul style="list-style-type: none"> Nurture human resources Diversity and inclusion Create employee-friendly work environment 	<ul style="list-style-type: none"> Employee satisfaction survey Education/training expenses Number of female managers Use of childcare and family nursing care support plans
Initiatives toward sustainable growth	Contribute to sound and sustainable capital markets	<ul style="list-style-type: none"> Offer high-quality financial services to diverse clients Products and services that address environmental and social issues Customer protection and information security Improve financial literacy 	<ul style="list-style-type: none"> Customer satisfaction level Number of complaints Sustainable finance issuance amount Financial and economic education activities Sustainable investment ratio
	Business selection and focus	Flexible review of business portfolio	<ul style="list-style-type: none"> Optimal allocation of resources Enhancing profitability EPS
	Contribute to a sustainable Environment	<ul style="list-style-type: none"> Promote environmental conservation initiatives Combat climate change and protect natural capital through our business activities 	CO ₂ emissions
	Contribute to a sustainable society	<ul style="list-style-type: none"> Global initiatives Dialogue with stakeholders Respect human rights 	<ul style="list-style-type: none"> Community contribution expenditures Dialogue with stakeholders

Realization of corporate philosophy

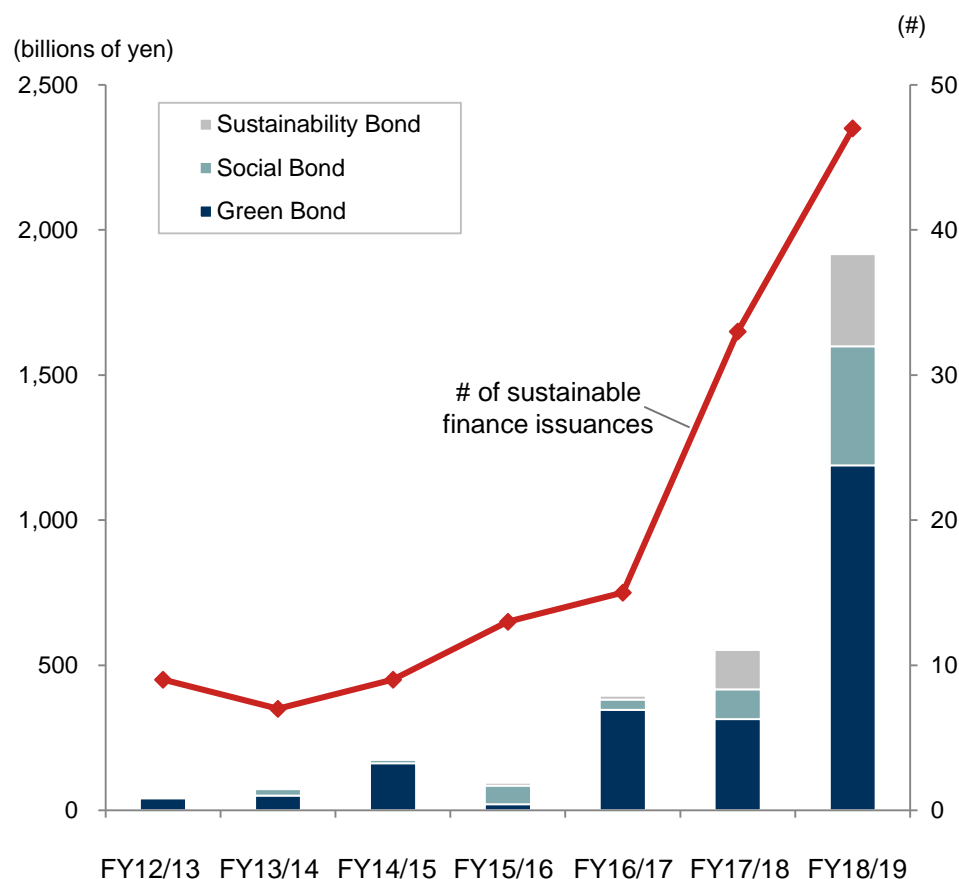
SDGs



ESG: Sustainable finance

- With the UN's sustainable development goals gaining recognition, we are seeing growing demand for SDG bonds (green bonds, social bonds, sustainability bonds, etc.)

Volume and number of sustainable finance issuances Nomura involved in



Examples and success of initiatives aimed at developing sustainable finance

<p>International Capital Market Association</p> 	<ul style="list-style-type: none"> Only Japanese firm to join The Green Bond Principles and The Social Bond Principles advisory council* <p>* New advisory body set up to support the executive committee that sets the rules for the Green Bond Principles, The Social Bond Principles, sustainability bond guidelines, etc. and develop systems better aligned to market circumstances</p>
<p>Published first index for Japan SDG bonds, NOMURA-BPI SDGs (November 2019)</p>	<ul style="list-style-type: none"> Result of joint research with Nomura Research Institute Investment performance calculated using SDG bonds chosen from NOMURA-BPI component universe based on certain criteria
<p>Research group on sustainable development of ESG bond market</p>	<ul style="list-style-type: none"> Set up by Nomura Institute of Capital Markets Research consisting mainly of external experts Issued research report in June 2019: The Era of Sustainable Finance – ESG/SDGs and the bond market
<p>Global Capital Green / SRI Awards 2019</p> 	<ul style="list-style-type: none"> Ranked second in Most Impressive Investment Bank for Asia Pacific Green/SRI Capital Markets

1

Introduction

2

Nomura's ESG (Environment, Society and Governance)

3

Strengthening the Corporate Governance System

4

Activities of the Board of Directors

Outline of Nomura Holdings Corporate Governance Guidelines

- **Corporate Governance Code established in 2015**
- **Aim to define and contribute to the realization of a framework of effective corporate governance as a structure for transparent/fair and timely/decisive decision-making**

Board of Directors

- Delegate its authority to execute business to Executive Officers and focus on management oversight
- Diversity that enables active discussions from diverse perspectives
- Majority of members is Outside Directors
- Three board committees established
- Analyze and evaluate the effectiveness of the Board and disclose the results

Internal Controls System

- Oversee status of maintenance and operation of internal controls through audits by Audit Committee and activities by Internal Audit
- Internal Controls Committee chaired by CEO and attended by Audit Committee members established for the purpose of strengthening and enhancing the Internal Controls System.
- Involvement of Audit Committee in implementation plans of the Internal Audit as well as in election and dismissal of Head of the Internal Audit

Risk Management

- Ensure financial soundness and to maintain and improve corporate value, management shall establish a risk management framework and the Board of Directors shall oversee the effectiveness of the framework

Dialogue with Shareholders

- Treat shareholders equally and disclose information appropriately and timely to avoid information disparity
- Take necessary measures to ensure that shareholders are not unfairly precluded from exercising their rights
- Endeavor to enhance dialogue and provide explanations on general policies for allocation of management resources
- Share outcomes of such dialogue with the Board of Directors

Policy for Strategic Shareholdings

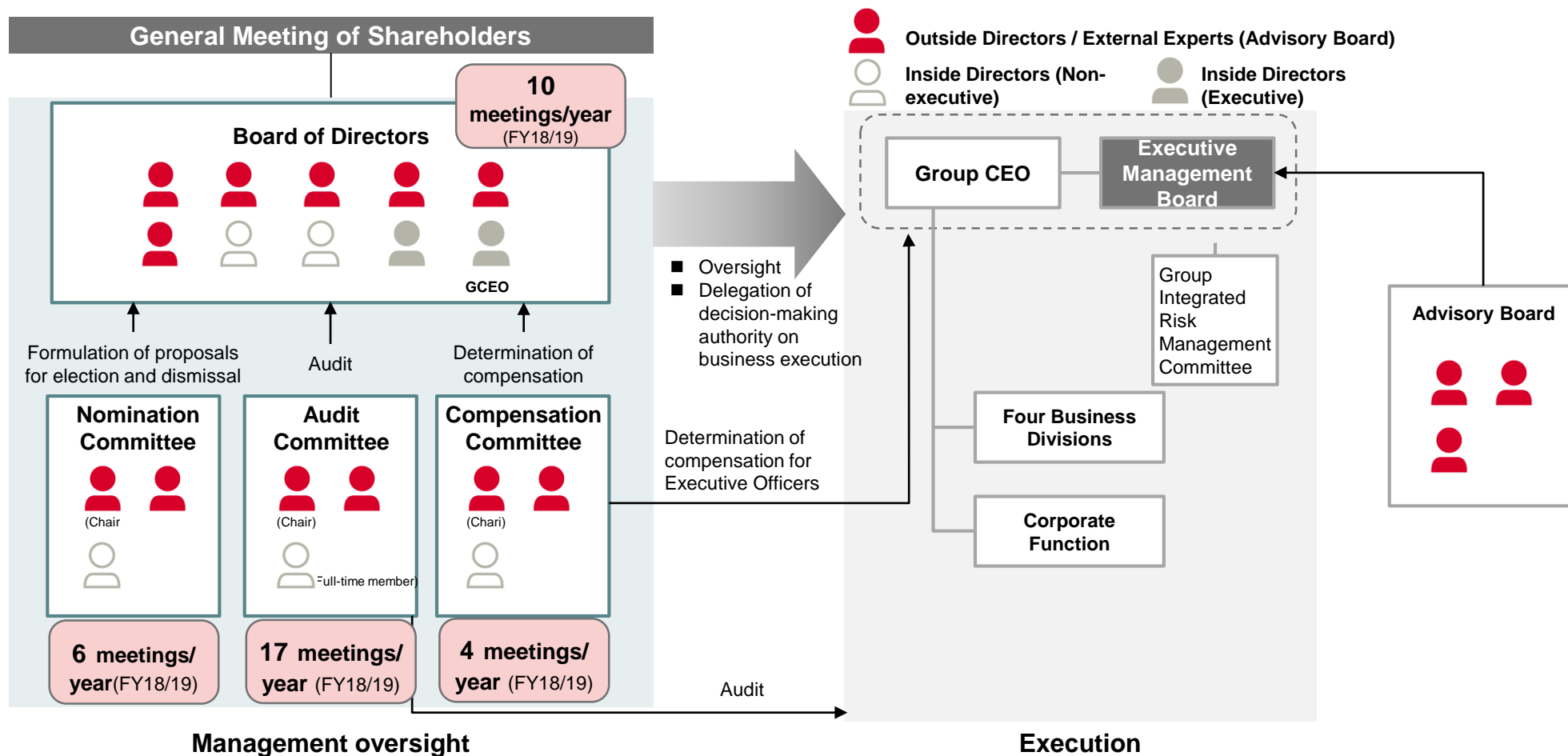
- Ongoing discussions concerning the purpose of strategic shareholdings
- Hold shares only if such shareholdings contribute to maintaining/enhancing the corporate value of Nomura Group
- As a result of the discussion, concerning stocks whose sale has been determined to be reasonable, we proceed with sale of such stocks while taking into consideration impact on the market and other circumstances

Fulfill Corporate Responsibilities

- Established "Nomura Group Code of Conduct" as guidelines for each director, officer, and employee of Nomura Group to comply with
- Enhance corporate value in long-term by respecting diversity and establishing a sound workplace to enable all directors, officers, and employees to perform at their full potential
- Actively engage in ESG-related activities for sustainable growth and solving social issues, in addition to contributing to expanding securities markets through daily business

Corporate Governance Structure

- In 2001, Nomura formed a holding company structure; Nomura Holdings listed its shares to NYSE, introduced an outside director system for the first time among other Japanese companies
- In 2003, transition to Company with Committees (currently referred to as a Company with Three Board Committees)
- Separation of management oversight from execution to reinforce supervision. Delegation of decision-making on business execution to executive directors for swift decisions



Independence Criteria for Outside Directors, Measures to avoid Conflict of Interests

- The nomination committee, comprised its majority of outside directors based on the independence criteria, shall determine proposals concerning election of directors to be submitted to the Board
- Respective regulations of the Board and committees articulate measures to avoid conflict of interests in resolutions

Independence Criteria for Outside Directors (excerpt)

The person, currently, or within the last three years*, shall not correspond to a person listed right

(1) Person Related to the Company

A person satisfying any of the following requirements shall be considered a Person Related to the Company:

- Executive of another company where any Executive of the Company serves as a director or officer of that company;
- Major shareholder of the Company (directly or indirectly holding more than 10% of the voting rights) or Executive of such major shareholder; or
- Partner of the Company's accounting auditor or employee of such firm who works on the Company's audit.

(2) Executive of a Major Lender (*2) of the Company.

(3) Executive of a Major Business Partner (*3) of the Company (including Partners, etc.).

(4) A person receiving compensation from the Nomura Group of more than 10 million yen per year, excluding director/officer compensation.

(5) A person executing the business of an institution receiving more than a Certain Amount of Donation (*4) from the Company.

The person's spouse, relatives within the second degree of kinship or anyone who lives with the person shall not correspond to a person listed right (excl. persons in unimportant positions)

(1) Executive of the Nomura Group; or

(2) A person identified in any of subsections (1) ~ (5) above

- NYSE criteria for outside director independence about so-called cooling-off; 3 years¹

Countermeasures to conflict of interests in resolutions

Regulations of the Board of Directors

Regulations of the Nomination Committee

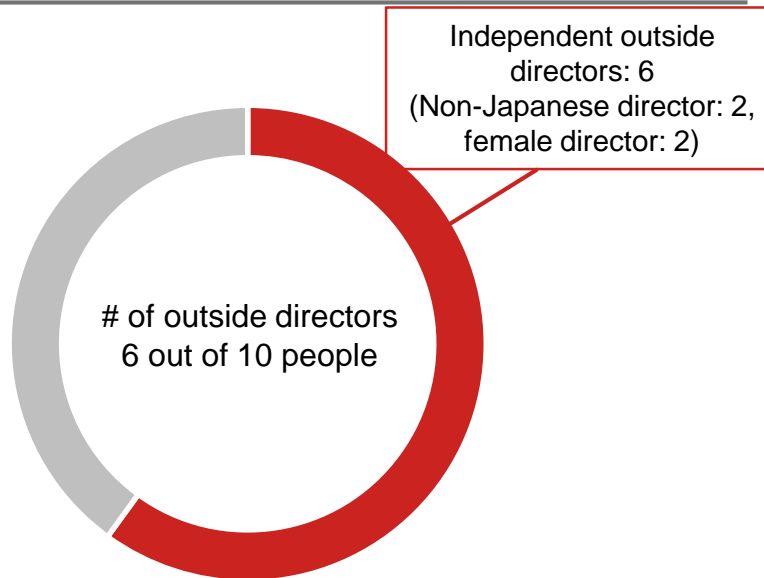
Regulations of the Compensation Committee

Article 9. (Resolutions)

1. The resolution of a meeting of the Board of Directors shall be adopted by an affirmative vote of a majority of the Directors present which Directors present shall constitute a majority of all Directors then in office who are entitled to participate in the voting.
2. No director who has a special interest in any matter requiring a resolution shall be entitled to participate in the voting on such matter.

1. New York Stock Exchange Listed Company Manual 303A.02 Independence Tests

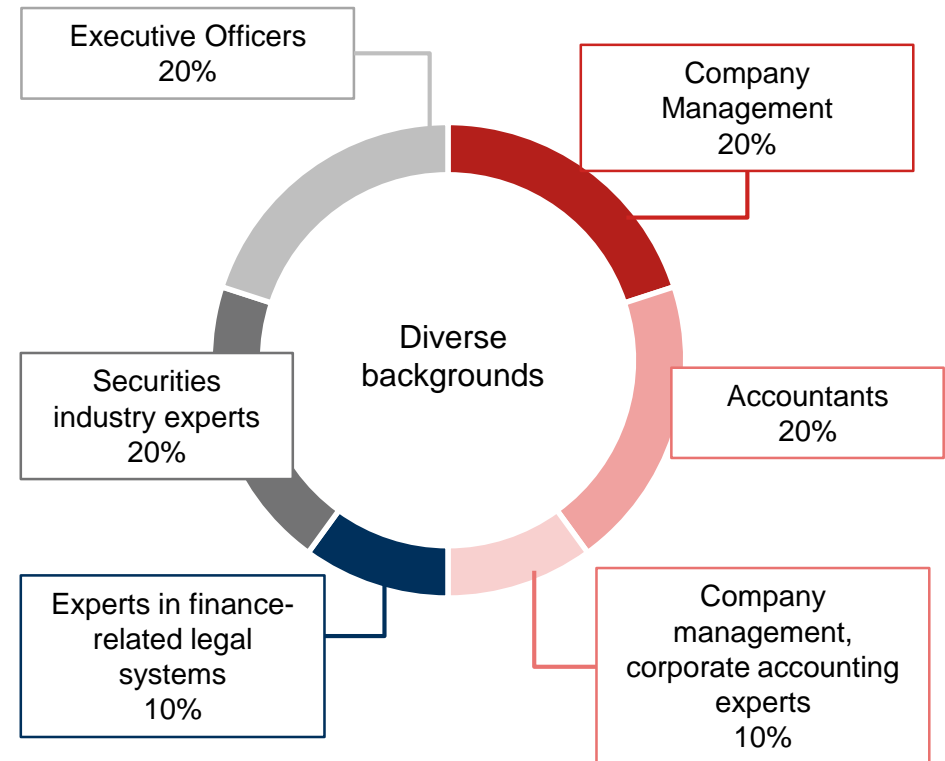
Highly-independent Board of Directors



Board Training Program

- Training for new outside directors
 - In order to deepen the understanding of Nomura Group and its internal controls, approximately three days of training were provided on Nomura Group overview, business model, general shareholders meetings and committees, finance, risk management, compliance, litigation and notification, internal audit, and internal investment rules.
- Others
 - Ethics training is conducted once a year for executives (Including outside directors) in order to further raise their awareness of professional ethics.

Leveraging diversity of expertise and experience



Each director's profile and role (1)

Name		Year of appointment	Involved Committee ¹			Experience					Background	No. of significant concurrent positions other than Nomura Group
			Nomination	Compensation	Audit	Corporate management	International business	Securities industry	Accounting/Financial	Legal/Regulations		
Nobuyuki Koga	Non-Executive Director (Chairman of the Board of Directors)	Jun. 1995	○	○		✓	✓	✓			Mr. Koga has been a non-executive director of the company since June 2008. He also has not been involved in an execution of the company's subsidiary, Nomura Securities Co., Ltd. since June 2011	1
Hisato Miyashita	Non-Executive Director	Jun. 2016			○		✓	✓		✓		-
Hiroshi Kimura	Outside Director	Jun. 2015	◎	◎		✓	✓				Mr. Kimura has extensive experience with respect to corporate management and has held positions such as President, CEO and Representative Director of the Board of JT and Chairman of the Board of JT	2
Kazuhiko Ishimura	Outside Director	Jun. 2018	○	○		✓	✓				Mr. Ishimura has extensive experience with respect to corporate management and has held positions such as Representative Director and President and CEO, and Chairman of the Board of AGC	3
Noriaki Shimazaki	Outside Director	Jun. 2016			◎	✓	✓		✓		Mr. Shimazaki has extensive experience with respect to corporate management and a high degree of expertise with regard to international accounting systems corresponding to a Sarbanes-Oxley Act of 2002 financial expert. He has held positions such as Representative Director and Executive Vice President of Sumitomo Corporation, Member of the Business Accounting Council of the Financial Services Agency, Trustee of IASC Foundation, Special Advisor of Sumitomo Corporation and Director of the Financial Accounting Standards Foundation	1

1. ◎: Chairman of the Committee, ○: Member of the Committee

Each director's profile and role (2)

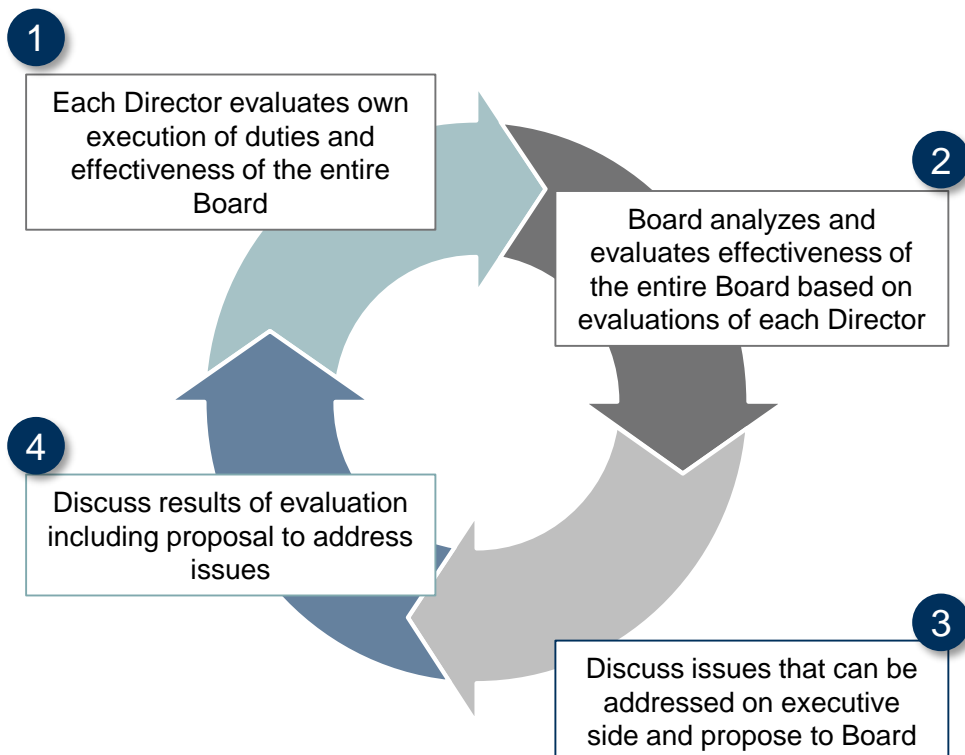
Name		Year of appointment	Involved Committee ¹			Experience					Background	No. of significant concurrent positions other than Nomura Group
			Nomination	Compensation	Audit	Corporate management	International business	Securities industry	Accounting/Financial	Legal/Regulations		
Mari Sono	Outside Director	Jun. 2017			○				✓	✓	Ms. Sono has a high degree of expertise with respect to corporate accounting based on many years of experience as a Certified Public Auditor, Tokyo, and Member of "Business Accounting Council," Ministry of Finance. Further, after retiring from the Audit Firm, she served as Commissioner of the Securities and Exchange Surveillance Commission	-
Michael Lim Choo San	Outside Director	Jun. 2011					✓		✓		Mr. Lim is well-versed in international accounting systems and has held positions, including Executive Chairman of PricewaterhouseCoopers (Singapore) and public service roles in Singapore	1
Laura Simone Unger	Outside Director	Jun. 2018								✓	Ms. Unger, by serving as a Commissioner and as Acting Chairman of the SEC, etc., is well-versed in finance-related legal systems	2
Koji Nagai	Executive Officer	Jun. 2013				✓	✓	✓				-
Shoichi Nagamatsu	Executive Officer	Jun. 2018				✓	✓	✓				-

1. ◎: Chairman of the Committee, ○: Member of the Committee

Evaluation of effectiveness of Board

- Conducting evaluations on the effectiveness of the Board of Directors since FY2015/16
- Each Director assesses management of Board, including quantity and quality of information offered and discussions by Board, sharing findings at Board and learn from the results in order to continue strengthening their oversight function.

PDCA cycle to ensure effectiveness of Board



Evaluation Items

- Constitution and management of the Board of Directors
- Information provision to the Board of Directors
- The Board of Directors' involvement in management goals and strategy
- The Board of Directors' function ability to oversee management
- Constitution and management of the Nomination, Audit and Compensation Committees
- Monitoring of the state of dialogues with stakeholders
- Management of Outside Directors Meetings, etc.

Response to results

- In response to the growing global interest in preventing money laundering, Nomura Group substantially increased its compliance reporting, including these initiatives at the Board of Directors.
- At the Executive Officers' and Executive Officers' Meeting, where outside directors also attend, the SDGs were taken up as a theme, and discussions were held on the relationship with Vision C&C, the sustainable growth model that Nomura should aim for, priority issues, and measures to solve them.

Next schedule

- Evaluation for the current fiscal year will start around December 2019, and will be disclosed in the Corporate Governance Report in early April 2020

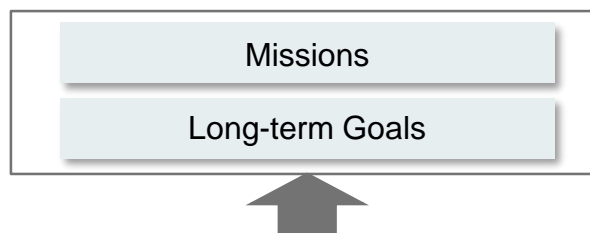
Remedial action plan on improper communication of information, and its progress

Progress of 11 action plans (as of November 2019)

Actions to be taken	Embed the mindset of a Code of Conduct that fulfills the role the public expects financial institutions to play, and create an environment to maintain and improve self-discipline	1. Embed mindset of "Conduct"	<ul style="list-style-type: none"> ✓ Reflect the concept of conduct risk in 2019 "Nomura 'Founding Philosophy and Corporate Ethics Day'" ✓ "Code of Conduct (Nomura Group Code of Conduct)" enacted and announced in Dec. 3
		2. Review of performance evaluation system	<ul style="list-style-type: none"> ✓ Implemented incentives to facilitate good conduct adhered to "Code of Conduct" into performance evaluation systems
		3. Enhance recognition / credibility of Compliance Hotline	<ul style="list-style-type: none"> ✓ Registered Obtained its whistleblowing system under Japan's Consumer Affairs Agency's "Whistleblowing Compliance Management System" ✓ Disseminate and disseminate information on the operation of the whistle-blowing system to the entire company
	Reorganize the Wholesale Equities business to ensure that our people are incentivized to contribute to the development of the capital markets	4. Review of organization structure and establishment of new evaluation regime	<ul style="list-style-type: none"> ✓ Reorganized Wholesale Equities business and Research
		5. Establishment of systems for information protection and proper management	<ul style="list-style-type: none"> ✓ Established basic rules around exchange of information between GM and Research ✓ Checking broad disseminations of emails and determining necessity
	Establish a framework to tightly control not only corporate confidential information, but also non-public information that could materially affect investment decisions	6. Stricter management of important non-public information obtained from public organizations, etc., and re-enforcement of existing rules	<ul style="list-style-type: none"> ✓ Introduction and implementation of new rules and implementation of training
		7. Handling of information dissemination by other internal and external experts	<ul style="list-style-type: none"> ✓ Establishment of the "Guidelines on the Handling of Information Related to Members of Public External Organizations"
		8. Review of outsourcing agreements	<ul style="list-style-type: none"> ✓ Review of contracts with third party, including confidentiality clauses
		9. Verification by third-parties	<ul style="list-style-type: none"> ✓ Develop plans to conduct governance and framework audits for conduct risk management and conduct follow-up reviews of other key remedial actions
	Efforts for the completion of remedial action plans, Clarification of responsibilities	10. Management efforts to complete improvement measures	<ul style="list-style-type: none"> ✓ Continue efforts to instill "Code of Conduct" ✓ Top management visits departments and branches to continue dialogue with employees
		11. Clarity of responsibilities	<ul style="list-style-type: none"> ✓ Announced punitive actions to individuals on 24 May press release

Corporate Culture and Ethics

- Shared values to realize our social mission and long-term strategic goals
- Creating optimal value for customers and society by making the most of individual capabilities and their diversity, while all officers and employees are conscious of their thoughts and actions based on common sense and Code of Conduct



Corporate Culture

Value

Entrepreneurial Leadership With passion and courage, we continually innovate to meet the needs of our stakeholders
Teamwork To build our values and 'Deliver Together', we promote diversity and collaboration across divisions and regions
Integrity Personal integrity is paramount to us. We act honestly, fairly and openly

Capable individual

- Since its foundation, Nomura believes the most valuable assets are our “people”
- We are striving to hire capable individuals globally

Co-existence of “capable individuals” and “diversity”

To our customers and society, deliver optimal value

Diversity

- People from approx. 90 countries working at Nomura
- Diversity is source of Nomura's long-term competitiveness as it accurately responds to clients' needs and changes in society and contributes to improving quality of decision-making and productivity of services
- Implementing flexible human resource management that emphasizes diversity so that various human resources can fully demonstrate their abilities and individuality and play active roles

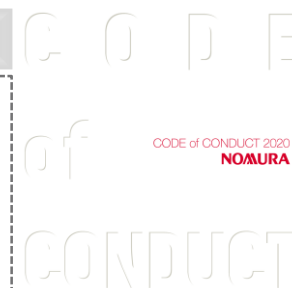
Ethics, principles

Announce “Code of Conduct”, standards for all employees to make appropriate decisions and actions based on ethics

Announcement of “Code of Conduct”

Aim

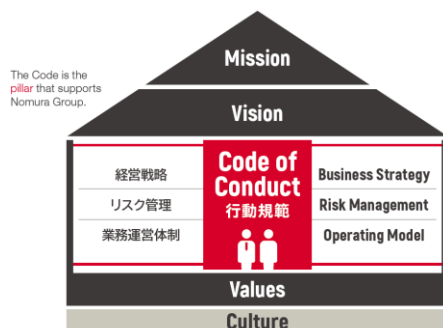
- As we work to realize our mission and vision, everyone at Nomura is expected to uphold the values of entrepreneurial leadership, teamwork and integrity that underpin us as a firm. This Code of Conduct sets out guidelines to help us translate our values into actions.
- Declaration of Nomura's commitment to customers, society and ourselves



Outline

What does the Code mean?

Explanation of the positioning of the Code of Conduct



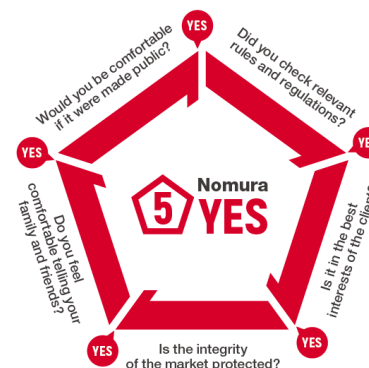
How do we implement the Code?

Responsibility of managers

Employees	Have a responsibility to follow the Code as a member of Nomura Group. By putting the Code into practice, meet the trust and expectations of our clients and contribute to ensuring market integrity.
Managers	In addition, all managers have the following responsibilities.
Lead by example	Managers are expected to lead their team in the right direction by adhering to the Code.
Embed the Code	Managers are expected to properly explain the content of the Code to their team and ensure each team member fully understands.
Provide an open environment	Managers should respect each member of their team and listen closely to their ideas to encourage an environment of open discussion.
Help your people grow	Managers should acknowledge the differences of each individual in their team and provide guidance and development opportunities as necessary.
Evaluate fairly	When evaluating their team members, managers should take into account each person's skill-set, attitude, awareness of compliance, and leadership.

Five questions to ask when in doubt

Basic questions to ask oneself



Our conducts

Each items in detail



Guidelines for translating the values of “entrepreneurial leadership”, “teamwork” and “integrity” into concrete actions

Instill Business Practices, Professionalism; Training programs for Employees

Compliance training

Nomura Securities provides officers and employees with training on compliance in a planned manner on such themes as anti-money laundering and terrorist financing, conflict of interest management, prevention of insider trading, compliance with firewall regulations, and thorough management of customer information. The purpose of this training is to raise the level of knowledge of relevant laws and regulations of officers and employees, to raise their awareness of compliance, and to foster a corporate culture that pursues appropriate business practices

Training required by the regulations of the Japan Securities Dealers Association	Training for sales managers, internal control managers, and employees engaged in internal control activities Training to improve the quality of sales representatives
Training mandated by the compliance program	Training for branch managers, general affairs managers, new employees, new managers, etc. Business Manager* ¹ Training Compliance Hours at Sales Departments and Offices* ²
Training to create a corporate culture that pursues appropriate conduits	<ul style="list-style-type: none"> ■ Professional ethics training <ul style="list-style-type: none"> ✓ Conduct ethics training to help employees better understand social responsibilities in order to further raise awareness of professional ethics ✓ Implementation in FY 2019, conducted training in conjunction with "Nomura 'Founding Philosophy and Corporate Ethics' Day" ■ "Nomura 'Founding Philosophy and Corporate Ethics' Day" Initiatives <ul style="list-style-type: none"> ✓ Based on a deep remorse for the misconduct caused in the past, August 3 has been designated "Nomura 'Founding Philosophy and Corporate Ethics' Day" since 2015. ✓ Since then, in August every year, we have reconfirmed our corporate culture and corporate ethics based on spirit of our founding, and reaffirm the lessons learned from past scandals ✓ Implement the following measures to reaffirm our resolutions to prevent the recurrence of misconduct and to earn and maintain trust of society <ul style="list-style-type: none"> (1) Viewing of video materials (2) Holding of opinion exchange meetings (3) Submission of a statement of intent on preventing the weathering of scandals
Other Training	<ul style="list-style-type: none"> ■ Compliance training for all employees ■ Compliance training for Investment Banking, Global Markets, Global Research, and Fiduciary Services Research Center ■ Regular training for head office managers and business managers ■ Knowledge Improvement Training for General Affairs Division of Branches ■ Lectures on compliance at various training and meetings

1. The system was established after the second scandal involving an extortionist that was found to have provided profits and compensated for losses. This is a system unique to Nomura, and appointed by appointment.

2. In order to ensure thorough compliance throughout all employees, we hold monthly seminars for Nomura Securities sales departments and branches.

Whistleblowing systems: Nomura Group Compliance Hotline

Whistleblowing systems ~ Nomura Group Compliance Hotline

Purposes

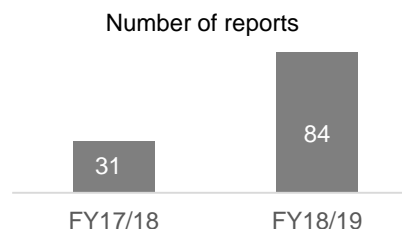
Established for fostering a sound corporate culture and corporate ethics through an early detection and correction of illegal acts and scandals

Structure

- ✓ Nominated a total of 4 information counselors: 2 internal directors (Compliance, IA) and 2 external lawyers
- ✓ Two methods are prepared: one to provide information directly to internal directors, and the other to via a tool provided by an external contractor
- ✓ Type of information recipient and methods can be freely selected by a reporter.

Trend in number of users

- ✓ Substantial increase in fiscal 2019
- ✓ Background of the increase; use of the tools provided by external vendors to enhance anonymity and an implementation of publicity campaigns



Initiatives to enhance credibility of system

- Registration system
 - ✓ On November 15, 2019, registered as a registered operator of "Internal Reporting System Certification (Self-Declaration of Conformity Registration System; WCMS)¹" under the jurisdiction of the Consumer Affairs Agency.



- Deliver messages to employees
 - ✓ Messages are distributed periodically to all employees on promotion of use of the hotline.
 - ✓ In addition to scope of reportable matters and prohibition of disadvantageous treatment, flow of information from the receipt of reports and points for responding to investigations is also disseminated

1. Certification of the whistleblowing system (Self-Declaration of Conformity to Registration System): A system under which a designated registration organization registers the results of a business operator's verification of its whistleblowing system based on an application from the business operator and permits the use of the designated WCMS mark if the business operator evaluates its internal reporting system and complies with the standards for the whistleblowing system certification based on the "Guidelines for Private Business Operators on the Development and Operation of the Internal Reporting System Based on the Whistleblower Protection Act" (Established on December 9, 2016) established by the Consumer Affairs Agency.

1

Introduction

2

Nomura's ESG (Environment, Society and Governance)

3

Strengthening the Corporate Governance System

4

Activities of the Board of Directors

Main items discussed by the Board of Directors

- The Board of Directors discussed the following matters in FY2018/19.
- In addition, Outside Directors Meetings were held four times this year.

FY2018/19 1H

	Main agenda	Content of the discussion
1Q	FY17/18 results, dividend payouts	Company overview, performance and market environment by division and region, situation of competitors, etc.
	Changes to the basic polity on dividends, etc.	Specifying total return ratio of 50% or more in the basic policy
	Business execution report	Current status of the Wholesale Division and future measures
	Key Performance Indicators (KPIs) for client-oriented business operations	KPIs for realizing client-oriented business operations in Nomura Securities and Nomura Asset Management
	Risk management reports	Operational status of risk appetite and unauthorized access to the systems of overseas subsidiaries
	Compliance reporting	Recent issues, money laundering and counter-terrorism financing measures
2Q	FY18/19 1Q results	Company overview, situation by division and region, situation of competitors, etc.
	Business execution report	Establishment of a securities company in China and the outlook for business performance in the second quarter
	Report on audit activity findings	Responses from the executive side to recommendations from the audit committee
	Risk management reports	Status of risk appetite management
	Compliance reporting	Recent issues, money laundering and counter-terrorism financing measures

FY2018/19 2H

	Main agenda	Content of the discussion
3Q	FY18/19 2Q results, dividend payouts	Company overview, situation by division and region, situation of competitors, etc.
	Business execution report	Strategies in Wholesale Division and Retail Division to address megatrends
	Revision of Corporate Governance Guidelines	Company's response to the revision of the Corporate Governance Code
	Verification of the appropriateness of strategic shareholdings	Review of the results of discussions by the Policy Shareholding Review Committee
	Risk management reports	Status of Brexit compliance and risk appetite
	Compliance reporting	Recent issues, money laundering and counter-terrorist financing measures
4Q	FY18/19 3Q results	Company overview, situation by division and region, situation of competitors, etc.
	Business execution report	Current status of each division and future measures
	Strategy for non-face-to-face sales	Collecting new clients using digital technology
	HR related report	Introduction of new personnel system
	Business platform restructuring	Review of matrix management structure and corporate restructuring
	Risk management reports	Selection of conduct risks, system risks, geopolitical events, and risks related to climate change as themes to be addressed in the Risk Appetite Statement for FY19/20

Composition and role of Nomination / Compensation / Audit Committee

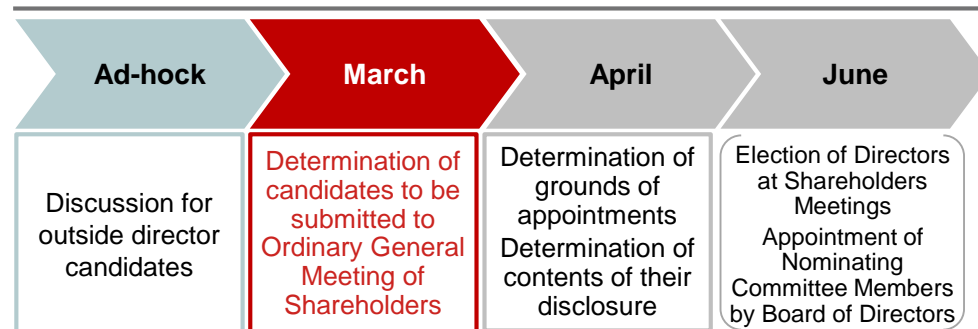
- To ensuring and improving the independence and transparency, Chairman of all three committees are Outside Directors

Composition and role of the three committees

	Composition	Role						
Nomination Committee	<table><tr><td>Hiroshi Kimura</td><td>Outside Director (Chairman)</td></tr><tr><td>Ishimura Kazuhiko</td><td>Outside Director</td></tr><tr><td>Nobuyuki Koga</td><td>Inside Directors (Non-executive)</td></tr></table>	Hiroshi Kimura	Outside Director (Chairman)	Ishimura Kazuhiko	Outside Director	Nobuyuki Koga	Inside Directors (Non-executive)	<ul style="list-style-type: none">● Determine the particulars of a proposal concerning the election and dismissal of Directors to be submitted to a general meeting of shareholders● Determine the independence criteria for Outside Directors● Determine the reasons why each person was designated as a Director nominee
Hiroshi Kimura	Outside Director (Chairman)							
Ishimura Kazuhiko	Outside Director							
Nobuyuki Koga	Inside Directors (Non-executive)							
Compensation Committee		<ul style="list-style-type: none">● Establish the policy with respect to the determination of the compensation and other remuneration of Directors and Executive Managing Directors● Determine the individual compensation and other remuneration of each Director and Executive Officers						
Audit Committee	<table><tr><td>Noriaki Shimazaki</td><td>Outside Director (Chairman)</td></tr><tr><td>Mari Sono</td><td>Outside Director</td></tr><tr><td>Hisato Miyashita</td><td>Inside Directors (Non-executive)</td></tr></table>	Noriaki Shimazaki	Outside Director (Chairman)	Mari Sono	Outside Director	Hisato Miyashita	Inside Directors (Non-executive)	<ul style="list-style-type: none">● Audit the execution by the Directors and Executive Officers of their duties and prepare audit reports● Determine the content of proposals concerning the election and dismissal of the accounting auditors to be submitted to a general meeting of shareholders
Noriaki Shimazaki	Outside Director (Chairman)							
Mari Sono	Outside Director							
Hisato Miyashita	Inside Directors (Non-executive)							

Election of Directors and Management

Nomination Committee Calendar for election of directors



Consideration in election of directors

Selection criteria based on personality, insight, ethics, deep knowledge and experience in ones area of expertise

As a general rule, majority of the board is composed of outside directors

Outside directors are required to comply with independence criteria

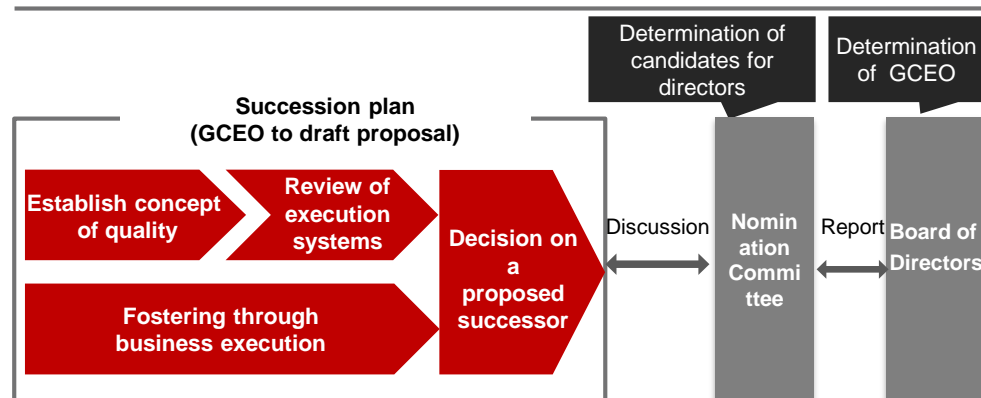
Including experts in finance, corporate management, law, etc.

Number of outside directors can hold concurrent positions at other listed companies up to 3.
In principle, there is 1 internal director (non-executive).

The term of outside directors is expected to be six years

As a general rule, the Group CEO and COO serve concurrently as directors

Succession plan for Group CEO and others



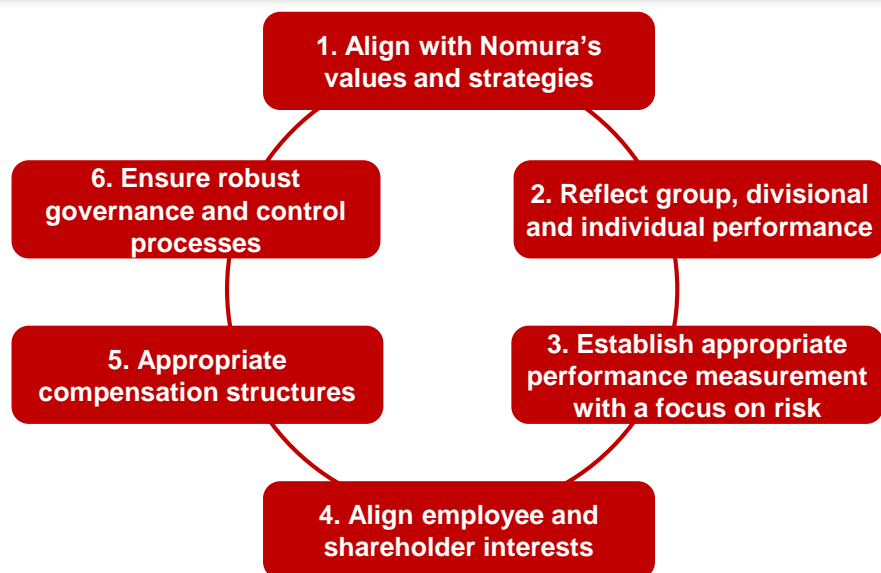
- Candidates from current GCEO are presented to Nomination Committee and elected by Board of Directors.
- The Nominating Committee and Board assess appropriateness of candidates at various angles such as audit hearings and board meetings

- The succession plan includes the concept of qualities required of Group CEO, business execution system that incorporates management environment and perspective of fostering successors, evaluation of the status of business execution under the business execution system, and specific succession proposals

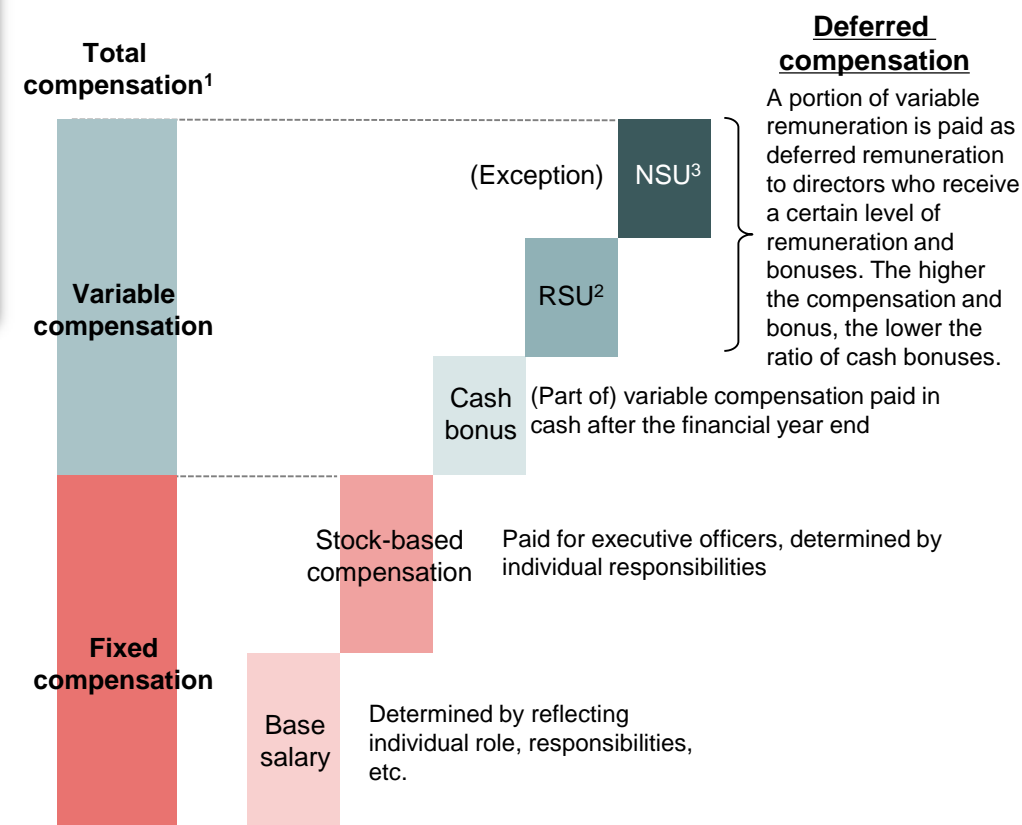
Compensation policy, framework for senior management

Compensation policy

- Human resources are Nomura Group's greatest asset in establishing a strong position as a globally competitive financial services group
- Established the "compensation policy" for Group officers and employees to secure, maintain, motivate, and develop excellent human resources.
- This will enable the Group to achieve sustainable growth, achieve long-term growth in shareholder value, provide added value to customers, demonstrate global competitiveness, and enhance Nomura's reputation.



Framework for senior management, method of determination for each component



1. This figure does not indicate the percentage of each remuneration, but shows the breakdown of remuneration.
 3. Right to choose either RSU and phantom stock is given to certain individuals.

2. Restricted Stock Unit

Disclaimer

- This document is produced by Nomura Holdings, Inc. (“Nomura”).
- Nothing in this document shall be considered as an offer to sell or solicitation of an offer to buy any security, commodity or other instrument, including securities issued by Nomura or any affiliate thereof. Offers to sell, sales, solicitations to buy, or purchases of any securities issued by Nomura or any affiliate thereof may only be made or entered into pursuant to appropriate offering materials or a prospectus prepared and distributed according to the laws, regulations, rules and market practices of the jurisdictions in which such offers or sales may be made.
- The information and opinions contained in this document have been obtained from sources believed to be reliable, but no representations or warranty, express or implied, are made that such information is accurate or complete and no responsibility or liability can be accepted by Nomura for errors or omissions or for any losses arising from the use of this information.
- All rights regarding this document are reserved by Nomura unless otherwise indicated. No part of this document shall be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior written permission of Nomura.
- This document contains statements that may constitute, and from time to time our management may make “forward-looking statements” within the meaning of the safe harbor provisions of The Private Securities Litigation Reform Act of 1995. Any such statements must be read in the context of the offering materials pursuant to which any securities may be offered or sold in the United States. These forward-looking statements are not historical facts but instead represent only our belief regarding future events, many of which, by their nature, are inherently uncertain and outside our control. Actual results and financial condition may differ, possibly materially, from what is indicated in those forward-looking statements. You should not place undue reliance on any forward-looking statement and should consider all of the following uncertainties and risk factors, as well as those more fully discussed under Nomura’s most recent Annual Report on Form 20-F and other reports filed with the U.S. Securities and Exchange Commission (“SEC”) that are available on Nomura’s website (<https://www.nomura.com>) and on the SEC’s website (<http://www.sec.gov>); Important risk factors that could cause actual results to differ from those in specific forward-looking statements include, without limitation, economic and market conditions, political events and investor sentiments, liquidity of secondary markets, level and volatility of interest rates, currency exchange rates, security valuations, competitive conditions and size, and the number and timing of transactions.
- Forward-looking statements speak only as of the date they are made, and Nomura undertakes no obligation to update any forward-looking statement to reflect the impact of circumstances or events that arise after the date the forward-looking statement was made.
- The consolidated financial information in this document is unaudited.

Nomura Holdings, Inc.
www.nomura.com/