

Nomura Group Governance

Nomura Holdings, Inc.

March 2021

FY2020/21 initiatives to further enhance corporate governance

New Group CEO took over in April last year and new executive team set up. During the current fiscal year we took the following steps to further enhance our governance in line with the global operating environment

FY2020/21 initiatives

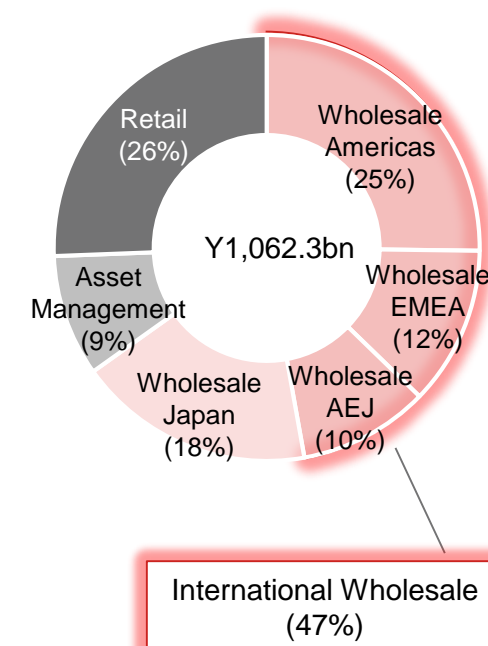
- We have continued to ensure a robust governance system in line with the changing times and business environment (see next page). Recently, the proportion of our international operations as part of our overall business portfolio has continued to increase, and this fiscal year we have considered to further enhance our governance to reflect the global operating environment.
- We have researched and verified¹ how a board of directors suitable for a global financial institution should be and discussed this several times at Board of Directors' meetings with a view to further enhancing governance. As a result, we decided to look into having a board of directors that emphasizes the monitoring of strategy over the medium to long term.
- In order to achieve this, we researched and selected Director nominees that have the required background to ensure oversight of management of a global company

Composition of Board of Directors from June 2021 (overview)

- To accurately reflect our global revenue mix, three Director nominees were selected from overseas who have knowledge of the financial industry (As one current Director from overseas is due to retire, Directors from outside Japan will increase by two)
 - Given our business growth in the US, two nominees have an extensive understanding of the US financial industry, macro economy and regulatory environment
 - To ensure geographical diversification of Directors, the other nominee is from Asia and has broad experience in finance
- In recognition of the importance of having management insights on Japanese companies operating globally, one nominee has been selected from corporate Japan
- As a result, the composition of the Board of Directors from June 2021 will have a non-Japanese ratio of 4/12 and a female ratio of 3/12, significantly increasing the diversity of the board

Global revenue mix

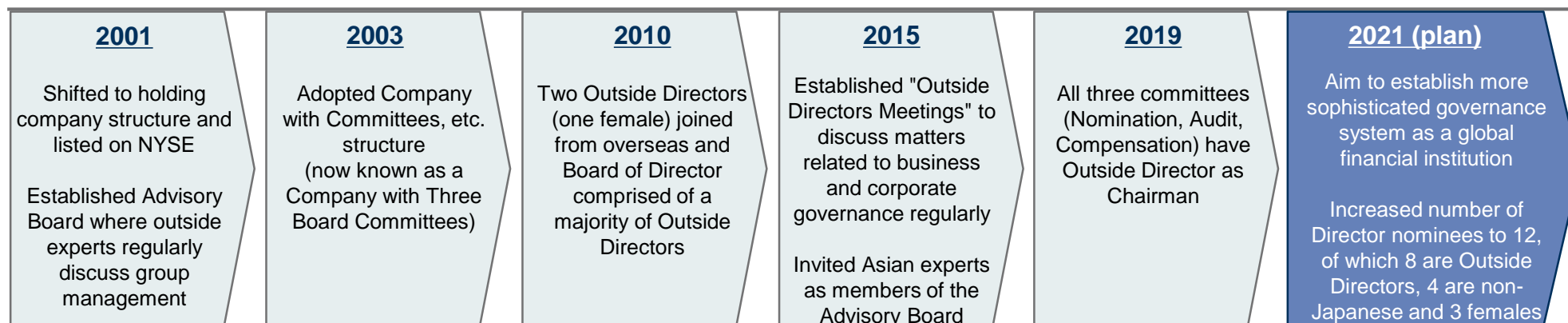
Three segment net revenue
(FY2020/21 1-3Q)



1. The Nomura Holdings Board of Directors conducts a self-assessment each year. In addition to this, in FY20/21 a third party assessed the Board of Directors and a full review of governance was conducted.

Continued review of governance structure

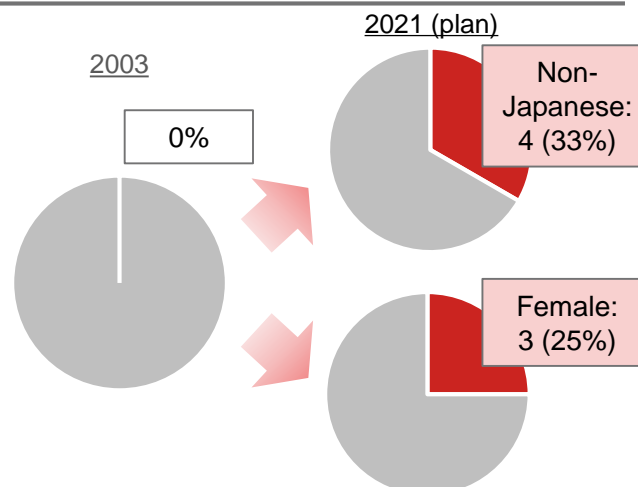
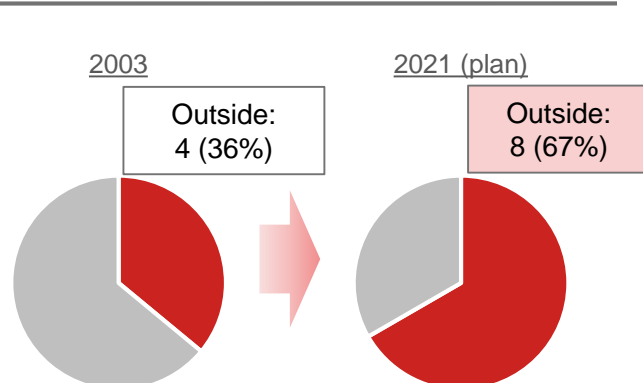
Reinforcing governance structure



Outside Directors

Non-Japanese and female directors

Director training program



- Introduction for new Outside Directors
 - In order to deepen understanding of Nomura Group's operations and internal controls, we provide an intensive explanation covering corporate governance, our business execution structure and business model, finance, risk management, compliance, major litigation cases, internal audit, internal investment rules, etc.
- Others
 - Ethics training for Directors and Executive Officers (including Outside Directors) once a year to enhance understanding of ethics

Further enhancing our corporate governance

Nominees for Directors (The annual meeting of shareholders to be held in June 2021)

- Of the 12 nominees for Directors at the annual meeting of shareholders to be held in June 2021, 10 have been nominated to serve as Non-Executive Directors.
- If all the directors are elected, the Company's Board of Directors will be more diversified with eight Outside Directors, four non-Japanese Directors, and three female Directors.

Name	New Appointment / Reappointment		
Koji Nagai	Reappointment	Non-Executive Director	Chairman of the Board of Directors
Kentaro Okuda	Reappointment	Executive Officer	Representative Executive Officer and President, Group CEO
Tomoyuki Teraguchi	New Appointment	Executive Officer	Due to be appointed Representative Executive Officer, Deputy President on April 1, 2021
Shoji Ogawa	New Appointment	Non-Executive Director	
Kazuhiko Ishimura	Reappointment	Outside Director	Director of AGC Inc. President of the National Institute of Advanced Industrial Science and Technology
Noriaki Shimazaki	Reappointment	Outside Director	Advisor, IFRS Foundation Asia-Oceania Office Former Executive Vice President, Sumitomo Corporation
Takahisa Takahara	New Appointment	Outside Director	Representative Director, President and CEO of Unicharm Corporation
Mari Sono	Reappointment	Outside Director	Certified Public Accountant Former members of the Securities and Exchange Surveillance Commission
Laura Simone Unger	Reappointment	Outside Director	Former Commissioner and Acting Chairman of SEC
Victor Chu	New Appointment	Outside Director	First Eastern Investment Group, Chairman and CEO
Chris Giancarlo	New Appointment	Outside Director	Former Chairman of the U.S. Commodity Futures Trading Commission Willkie Farr & Gallagher, Senior Counsel
Patricia Mosser	New Appointment	Outside Director	Former Deputy Director, Office of Financial Research, U.S. Department of Treasury Former Senior Vice President, Federal Reserve Bank of New York Director, Columbia University, School of International and Public Affairs

Introduction of nominees for New Outside Directors

- Of the four nominees for New Outside Directors at the annual meeting of shareholders to be held in June 2021, three are non-Japanese and one is female.

Takahisa Takahara

- President and CEO of Unicharm Corporation
- Chairman of the Committee on Consumer Goods and Services of Keidanren (Japan Business Federation)
- Chairman of Japan Hygiene Products Industry Association
- Chairman of Nippon Omni-Management Association

Chris Giancarlo

- Former Chairman of the U.S. Commodity Futures Trading Commission (CFTC)
- Currently serves as Senior Counsel for the international law firm Willkie Farr & Gallagher as Independent Director and Advisor.

Victor Chu

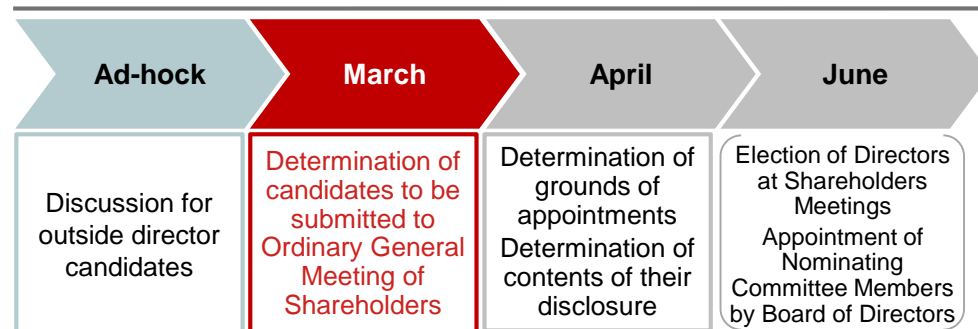
- Founder, Chairman and CEO of First Eastern Investment Group, Hong Kong based international investment firm
- Established Victor Chu & Co., a leading Hong Kong law firm

Patricia Mosser

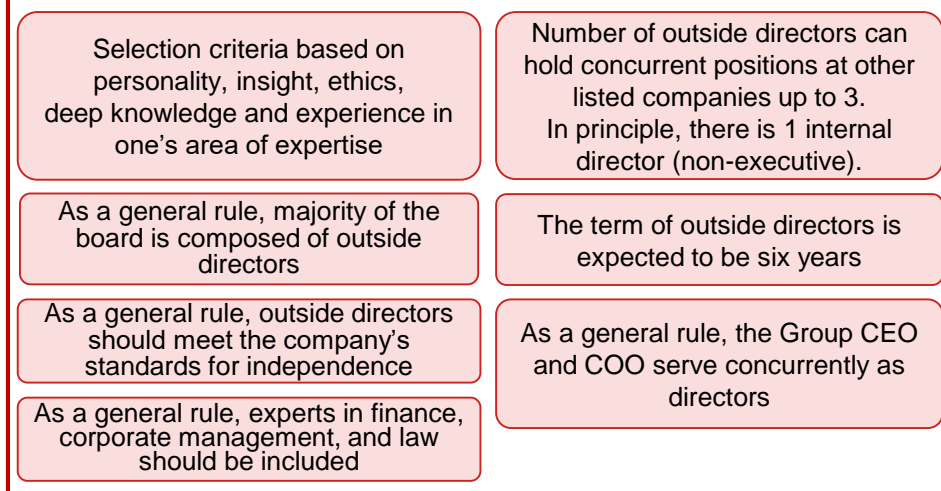
- Former Deputy Director, Office of Financial Research, U.S. Department of Treasury
- Former Senior Vice President, Federal Reserve Bank of New York
- Currently a Director, Columbia University, School of International and Public Affairs

Election of Directors and Management

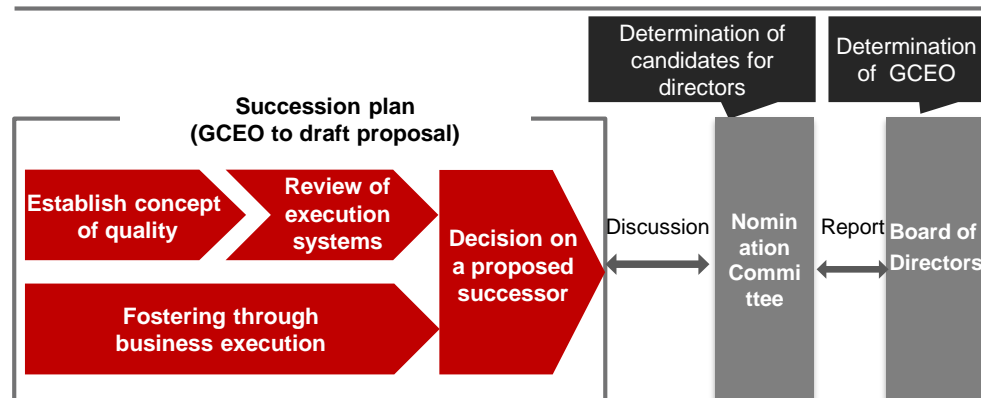
Nomination Committee Calendar for election of directors



Consideration in election of directors



Succession plan for Group CEO and others

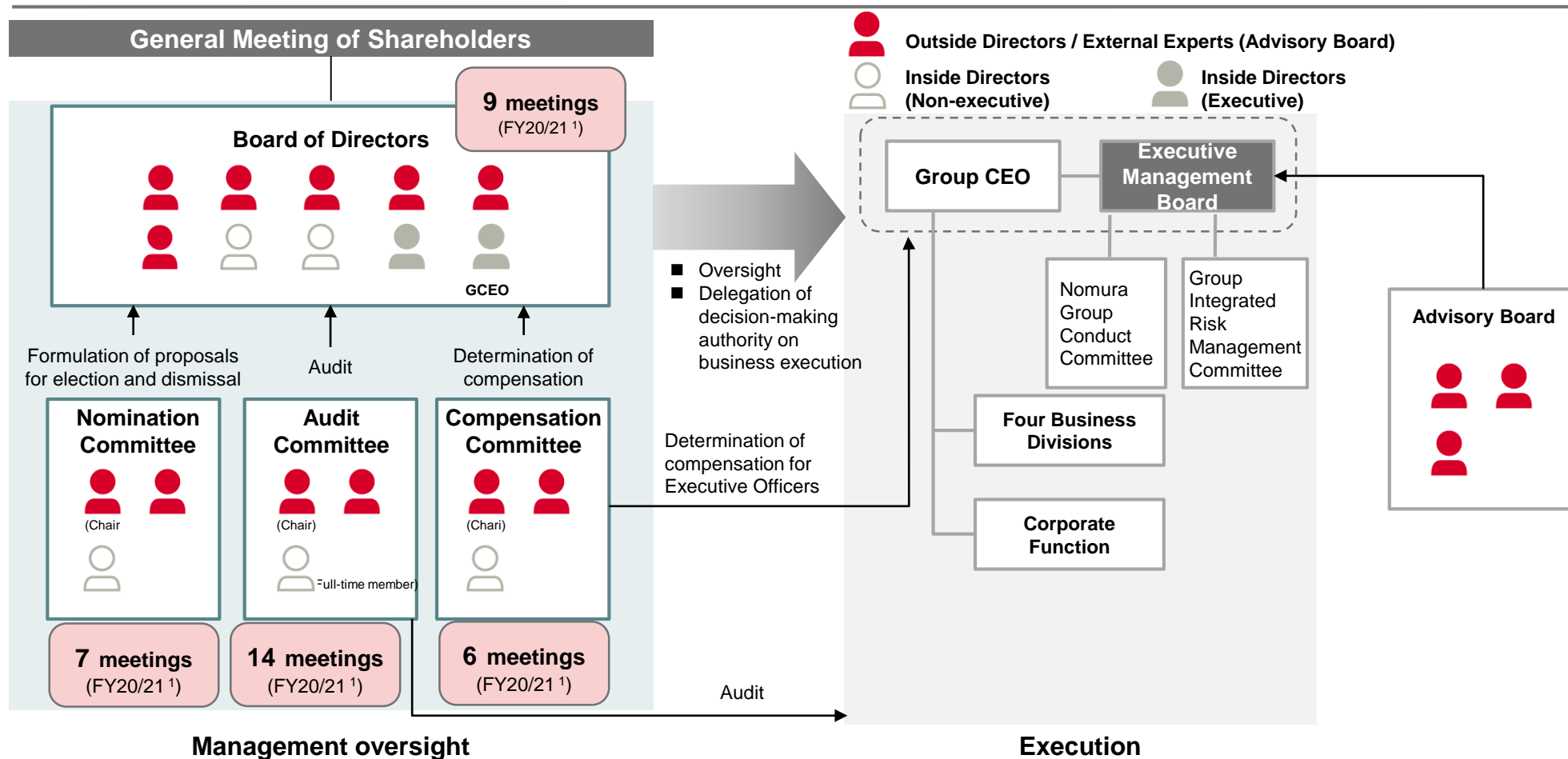


- Candidates from current GCEO are presented to Nomination Committee and elected by Board of Directors.
- The Nominating Committee and Board assess appropriateness of candidates at various angles such as audit hearings and board meetings

- 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

Corporate Governance Structure (as of March 2021)

- 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



Each director's profile and role (1) (as of March 2021)

Name		Year of appointment									Background	No. of significant concurrent positions other than Nomura Group
			Nomination	Compensation	Audit	Corporate management	International business	Securities industry	Accounting/Financial	Legal/Regulations		
Koji Nagai	Non-Executive Director (Chairman of the Board of Directors)	Jun. 2013	○	○		✓	✓	✓			Mr. Nagai served as Nomura Holdings President and Group CEO and Nomura Securities President (relinquished executive duties for Nomura Holdings in April 20202 and for Nomura Securities in April 2017)	-
Hisato Miyashita	Non-Executive Director	Jun. 2016			○		✓	✓		✓	Mr. Miyashita has extensive experience with respect to compliance issues having worked for many years at securities companies including Nomura in legal and compliance and served as Nomura Group Chief Compliance Officer	-
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	1
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	4
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

Each director's profile and role (2) (as of March 2021)

Name		Year of appointment									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 Accountant and has held positions such as External Comprehensive 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
Kentaro Okuda	Executive Officer	Jun. 2020				✓	✓	✓			Representative Executive Officer, Group CEO of the Company, Representative Director of Nomura Securities Co., Ltd.)	-
Toshio Morita	Executive Officer	Jun. 2020				✓		✓			Representative Executive Officer of the Company, Representative Director and President of Nomura Securities Co., Ltd.	-

Main items discussed by the Board of Directors in FY2020/21

- In FY2020/21 (as of end Feb 2021) Board of Directors meeting held 9 times and discussed main agenda items below
- Held 3 Outside Directors meetings during same period

FY2020/21 1H

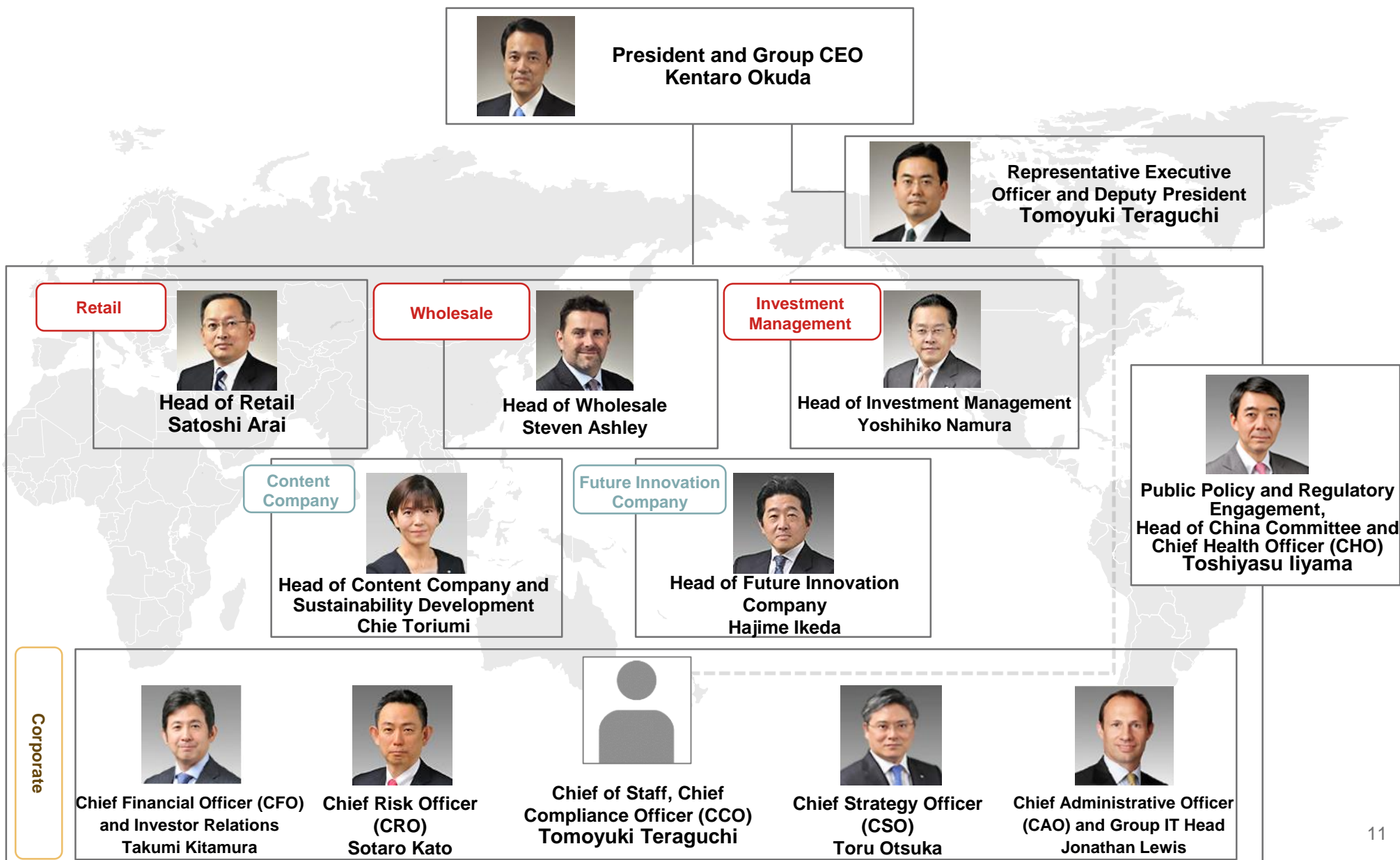
	Main agenda	Content of the discussion
1Q	FY19/20 results, dividend payouts	Company overview, situation by division and region, situation of competitors, etc.
	Business execution report	Report and discussion on current status and future plans in Wholesale
	Policy on dealing with acquisition proposal	Determine policy for initial response and maintain Board of Directors and decision making body
	Report on Investor Day	Report and discussion on priorities, management vision, and business strategy
	Risk management reports	Report and discussion on framework for top risks and emerging risks
	Compliance reporting	Report and discussion on initiatives to promote approach to conduct and countermeasures for money laundering and terrorist financing
2Q	FY20/21 1Q results	Company overview, situation by division and region, situation of competitors, etc.
	Business execution report	Report and discussion on responses and future issues and strategies amid coronavirus
	Establishing structure to promote proper conduct	Report and discussion on establishment of conduct program and conduct annual plan
	Risk management reports	Status of risk appetite management
	Compliance reporting	Report and discussion on progress of improvement measures related to incident of improper communication of information

FY2020/21 2H¹

	Main agenda	Content of the discussion
3Q	FY20/21 2Q results, dividend payouts	Company overview, situation by division and region, situation of competitors, etc.
	Business execution report	Report and discussion on current status and future strategies of each division and introduction of monitoring metrics for achieving ROE target
	Information disclosure structure	Report and discussion on internal structure for information disclosure and comparison of disclosure details with competitors
	Strategic Shareholding Review Committee reporting	Current status of strategic shareholdings and future measures
	Audit activity findings report	Report and discussion on reply from execution side in relation to proposals from Board of Directors to execution side
	Compliance reporting	Report and discussion on status of investigation into corporate client information leakage incident and future measures
4Q	FY20/21 3Q results	Company overview, situation by division and region, situation of competitors, etc.
	Business execution report	Report and discussion on current status and future strategies of each division and strengthening of integration of ESG by Nomura Asset Management
	ESG update	Report and discussion on approach and future outlook for ESG
	Risk and responses for operations amid pandemic	Report and discussion on labor management and information management amid pandemic
	Risk management reports	Report and discussion on current status of management of risk appetite, major top risks, and emerging risks

1. 4Q is as of end of February 2021.

Nomura Group executive organization (from April 2021)



Sustainability initiatives

2020: A transformational year for Nomura

2020: A year of action on Sustainability at Nomura

- December 2019 – Launch of the Nomura Research Center of Sustainability
- April – Acquisition of Greentech completed. Ranked #1 M&A Advisor in Clean Energy / Energy Smart Technologies by Bloomberg, 2017-2019
- May – Nomura acts as book runner on 5 COVID social bonds, for \$15bn
- June – Early Investment Bank signing UN Principles for Responsible Banking
- July – Publication of Nomura's first TCFD Report
- September – The Banker "Investment Bank of the Year for Sustainable Corporate Finance"
- September – Nomura publishes Wholesale ESG Sectoral Appetite Statement
- October – Virtual ESG Conference, >500 clients registered
- October – Nomura is joint lead manager on EU SURE €17bn bond syndication
- December – GFMA Climate Finance Market Structure report, with Nomura sponsorship and leadership (Chairmanship of GFMA)
- December – Nomura recognised through 3 ESG ratings upgrades



PRINCIPLES FOR
RESPONSIBLE
BANKING



The Banker
Investment Banking
Awards 2020

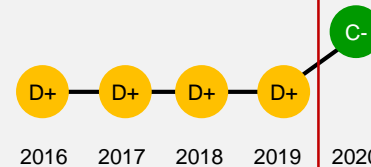
TCFD TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES



gfma
GLOBAL FINANCIAL
MARKETS ASSOCIATION

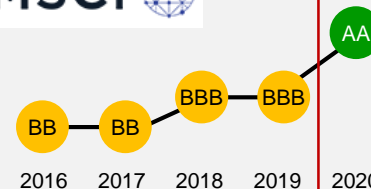
Recognized through NHI ESG rating upgrades

ISS ESG



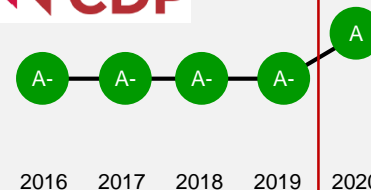
- Top 15-20% banks. No banks rated A/B
- Transparency Level = "Very High"
- Upgrade based on a broad set of initiatives (60 page final submission)
- More improvements identified

MSCI



- Two notch upgrade to top 9% of banks
- Includes specific reference to Wholesale Sustainability Forum, Sectoral ESG Appetite Statement, acquisition and integration of Greentech
- Credit from staff surveys, inclusion and diversity actions

CDP



- More focussed on NHI own CO2 footprint, and emissions reduction policies
- To maintain, we will need to develop CO2 footprint data of financed activity with net zero commitment

Organization to promote sustainability

ESG Committee

- Established ESG Committee to make decisions related to sustainability at senior management level and promote initiatives across the Group
- Chaired by Group CEO and comprised of same members as Executive Management Board
- Discusses and makes decisions on policies, action plans, and key issues related to sustainability
- Appoint an executive officer in charge of sustainability development in April 2021 who will work to raise awareness within the Group including for D&I initiatives, enhance our efforts, and increase information disclosure and external communications



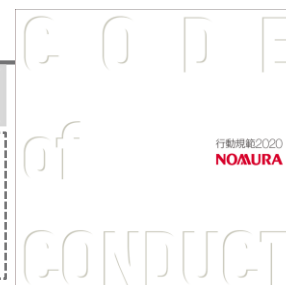
Initiatives to promote Code of Conduct

Establishment of Code of Conduct and annual revision

Promote Code of Conduct established in December 2019 and further reinforce based on current circumstances

Aim

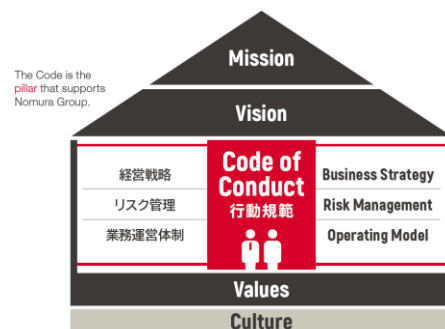
- As we work to realize our mission and vision, everyone at Nomura is expected to uphold the values of entrepreneurial leadership, teamwork and integrity that underpin us as a firm. This Code of Conduct sets out guidelines to help us translate our values into actions
- Declaration of Nomura's commitment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



Outline

What does the Code mean?

Explanation of the positioning of the Code of Conduct



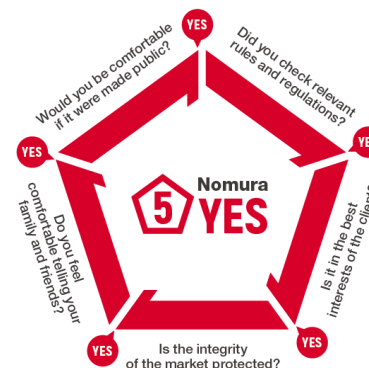
How do we implement the Code?

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

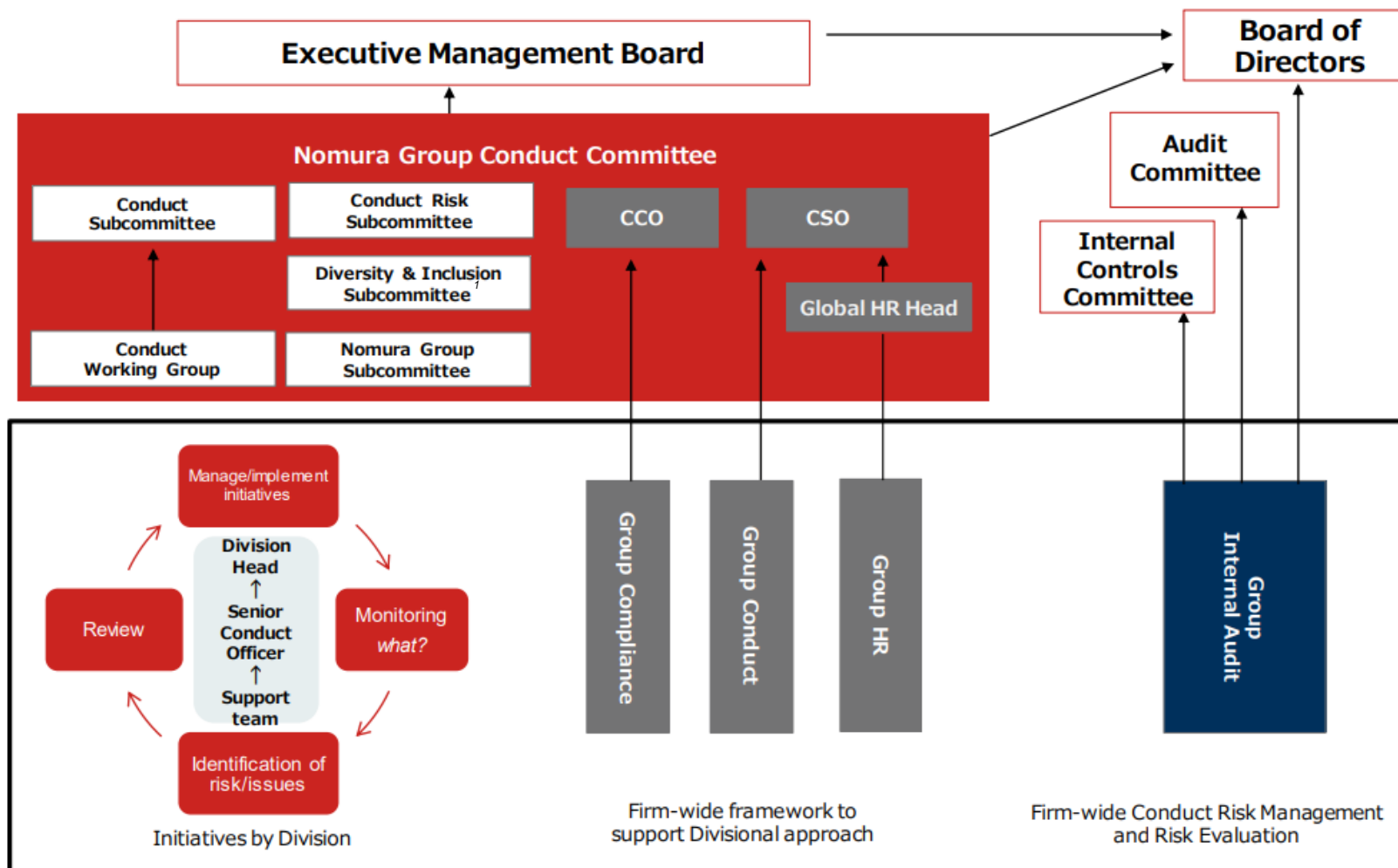


2021 revision key points

- Create environment of open discussion, work together as a team and enhance client focus
- Further enhance internal discipline and understanding to prevent scandals
- Promote proactive activities aimed at strategically advancing sustainability

Initiatives to promote Code of Conduct and reduce conduct risk

- Under governance of Conduct Committee, pursue initiatives to promote Code of Conduct and activities to manage conduct risk
- First line of defense implements initiatives based on voluntary annual plan and second line supports promotion initiatives



Initiatives to promote approach and understanding

Initiatives to promote Nomura Group Code of Conduct

Promote good conduct

Consider options for conduct based on examples that bring better results



Share examples to watch out for

Raise awareness via external news and internal disciplinary cases



Opportunities to reflect

Received 15,000 submissions for conduct slogan and upload best ones to intranet daily

Ms. [] Dept. []



Learn from mistakes

Each year on Nomura Founding Principles and Corporate Ethics Day all employees watch a video, have a discussion, submit an attestation and an affirmation to abide by the Nomura Group Code of Conduct



Train managers how to promote

Support promotion within departments using case studies



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 and to raise their awareness of compliance.

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 Manager¹ Training
- Compliance Hours at Sales Departments and Offices²

Other Training

- 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
- Morning meeting Q&A (Retail)

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.

Appendix

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

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 Board of Directors)

Regulations of the Nomination Committee

Article 9. (Resolutions)

Regulations of the Audit Committee

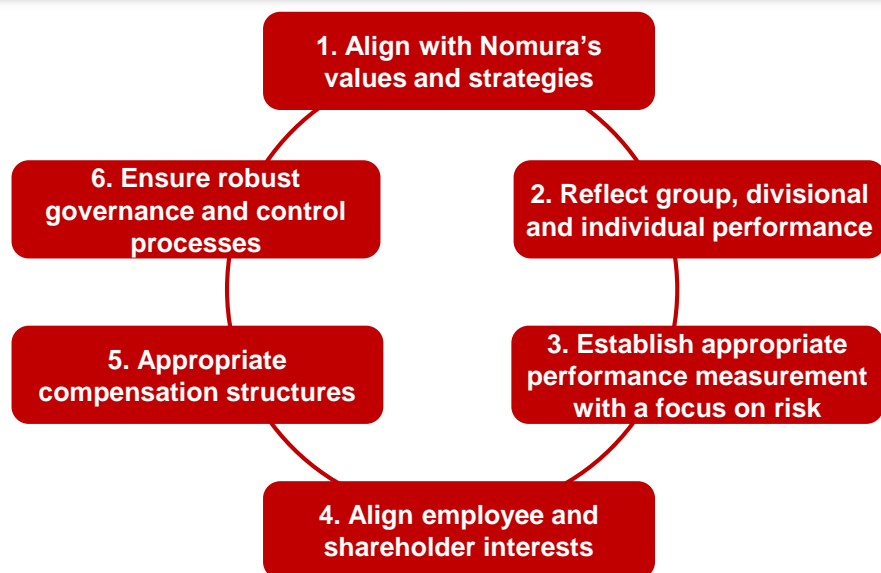
1. The resolution of a meeting of the Board of Directors shall be adopted by an affirmative vote of a majority of the Directors present which Directors present shall constitute a majority of all Directors then in office who are entitled to participate in the voting.
2. No director who has a special interest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

Regulations of the Compensation Committee

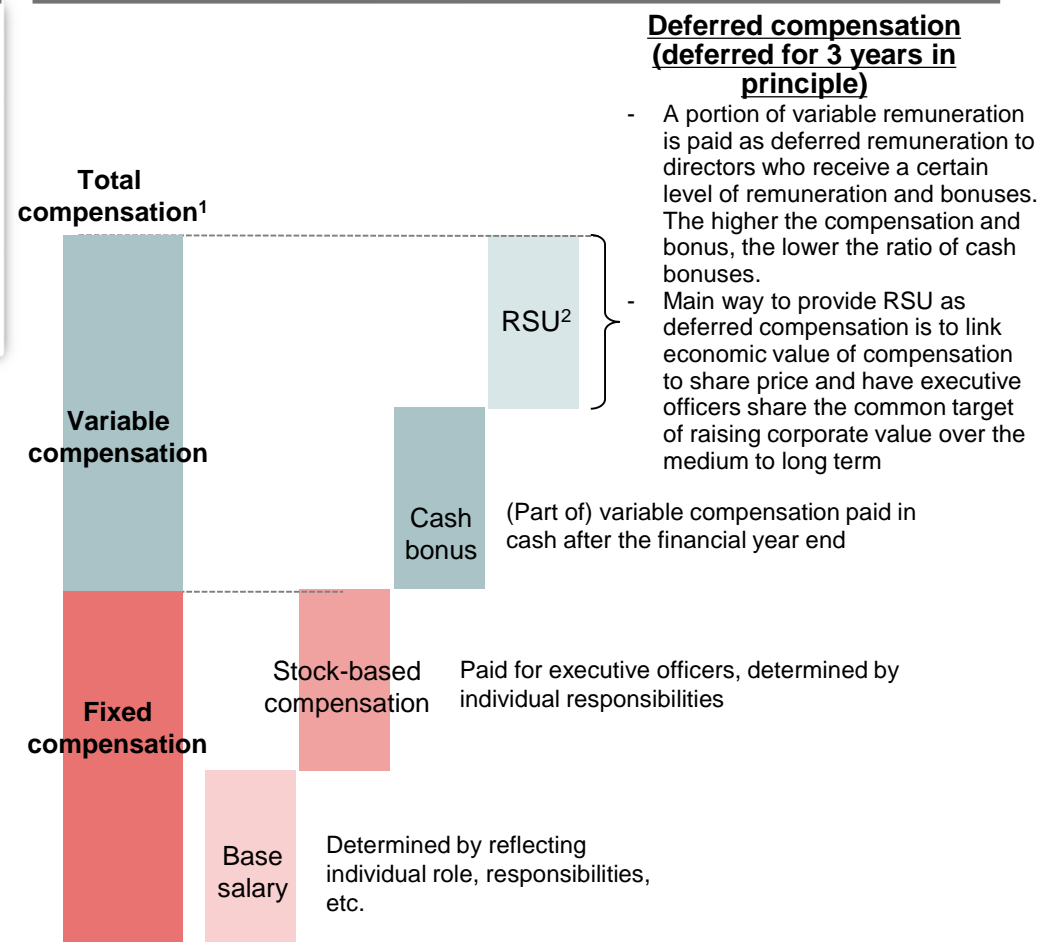
Compensation policy, framework for senior management

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 individuals.

2. Restricted Stock Unit, Right to choose either RSU and phantom stock is given to certain

Composition and role of Nomination, Compensation and Audit Committees (as of March 2021)

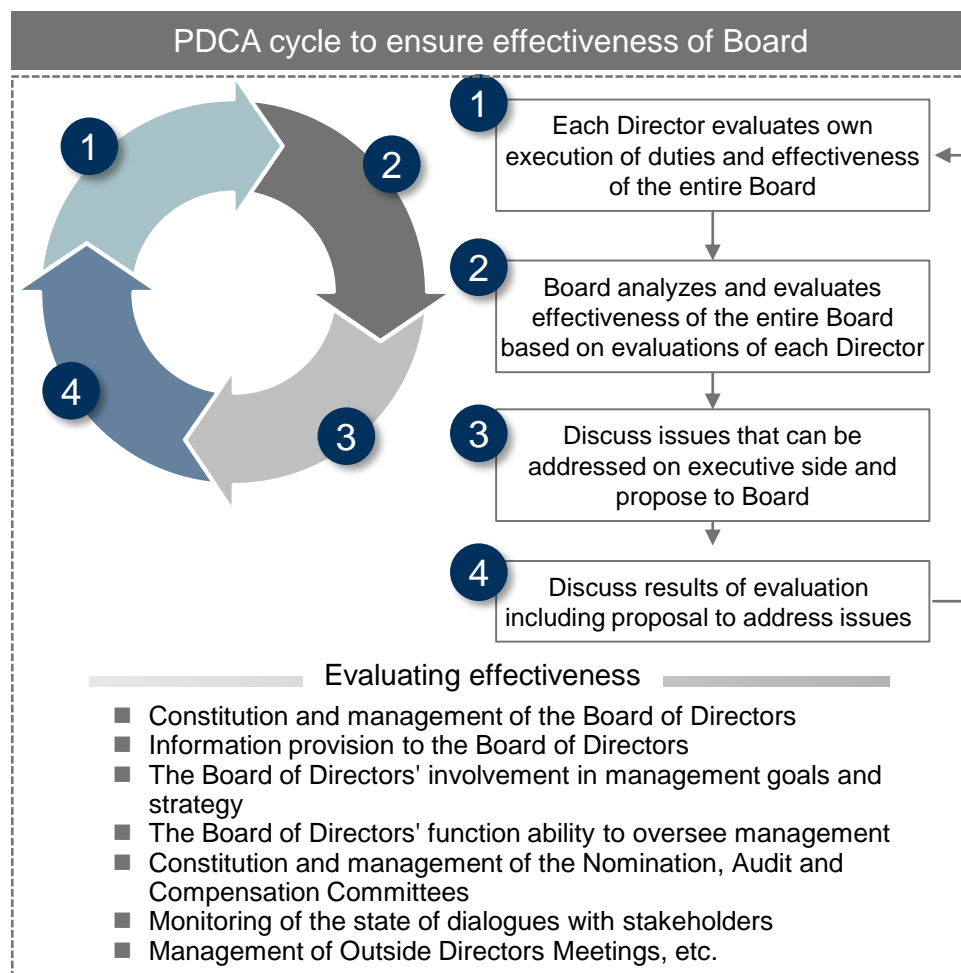
- To ensuring and improving the independence and transparency, Chairman of all three committees are Outside Directors

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>Koji Nagai</td><td>Inside Directors (Non-executive)</td></tr></table>	Hiroshi Kimura	Outside Director (Chairman)	Ishimura Kazuhiko	Outside Director	Koji Nagai	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							
Koji Nagai	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)							

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.



Response to results

- In fiscal year ended March 2019, Director Kimura who is the lead Outside Director has been assigned to the Chairman of Nomination Committee and Compensation Committee, and aimed for sophistication of Board of Directors
- At the Nomination Committee, Succession Plan discussed by concerning the Group CEO qualifications based on factors such as the management environment and candidate proposal. At the Compensation Committee, performance-based compensation was discussed, and the function of each Committee was enhanced
- Regarding the incident of improper communication of information, the Board of Directors concerning investigation results by the special investigation team under the Audit Committee, required to establish a remediation action plan to the senior managements. As a result, the Nomura Group Code of Conduct which is an essential part of the remediation plan has been established based on the discussions at the Board of Directors, and the efforts to permeate the code were also discussed at the Board of Directors

Future Challenges

- At the regularly held meetings of Outside Directors, enhancement of discussions regarding management's goals and strategies, and effective management of Board of Directors will be discussed with Directors and senior management for ideal way of the Company's Board of Directors

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	<ul style="list-style-type: none"> ■ 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	<ul style="list-style-type: none"> ■ 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"> ■ "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

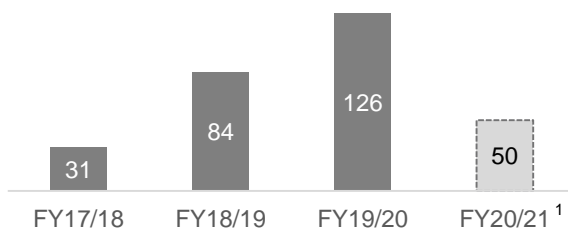
Purposes

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

Trend in number of users

- ✓ Increased significantly up to FY2018/19 and continued to increase in FY2019/20
- ✓ Background of the increase; use of the tools provided by external vendors to enhance anonymity and an implementation of publicity campaigns

Number of reports



1. as of December 31, 2020

2. 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.

Nomura Group Compliance Hotline

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

Steps taken to enhance trustworthiness of systems

■ Registration system

- ✓ On November 15, 2019, registered as a registered operator of "Internal Reporting System Certification (Self-Declaration of Conformity Registration System; WCMS)²" 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



Leakage of corporate client information and responses

Outline of incident

- Improper action by a former Nomura employee working at Nippon Institutional Securities led to leakage of client information of 275 companies, primarily financial institutions, such as ETF transaction details and information related to communication with Nomura via a Nomura employee to Nippon Institutional Securities
- Although we received a report that there was no secondary leakage of the information, this was a serious incident that had a significant impact on many of our clients

(Press release Sept. 10, 2020)

Strict management of client information and further enhancement of information management

- ◆ Expanded items within performance management related to ethics, risk management, compliance and conduct within performance management
- ◆ Conducting training and projects to raise awareness of conduct issues group-wide
 - Identified strengths and issues through results of Nomura Group employee survey in 2020; Shared across the group areas to be improved in enforcing Code of Conduct and executive officers take the lead in implementing initiatives
 - Established LCC award: System to award behavior worthy of being a role model by proactively taking action in line with the Code of Conduct
- ◆ Increase training on information management to enhance information management structure
 - Conducted training on opening email attachments and things to look out for when working from home in order to enhance cyber security
- ◆ Revised rules on information assets, manage information according to confidentiality
 - Revised information security categories and ensure proper management for each category
- ◆ Enhanced controls on printing such as approvals for printing and enhanced reviews of printing records
- ◆ Strengthening of viewing and managing information when working remotely
 - Established guidelines for working remotely. Determined actions that must be followed and where caution is needed when working from home, require employees to regularly submit written pledge
 - Also determined actions managers must take (ensure information security in department, oversight structure, reminders to employees, etc.)
- ◆ Disciplinary action against related persons and internal sharing of cases

Response to spread of coronavirus

Respond to changes in society while playing role in financial and capital markets

Clients

■ Continuity of financial services

- Focused on providing liquidity to financial and capital markets amid market turmoil
- Supported fundraising needs of issues by acting as bookrunner on \$638.8bn¹ (approx. Y69trn) of bond issuances globally in 2020
- Retail closed branch offices temporarily following announcement of state of emergency in March 2020 and continued to operate using phone, email, and online services

■ Using non-face-to-face channels

- Built out IT infrastructure to provide high quality remote services for online meetings and videoconferencing
- Retail enhanced delivery of information to clients via email

Communities

■ Donated a total of Y155.8m to charities globally

- Collected donations from executive officers and employees globally which we matched by the company and a total of Y115.8m was donated to local charities supported in each region

■ Donation of masks and hand sanitizer

- Procured one million masks from Orient International (Holding) and donated to Japanese government and Japan Red Cross for use at medical and welfare institutions
- Donated masks and hand sanitizer to charities in AEJ

■ Charity events

- Held a global virtual charity event in which over 1,100 people participated, raising a total of \$20,465 donated to local charities in each region

Employees

■ Diversified work style

- Expanded work from home
- Introduced flextime system
- Considering office designs based on diverse work styles such as satellite offices

■ Ensured safety of our people

- Following state of emergency announced in January 2021, about 40% of people in Japan and 90% overseas working from home as of end of January
- Implemented wellbeing initiatives such as mental and health counselling predominantly in international offices
- Distributed masks to all employees in Japan and AEJ

Crisis management

■ Response based on Infectious Disease Action Plan Guidelines

- Clarified process to enact business continuity plan and operations to prioritize
- Confirmed work approach under pandemic and remote access for working from home
- Set out rules regarding international travel

■ Steps to prevent spread of virus

- Conducted business using a mix of split teams and work from home
- Restricted and advisory messages around internal social gatherings and personal gatherings
- Enforced social distancing in offices and branches

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