



NOMURA

Nomura Group's Governance Initiatives

November 2024

Nomura Holdings, Inc.

We aspire to create a better world by harnessing the power of financial markets

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Measures to Prevent a Recurrence of JGB Futures Incident

- Japan's Financial Services Agency issued an administrative monetary penalty order on October 30 against Nomura Securities Co., Ltd. (NSC) for unlawful trading of Japanese government bond futures in March 2021. We will enhance our compliance framework and internal controls to prevent similar incidents in the future and to rebuild trust with our stakeholders
- Related to this incident, a portion of executive compensation will be voluntarily returned to the company¹

Outline of the incident

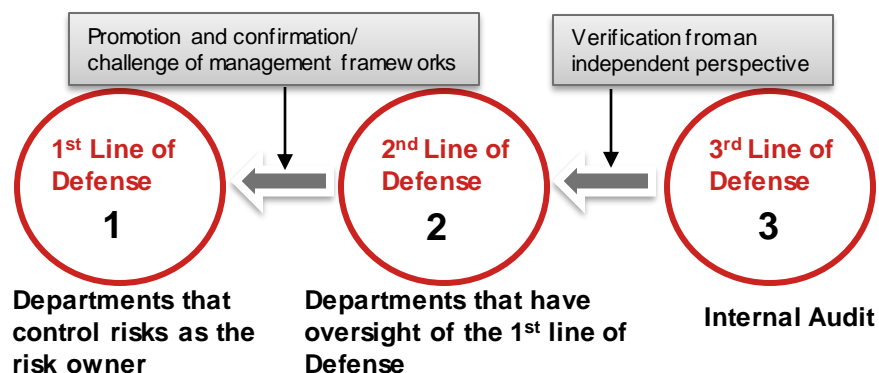
An employee of NSC involved in proprietary trading placed multiple orders on the Osaka Exchange for Japanese government bond (JGB) futures. The multiple and layered orders misled the market into believing that futures trading was thriving, which induced transactions.

Cause of the incident

Based on past incidents at other companies, we have worked to strengthen our management framework. However, we recognize that the incident was caused due to insufficiencies in the following areas.

- The trader's awareness of market manipulation, and proper training to enhance awareness
- Trading management framework in Front office
- Trading surveillance system in Compliance
- Communication between Front office and Compliance

Three Lines of Defense



Measures to prevent a recurrence

1. Front Office prevention measures (1st Line of Defense)

■ Measures to strengthen traders' awareness

Training is conducted in Front Office on an ongoing basis on unlawful trading to further deepen their understanding and awareness of unlawful trading. We will hold new regular meetings with Compliance. Deepening the involvement of HR and Compliance in HR evaluations.

■ Strengthening trading management in Front Office

For departments that mainly deal in JGB futures, we have strengthened its trading management system by not only monitoring trading conditions from the perspective of market risk but also starting to monitor individual order placements and cancellations. By conducting post-trade reviews and reassessing monitoring conditions, we ensure that front office trading management operations are carried out properly.

2. Prevention measures in Compliance (2nd Line of Defense)

Compliance have already upgraded the system to detect layered orders and will continue to conduct regular reviews of surveillance and oversight functions incorporating both internal and external perspectives to make improvements.

3. Verification by Internal Audit (3rd Line of Defense)

Internal Audit will verify the progress of prevention measures, confirming the status of operations in 1st and 2nd Line of defense and their effectiveness. In addition, we will work to further enhance the internal audit program.

4. Establishment of new organization

We have established the Global Markets Surveillance Strategy & Planning Department to lead the enhancement of monitoring.

5. Management initiatives to reinforce compliance with laws

Based on our Group Purpose, we will strengthen our efforts to instill our responsibility to foster sound financial and capital markets, conduct training to raise awareness of market fairness among all executives and employees, and deepen our code of conduct in response to changes in the external environment.

1. For details, please refer to the release dated October 31, 2024, titled "Measures to Prevent Recurrence of JGB Future Incident" <https://www.nomuraholdings.com/news/pr/nsc/20241031/20241031.html>

Responses to Indictment of Former Employee

- On October 30, 2024, a former employee of Nomura Securities Co., Ltd. (NSC) was arrested by Hiroshima Prefecture police on suspicion of robbery and attempted murder, and arson of an inhabited building. On November 20, the former employee was indicted by the Hiroshima District Public Prosecutors Office.
- NSC takes this matter very seriously. An incident like this must never happen at a financial institution entrusted with looking after its clients' assets. To ensure that its clients feel confident using its services, NSC has established more rigorous and effective measures as outlined below that it has already started to implement.

Response Measures¹

In light of this incident, NSC has already stated to implement the following response measures to strengthen current measures to enhance its ability to detect misconduct early and manage employees' actions. By implementing these measures, NSC shall ensure to prevent wrongdoings.

1. Establish Operational Reform Promotion Committee

NSC has established a committee chaired by the Representative Director and Deputy President of NSC and comprising executive officers in charge of business divisions, compliance and human resources. The committee will evaluate the adequacy and effectiveness of measures, consider new measures as necessary, and set policies regarding the internal rules and organizational structure required to implement measures.

2. Strengthen supervision of visits to clients' homes

For the foreseeable future, a manager will accompany employees when they visit clients' homes or speak to clients directly around the time of each visit. NSC will also implement measures to strengthen monitoring of employees' business activities.

3. Extend team approach to client coverage

Depending on the client's situation, in addition to the main employee in charge of the client, executive officers, branch managers, department heads and section managers contact the client as appropriate. NSC will enhance the framework for client management by teams, with senior members of staff supporting the main employee in charge.

4. Heighten monitoring of employee business activities

Primarily for employees who have direct contact with clients, NSC will strictly manage activity schedules during work hours, as well as use data from company mobile phones, etc. This will enable it to increase our ability to detect suspicious conduct.

5. Introduce block leave to detect wrongdoing

Primarily for employees who have direct contact with clients, NSC will introduce a mandatory period of continuous leave that must be taken each year. To allow it to detect any potential wrongdoing, during this time all contact between the employees and clients will be suspended.

6. Hold one-on-one meetings with all employees

Branch managers will hold one-on-one meetings with all employees in the Wealth Management Division. At the same time, NSC will conduct interviews with employees to hear from them about their various situations and any concerns they may have.

7. Revise employee evaluations

With regard to professional ethics, risk management, compliance and conduct, it will expand the range of data referenced to get a clearer assessment of each individual's characteristics and personality to improve the quality of evaluations.

8. Enhance guidance from diverse perspectives

Promptly introduce and implement 360-degree feedback for both management and non-management employees. In addition, gather information about employees from diverse perspectives and use the information to provide guidance, including on professional ethics and compliance.

9. Further enhance recruitment process

NSC will incorporate a broader range of perspectives into the selection process than it did previously. It will work to further improve and enhance the recruitment selection process by examining the correlation between diverse selection data and post-hire performance and compliance.

10. Training

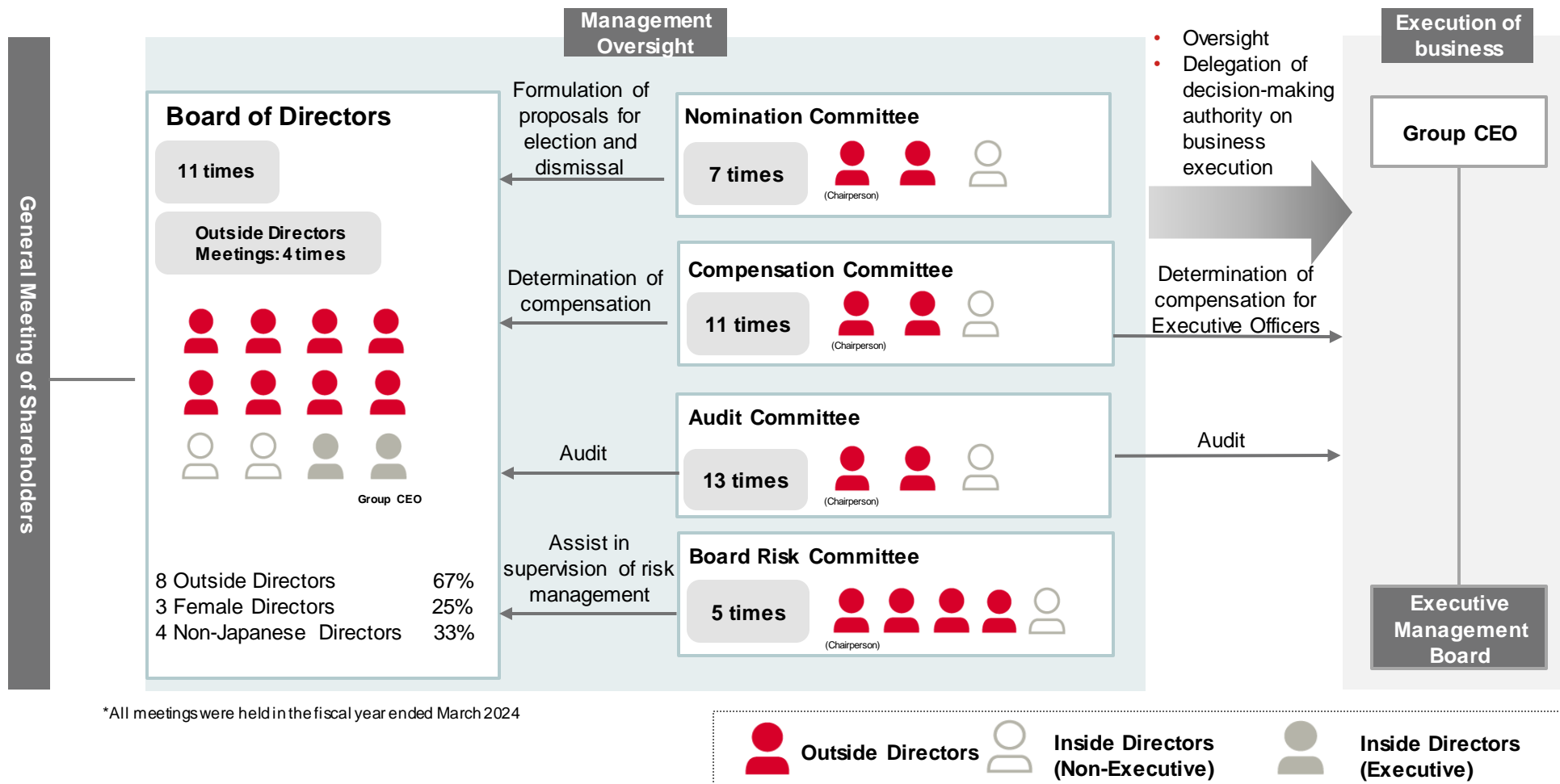
NSC will carry out training for all employees on the importance of compliance and professional ethics. In addition, it will regularly conduct training for all managers on how to manage employees' actions.

11. Closer communication among employees

NSC will work to enhance communication among employees based on our Group Purpose.

1. For details, please refer to the release dated December 3, 2024, titled "Statement and Responses to Indictment of Former Employee." <https://www.nomuraholdings.com/news/pr/nsc/20241203/20241203.html>

Corporate Governance System (after AGM in June 2024)



Director's profile and role (1) (after AGM in June 2024)

Name		Year of Appointment	Committee ¹				Experience							Background	No. of significant concurrent positions outside Nomura Group
			Nomination	Compensation	Audit	Risk	Management	Global	Financial Industries	Accounting/ Finance	Legal systems/ Regulations	Internal Control ²	Digital /IT/DX		
Koji Nagai	Non-Executive (Chairman of the Board of Directors)	Jun. 2013	○	○			✓	✓	✓				✓	Mr. Nagai served as President and Group CEO of Nomura Holdings and President of Nomura Securities (relinquished executive duties for Nomura Holdings in April 2020 and for Nomura Securities in April 2017)	-
Kentaro Okuda	Executive Officer	Jun. 2020					✓	✓	✓				✓	President and Group CEO of Nomura Holdings, Representative Director, President of Nomura Securities	-
Yutaka Nakajima	Executive Officer	Jun. 2023					✓	✓	✓			✓		Representative Executive Officer, Deputy President of Nomura Holdings Representative Director, Deputy President of Nomura Securities	-
Shoji Ogawa	Non-Executive	Jun. 2021			○	○		✓	✓			✓		Mr. Ogawa has held positions including Head of Office of Audit Committee, Head of Office of Non-Executive Directors and Senior Managing Director of Group Internal Audit of the Company. He has extensive experience and knowledge in the governance, internal control and internal audit field of the Nomura Group.	-
Laura Simone Unger	Outside Director	Jun. 2018				◎		✓	✓		✓	✓		Ms. Unger, including the holding of the positions of Commissioner and Acting Chairperson of the SEC in the past, is well-versed in finance-related legal systems/regulations.	0
Victor Chu	Outside Director	Jun. 2021			○		✓	✓	✓		✓	✓	✓	Mr. Chu has extensive experience with respect to corporate management and the finance industry. He serves as Chairman and CEO of First Eastern Investment Group, and had key positions in Hong Kong financial circles such as at the Hong Kong Stock Exchange etc.	4

*Director Takahara is the lead outside director after the AGM in June 2024

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

2. Including Risk management

Director's profile and role (2) (after AGM in June 2024)

Name		Year of Appointment	Committee ¹				Experience							Background	No. of significant concurrent positions outside Nomura Group
			Nomination	Compensation	Audit	Risk	Management	Global	Financial Industries	Accounting/ Finance	Legal systems/ Regulations	Internal Control ²	Digital /IT/DX	Sustainability	
J.Christopher Giancarlo	Outside Director	Jun. 2021				○	✓	✓	✓		✓	✓	✓	Mr. Giancarlo is well-versed in finance-related legal systems/regulations and advanced technologies such as blockchain, and served as the Chairman of the U.S. Commodity Futures Trading Commission etc.	3
Patricia Mosser	Outside Director	Jun. 2021				○		✓	✓		✓	✓	✓	Ms. Mosser has many years of experience as an economist and central banker. In addition to her current position of Senior Research Scholar and Director of Central Banking at Columbia's School of International and Public Affairs, she has held past positions such as Senior Vice President of the FRBNY etc.	1
Takahisa Takahara	Outside Director	Jun. 2021	○	○			✓	✓						Mr. Takahara has extensive experience with respect to corporate management, and currently holds the position as Representative Director, President & CEO of Unicharm Corporation	2
Miyuki Ishiguro	Outside Director	Jun. 2023				○					✓	✓		Ms. Ishiguro, from her many years of experience as an attorney, is well-versed in legal systems/regulations in areas such as finance and capital markets. She has held positions such as Partner of Nagashima Ohno & Tsunematsu and President of the Inter-Pacific Bar Association (IPBA).	3
Masahiro Ishizuka	Outside Director	Jun. 2023			◎					✓		✓		Mr. Ishizuka is well-versed in international accounting systems from his many years of experience as a Certified Public Accountant and has 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 Vice Chairman of the Audit Standards Committee of the Japanese Institute of Certified Public Accountants and Executive Officer, General Manager of the Reputation Quality Risk Management Headquarters of Deloitte Tohmatsu LLC and Deloitte Touche Tohmatsu LLC,.	0
Taku Oshima	Outside Director	Jun. 2024	◎	◎			✓	✓						Mr. Oshima has extensive experience with respect to corporate management, and currently holds the position Representative Director and Chairman of NGK INSULATORS, LTD. (The chair of the Board of Directors is a non-executive director)	4

1. ◎ : Chairman of the Committee, ○ : Member of the Committee 2. Including Risk management

Directors' Experience

- In terms of the criteria related to the directors' "experience," the following aspects are considered:
- Please note that these are what the Company expect for Directors and do not represent all the skills, experience and expertise of each Director

Definition of "Experience"

Management	A person with experience mainly in corporate representative positions
Global	A person with experience in international corporate representative positions and/or working outside Japan
Financial Industry	A person with work experience in financial institutions and financial regulatory authorities etc.
Accounting / Treasury	A person with relevant work experience in accounting and treasury, and/or with academic background
Legal system /Regulation	A person with experience in legal and compliance-related work, with work experience at regulatory agencies and government offices, and/or with academic background
Internal Control* *including Risk Management	A person with relevant business experience in internal control and/or academic background
Digital / IT / DX	A person with business experience in digital/IT and DX-related roles and/or with academic background
Sustainability	A person with business experience mainly in sustainability-related area such as environment, human rights and diversity (including experience in addressing sustainability as a corporate leader), and/or with academic background

Composition and Roles of the Nomination, Compensation and Audit Committees

- To ensure and improve the independence and transparency, the Chairs of all three committees are Outside Directors
- After AGM in June 2024, Director Oshima has been appointed as the chair of the Nomination and the Compensation Committees, and Director Ishizuka has been appointed as the chair of the Audit Committee
- In the Compensation Committee meeting in November 2024, in response to the JGB Futures incident, a resolution was passed to reduce executive compensation following a request for voluntary return of compensation

Composition and Roles of the Three Committees

	Role	Main Agenda from FY2023/24	Number of meetings
Nomination Committee	<ul style="list-style-type: none"> ● Determine the particulars of a proposal concerning the election and dismissal of Directors to be submitted to the Annual General Meeting of Shareholders ● Determine the independence criteria for Outside Directors 	<ul style="list-style-type: none"> ● Candidates for the Director ● Reason for the appointment of Directors to be specified in the Reference Materials of the Annual General Meeting of Shareholders ● Succession plan 	FY2023/24: 7 FY2024/25 2 (As of Nov 1st)
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 Officers ● Determine the individual compensation and other remuneration of each Director and Executive Officer 	<ul style="list-style-type: none"> ● Level of Compensation of Directors/Executive Officers ● Re-consideration of the determination process of the Directors and Executive Officers compensation ● Compensation (excluding annual bonus) of each Director and Executive Officer ● Bonus of each Director and Executive Officer 	FY2023/24: 11 FY2024/25: 4 (As of Nov 1st)
Audit Committee	<ul style="list-style-type: none"> ● Audit the executions 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 the Annual General Meeting of Shareholders 	<ul style="list-style-type: none"> ● Report from Directors, Executive Officers and Senior Managing Directors (SMD), on the status of the execution of duties ● Report from SMD & Head of Group Internal Audit, on evaluation of internal controls ● Reports from a member of the Audit Committee and Audit Mission Directors on the status of audits conducted ● Report from Ernst & Young ShinNihon LLC 	FY2023/24: 13 FY2024/25: 9 (As of Nov 1st)

The Board Risk Committee

- The Board Risk Committee (BRC), commenced in October 2021, oversees Nomura's risk management framework for its enhancement via outside director insight and expertise
- The committee contributed to enhance the transparency of the comprehensive view of Nomura's risk management and promoted deeper discussions on risk-related issues
- The number of meetings held in FY2024/25 is 2 (as of 1st of November)

Composition and Role of the BRC

- To ensure a high degree of independence, the BRC consists of five members, four outside directors and one inside non-executive director and is chaired by one of the outside directors. (refer to page 3 and 4 for information about the members)
- The BRC provides specialized oversight to strengthen the Board of Directors oversight functions. To contribute to the sophistication of the Board's risk management, the BRC mainly covers the following matters:
 1. Amendment and abolition of the Risk Appetite Statement
 2. Change of risk management framework
 3. Results of analysis and verification or future forecasts of risk environment
 4. Execution state of the overall risk management and medium- to long-term risk strategies

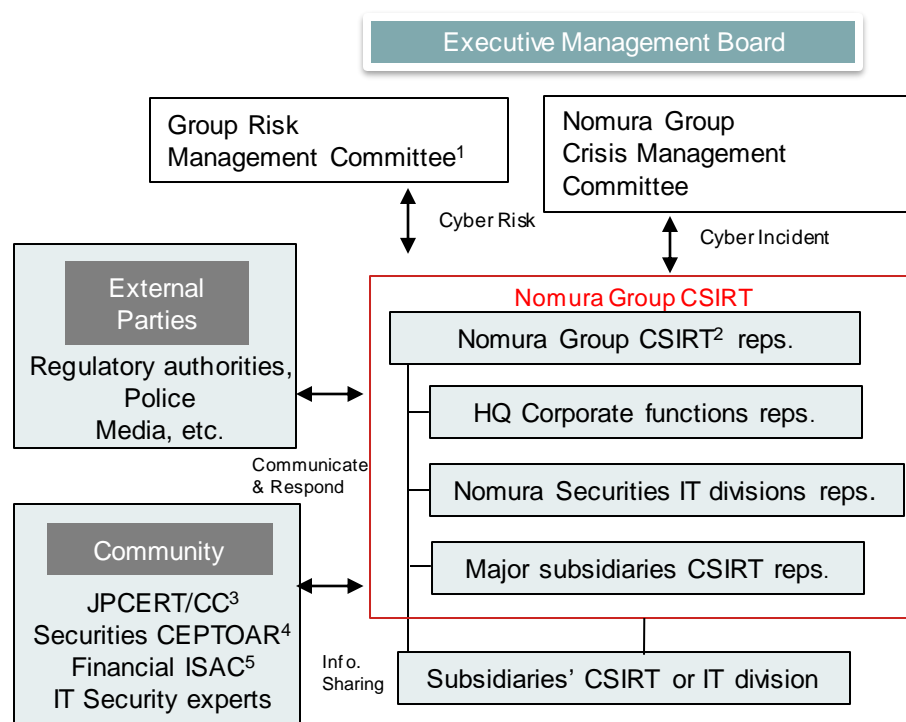
Key Items discussed by the BRC during FY2023/24

- Review of Risk Appetite and Revision of Risk Appetite Statement
- Risk Management Enhancement Program Update
- Update on Risk Management Framework (Liquidity Risk, IT/Cyber Risk and Reputational Risk)
- Top and Emerging Risk 2024 Outlook
- Update on each Division's Risk Management Framework
- Update on Geopolitical Risk Scenarios

Cybersecurity measures

- The Group Risk Management Committee (or its subordinate committee chaired by Group CIO), based on a delegation from the Executive Management Board, covers critical security topics such as resources in cybersecurity risk mitigation and governance, cybersecurity risks, as well as security incidents. In the event of an incident, a report is also submitted to the Group Crisis Management Committee
- Hired a Chief Information Security Officer with high expertise and experience, and the establishment of the Cybersecurity Department as a specialized organization (April 2024)

Management Structure



1. On practice, periodic report after detailed deliberation by a subcommittee chaired by the Group CIO

2. CSIRT: Computer Security Incident Response Team

3. JPCERT/CC: Japan Computer Emergency Response Team Coordination Center (JPCERT/CC) is an independent and neutral organization that operates technically to handle computer security incidents such as intrusions and service disruptions occurring via the internet. It accepts reports on incidents within Japan, supports responses, understands the status of incidents, analyzes techniques, and considers or advises on measures to prevent recurrence, independent from specific government agencies or companies.

4. CEPTOAR: Capability for Engineering of Protection, Technical Operation, Analysis and Response is an organization responsible for information sharing and analysis functions for critical infrastructure operators, including the financial infrastructure sector.

5. ISAC: Information Sharing and Analysis Center is an organization that promotes initiatives for information sharing and collaboration within the industry, and a Financial ISAC also exists.

Basic Principles

- Organization Management (Mainly handled by the CSIRT, a specialized cross-departmental team)
- System security measures (Countermeasures through multi-layered defense against unauthorized access, computer viruses, etc.)
- Human response (Training, drills, exercises, and awareness-raising, etc.)
- Cooperation with outside organizations (Establish a system for collecting and sharing information with information-sharing organizations and specialized vendors)

Major initiatives

Technical Measures

- Regularly engaging various external service providers to perform independent assessments of our cybersecurity programs and controls. The results are integrated into updates to our cybersecurity accordingly
- Conduct our own regular internal security assessments, such as penetration testing, vulnerability scanning, red teaming, and tabletop cyber attack simulations
- Developed a Third-Party Security Risk Management program that monitors and assesses the cybersecurity controls of our third-party vendors, which include, among others, service providers and suppliers

Training and culture for cybersecurity

- Seminar and training programs are provided to all executives and employees to raise awareness of cybersecurity. We provide mandatory training for all employees and targeted attack email training, and we have seminars inviting cybersecurity experts

Main Items Discussed by the Board of Directors

- For the first half of the FY2024/25, the Board of Directors met 5 times. The deliberation status, other than the regular items, is as shown in the table below

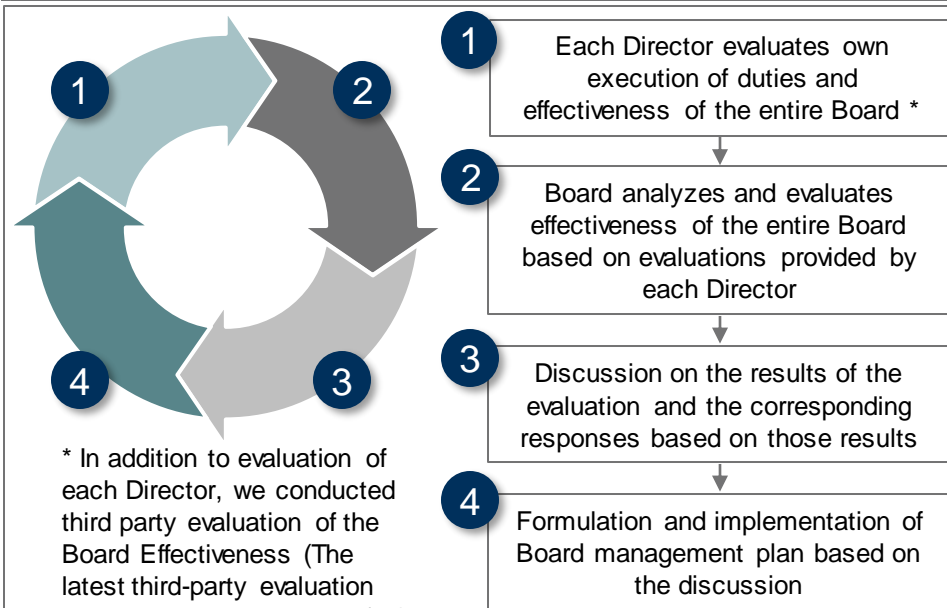
Deliberation item (1H of FY2024/25)

Main Agendas	Content of the Discussion
Project 2030	Our Group's strategic direction, basic guidelines for resource allocation, and milestone quantitative targets, etc. for FY2030/31.
Action to implement management that is conscious of cost of capital and stock price	Nomura's Cost of Equity, initiative to improve corporate value (ROE), progress in the last fiscal year, and disclosure in the Nomura Report 2024 etc.
Resource allocation	Our Group's direction of business portfolio heading to 2030, concept of capital capacity and impact of Basel III finalization, etc.
Banking business	Other companies' strategies and trends, and our Group's banking and trust business strategies towards 2030, etc.
Compliance related report	Overview, background, future plans and measures to prevent a recurrence regarding recommendation for administrative monetary penalty payment order to Nomura Securities Co., by the Securities and Exchange Surveillance Commission, etc.
IT Human resources strategy	Japan IT target model and human resource strategies and approach for IT resource hiring, etc.
Sustainability related report	Initiatives for the first half of FY2024/25 (Enhancing information disclosure, establishing our own Green Bond Issuance Framework and creating a system for monitoring our net zero targets, etc.) and future direction, etc.
Report of investment securities committee	Status of deliberations of the Investment Securities Committee and status of Investment Securities' holdings and sales, etc.
Dialogue with shareholders and investors	Status of the dialogue with shareholders and investors, results of exercising voting rights and IR strategic plan and activities schedule, etc.

Board Effectiveness Review

- Conducting Board Effectiveness Review since FY2015/16
- Each Director assesses composition and 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
- In addition to the evaluation of each director, a third-party evaluation by an external organization is also conducted regularly (the most recent was in the FY2022/23)

PDCA Cycle to ensure Effectiveness of Board



* In addition to evaluation of each Director, we conducted third party evaluation of the Board Effectiveness (The latest third-party evaluation was conducted in FY2022/23)

Evaluating effectiveness

- Evaluation of the entire Board
- 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, Compensation and Board Risk Committees
- Monitoring of the state of dialogues with stakeholders
- Management of Outside Directors Meetings, etc.

Summary of the Board Effectiveness Review in FY2023/24

- “Diversity in the composition of the Board Directors, in-depth knowledge and expertise of each director, appropriate management of proceedings, and active implementation of committee activities” was highly evaluated in the third-party evaluation in FY2022/23. This strength which supports effectiveness of Board of Directors, is continued to maintain.

Future Challenges

The future challenges identified through the evaluation are as follows:

- Analysis of the company's performance from a long-term perspective
A roadmap towards achieving management goals and strategies needs to be presented and based on that it is necessary to monitor progress.
- Enhancing efforts to provide information to each stakeholder
From the perspective of delivering a consistent and concrete message to shareholders, there is room for improvement. Especially in IR, clearly communicating our company's medium-to-long term goals and strategies is becoming an increasingly important theme.
- Strengthening of initiatives related to sustainability
More discussion is needed on how we can contribute to the sustainability of society as a financial institution.

--> In light of these challenges, we will explore measures to further enhance the management oversight function of the Board of Directors. This will involve setting agenda items related to medium-to-long term management strategies and enhancement of operations, to effectively exercise appropriate monitoring functions.

Structure of Executive Compensation

- Established the Nomura Group's Compensation Policy that applies to our employees and Statutory Officers (the "Basic Policy") and the Compensation Policy for Directors and Executive Officers of NHI that applies to Statutory Officers in order 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.

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.

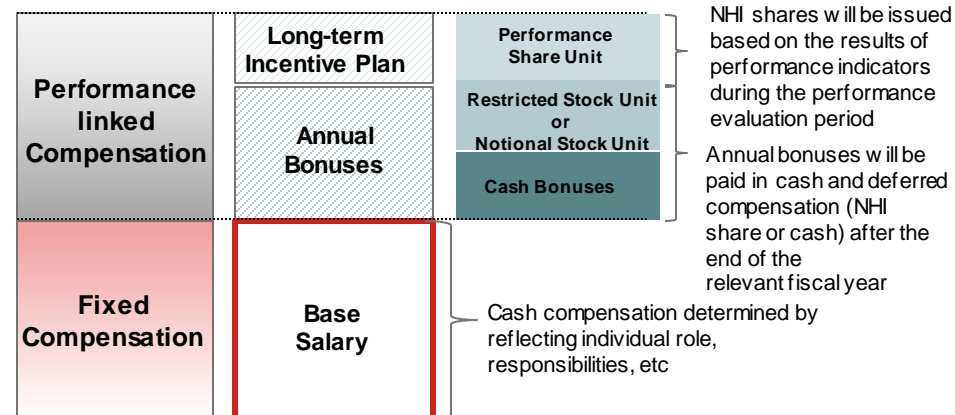
Determination method of compensation

- Compensation of Directors and Executive Officers is divided into fixed compensation and performance linked compensation, with fixed compensation consisting of base salary and performance-linked compensation consisting of annual bonus and long-term incentive plans.
- With respect to the President and 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 (i.e. net revenue, revenue cost coverage ratio, income before income taxes, EPS, ROE and TSR¹) that form the basis for their calculation.** In addition, Total Compensation ("TC"), including fixed compensation and performance-linked compensation, is determined by considering, as needed, qualitative evaluation competitor benchmarking etc.
- With respect to the Directors and the Executive Officers, their annual bonus and TC are determined based on the ones of the Group CEO, reflecting individual roles and responsibilities, respective jurisdiction's regulations and compensation level etc. in addition to the qualitative elements.

1.TSR/Total Shareholder Return

Scheme of Compensation for Statutory Officers

Total compensation (TC)



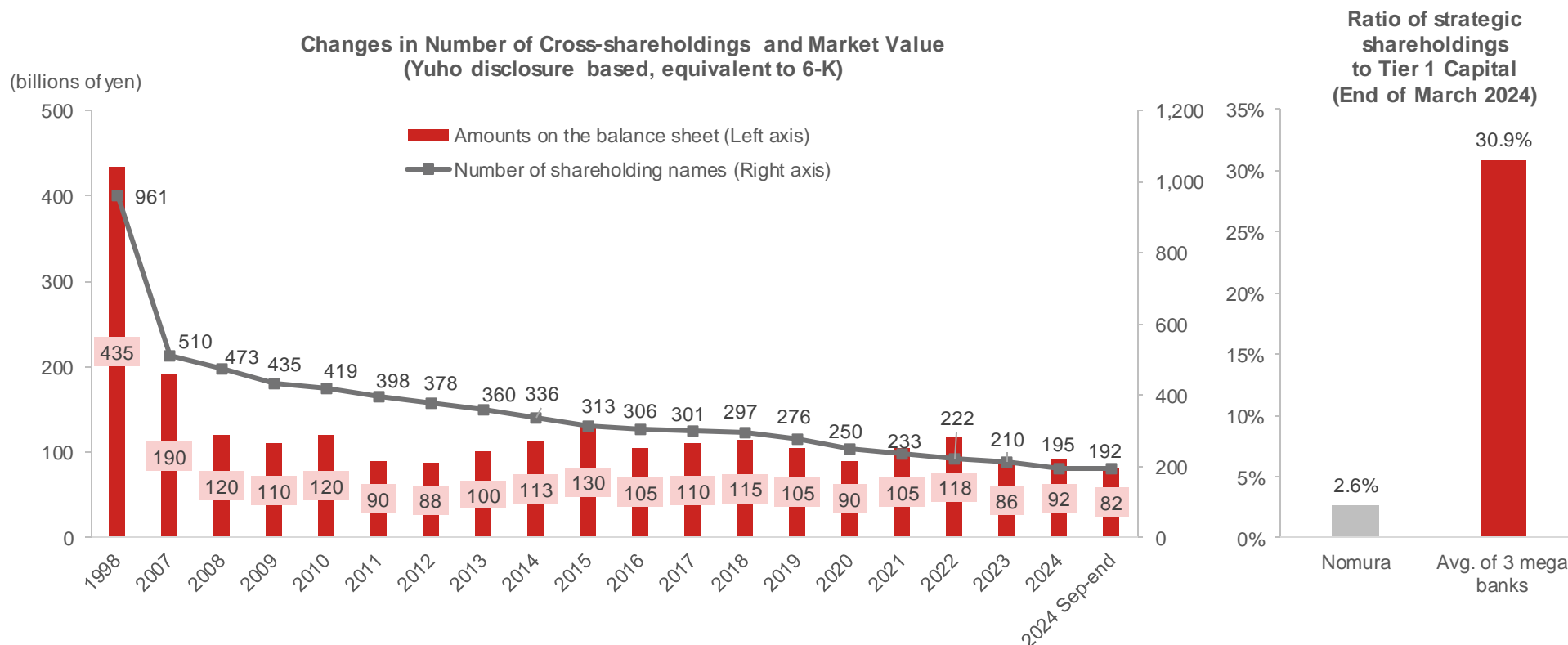
Stock-related compensation and non-monetary compensation

Type	Overview
Restricted Stock Unit (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 indicators:ROE/TSR). Performance evaluation period is set as more than 3 years in principle.

Reduction of Strategic Shareholdings

- Over the past 20 years, we have continuously reduced our strategic shareholdings. As of the end of September 2024, the Company held 192 names in investment securities with a total market value of 82.4 billion yen recorded on its balance sheet
- We have set a target of reducing the names of shareholdings held (including unlisted names) by 25% in the 5 years from April 1, 2022 to March 31, 2027. The progress rate as of end of September 2024 is 55% so far

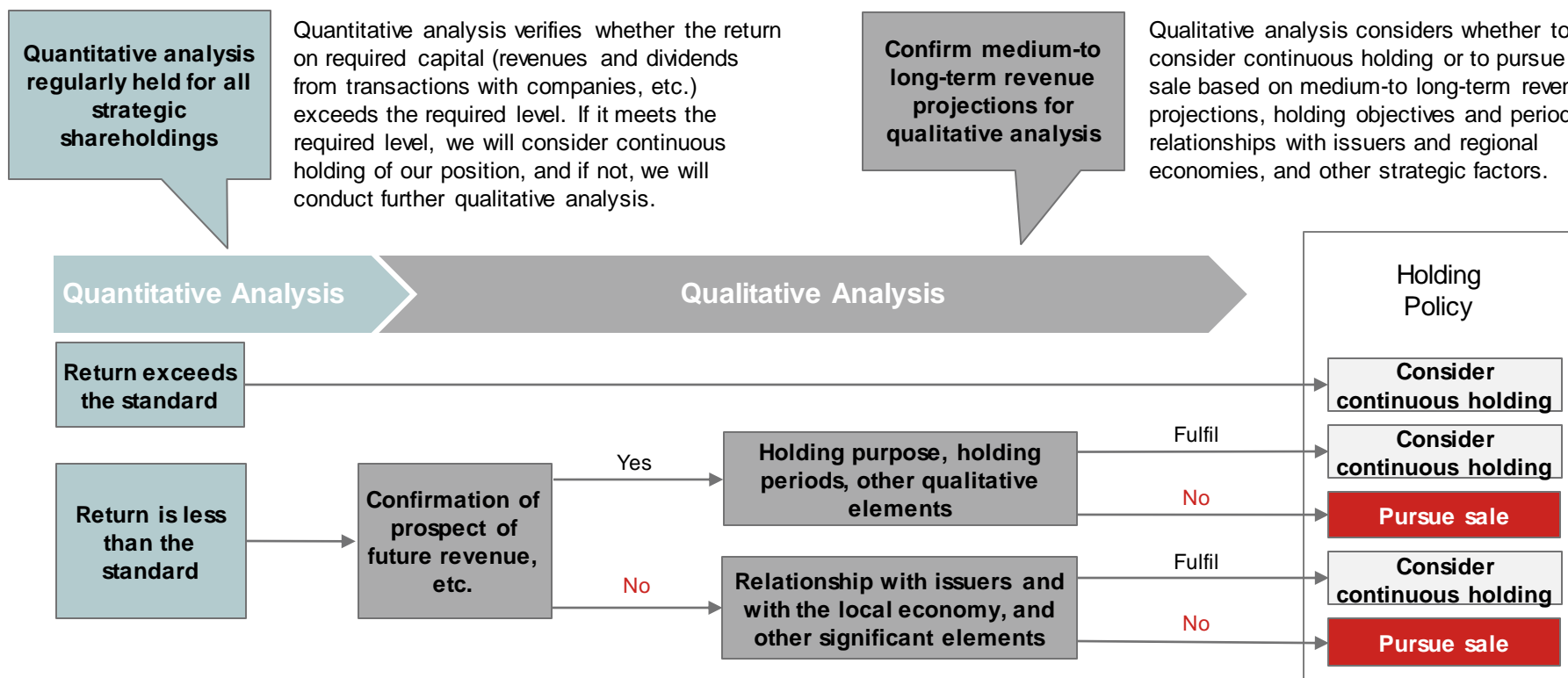
Trends in strategic-shareholdings



Reduction of Strategic Shareholdings

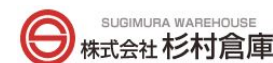
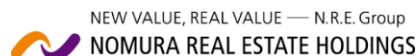
- Based on the internal review process, the rationale of holding strategic shareholdings is verified. A quantitative analysis is performed on all holdings. We will consider continuous holding of stocks if the returns are above the threshold. For stocks that do not meet the threshold, a qualitative analysis is performed to determine whether to consider continuous holding or pursue sale. We have sold some stocks even that have been categorized as consider continuous holding
- The Investment Securities Committee has been established internally to review our strategic shareholdings and, in accordance with the above process, conduct individual reviews, confirm, and discuss the significance of the shareholdings. The Board of Directors reviews what was discussed at the Investment Securities Committee

Process for Reviewing the Value of Strategic Shareholdings



Synergies with Listed Related Companies

- Building a strategic alliance and collaborative relationship as a group with Nomura Research Institute and Nomura Real Estate Holdings
- Collaborates with Sugimura Warehouse in CRE and logistics field



Ownership ¹	■ 23.0%	■ 37.5%	■ 50.7%
Accounting treatments	■ Affiliated company	■ Affiliated company	■ Consolidated subsidiaries
Market capitalization ²	■ 3.04 trillion yen	■ 662.3 billion yen	■ 10 billion yen
Revenue ³ (millions of yen)	■ 736,556	■ 734,715	■ 10,850
Operating profit ³ (millions of yen)	■ 120,411	■ 112,114	■ 1,292
Net income (millions of yen)	■ 79,643	■ 68,164	■ 863
Synergies with NHI group	<ul style="list-style-type: none"> ■ Builds strategic/partnership alliances as an important strategic company <ul style="list-style-type: none"> - Development and maintenance of core IT systems - Accepts secondees at IT related department (Talent sourcing) - Entrustment of middle/ back operations of asset management related business - Operation of a joint venture (eg. Boosty) - Building a new model for Workplace business 	<ul style="list-style-type: none"> ■ Builds strategic/partnership alliances as an important strategic company <ul style="list-style-type: none"> - Real estate brokerage for NSC clients - Real estate related asset management (e.g. Real estate fund management through a joint venture, Nomura Real Asset Investment, Develop and provide real estate investment products) - Support/maintenance/management of leased properties 	<ul style="list-style-type: none"> ■ Builds strategic/partnership alliances <ul style="list-style-type: none"> - Leasing real estate - Logistics - Warehousing

Source: Financial statements (annual, quarterly), Press Release, FactSet

1. Shareholding ratio of our company to total issued shares (excluding treasury stock) are as of June 30th, 2024

2.

As of 30th September 2024.

3.

Figures from FY 24/25 / IFRS for NRI / JGAAP for NRE and Sugimura Warehouse

Topics about Corporate Governance

■ Mr. Oshima is newly appointed as an Outside Director

Taku Oshima

(Reason for designation as an outside director nominee and expected role: Excerpt from the Notice of Convocation of the Annual General Meeting of Shareholders, June 2024)

Mr. Oshima has held positions including President and Representative Director of NGK INSULATORS, LTD., and has extensive experience with respect to corporate management, and such achievements and related insights have been evaluated highly both within and outside of the Company. The Company has designated him as an outside director nominee with the expectation that he will continue to apply such extensive experience and high degree of expertise and independence to perform a full role as an outside director in determining important managerial matters and overseeing the business execution of the Company.

Significant concurrent positions

Chairperson and Representative Director of NGK INSULATORS, LTD
Outside Director of Central Japan Railway Company
Chairman of Aichi Employers' Association
Outside Director of Toho Gas

Mr. Taku Oshima holds the authority to execute business operations under the Companies Act as President and Representative Director of NGK INSULATORS, LTD.. However, according to the company's website (Corporate Information > Corporate Governance > Committees on Corporate Governance), it states that "The chair of the Board of Directors is a non-executive director." Additionally, Mr. Oshima is not a member of the company's Executive Committee (the body that deliberates necessary matters to assist the president in making decisions.).

Attendance rate of each meeting (June 25 to September 30, 2024)

Board of Directors Meeting	Attendance rate: 100% (3 times)
Nomination Committee	Attendance rate: 100% (1 time)
Compensation Committee	Attendance rate: 100% (2 times)
Meeting of Outside Directors	Attendance rate: 100% (2 times)

Topics about Corporate Governance

- Mr. Takahara concurrently holds the position of Representative Director, President & CEO of Unicharm Corporation, but attended all the meetings of the Board of Directors and Committees

Takahisa Takahara

(Reason for designation as an outside director nominee and expected role: Excerpt from the Notice of Convocation of the Annual General Meeting of Shareholders, June 2024)

Mr. Takahara has extensive experience with respect to corporate management, and currently holds the position as Representative Director, President & CEO of Unicharm Corporation, such achievements and related insights have been evaluated highly both within and outside of the Company. The Company has designated him as an outside director nominee with the expectation that he will apply his extensive experience and high level of independence to perform a full role as an outside director in determining important managerial matters and overseeing the business execution of the Company.

Significant Concurrent Positions

Representative Director, President and CEO of Unicharm Corporation
Outside Director of Sumitomo Corporation

As Mr. Takahara is the Representative Director, President & CEO of Unicharm Corporation, there are some concerns that due to time constraints, he will not be able to make sufficient commitments to our company. However, he has attended to all the meetings listed above and has appropriately made statements utilizing experience gained from being a corporate manager. Based on the above, the Company believes that he is adequately fulfilling the roles expected of him as an Outside Director.

Attendance rate of each meeting (April to end of September 2024)

Board of Directors Meeting	Attendance rate: 100% (5 times)
Nomination Committee	Attendance rate: 100% (2 time)
Compensation Committee	Attendance rate: 100% (3 times)
Meeting of Outside Directors	Attendance rate: 100% (2 times)

Raising Corporate Value

- Improving ROE is a top priority to raise corporate value. Based on "Reaching for Sustainable Growth", management vision toward 2030, building a balanced portfolio through resource allocation, with quantitative goal to sustainably achieve ROE of 8 - 10%+

Initiatives to Improve PBR

$$\text{PBR} = \frac{\text{1 ROE}}{\text{2 Cost of equity*} - \text{3 Expected growth rate}}$$

(*) Cost of equity

Calculated using CAPM (Cost of equity = risk-free rate + beta x market risk premium). Assumed to be around 8%

1

Increase ROE

- Work on following management agendas with focus to sustainably achieve ROE of 8 - 10%+
 - ✓ Expand and diversify revenues
 - ✓ Achieve sustainable growth of stable revenues
 - ✓ Cost control
 - ✓ Optimize risk asset allocation
 - ✓ Optimize capital allocation
 - ✓ Return surplus capital to shareholders appropriately

2

Lower Cost of Equity

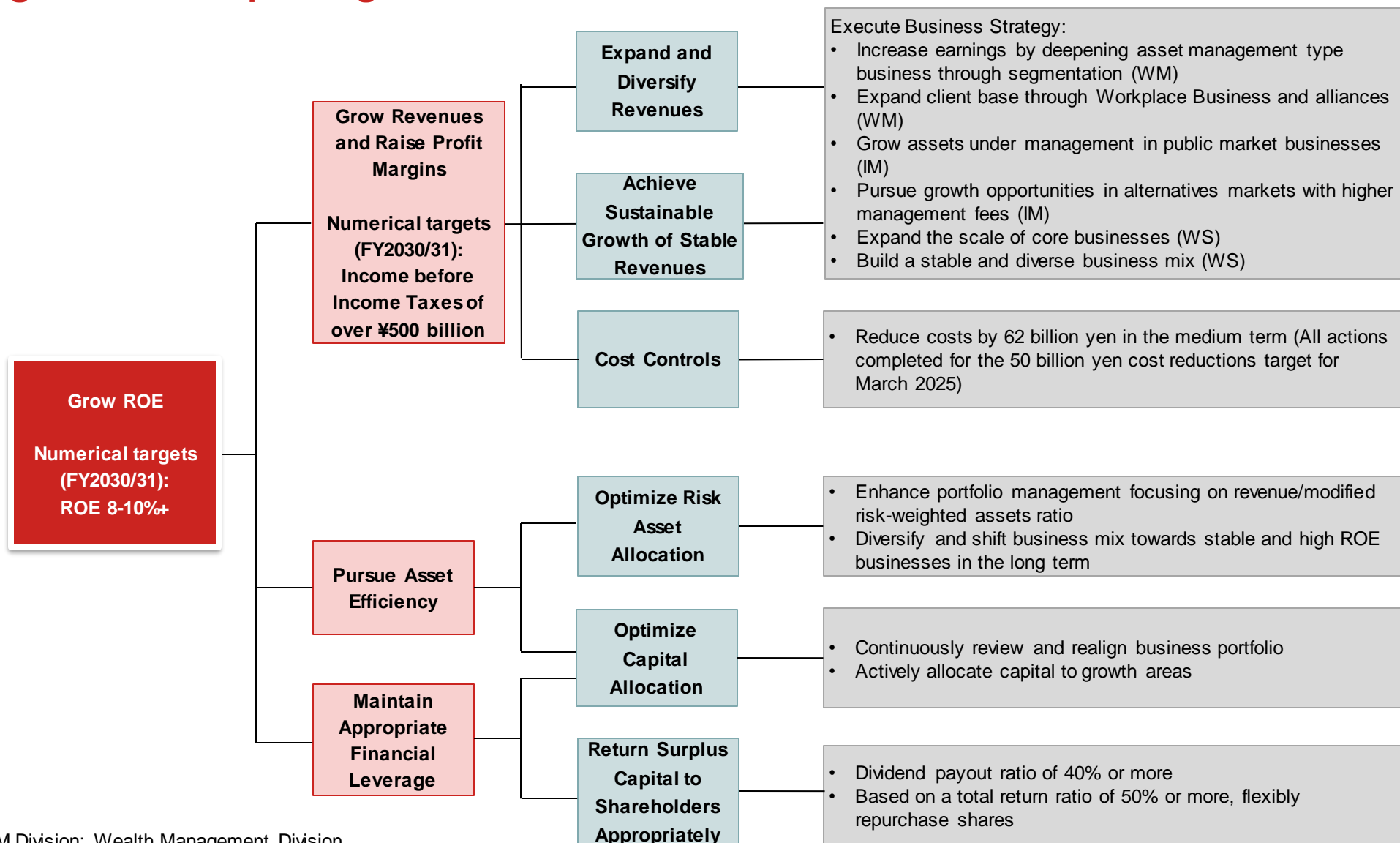
- Smooth out earnings volatility by stabilizing and diversifying groupwide revenues

3

Focus on Growth Areas

- Strengthening and expand banking functions
- Pursure business opportunities in growth markets (Middle East, India)
- Achieving organic and in-organic growth

Logic Tree for Improving ROE Levels

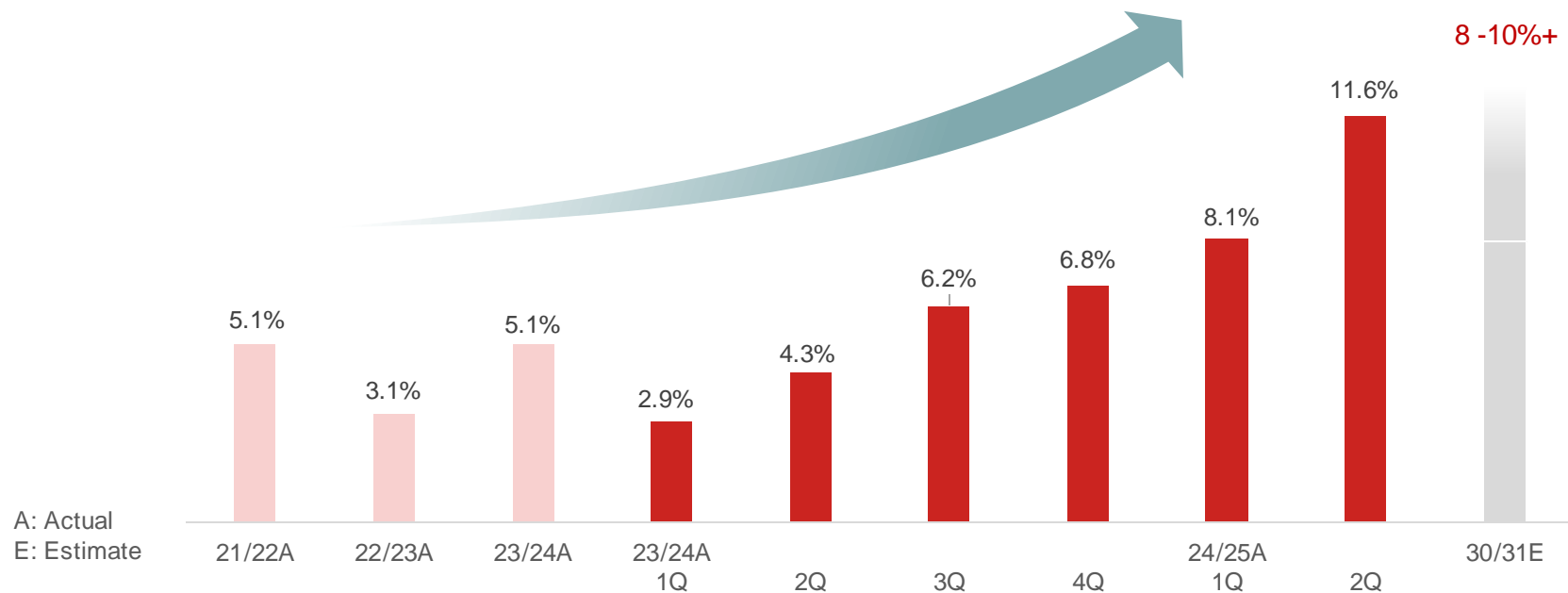


WM Division: Wealth Management Division
IM Division: Investment Management Division
WS Division: Wholesale Division

Steady progress toward improving ROE

- The quantitative target of achieving stable ROE of 8 - 10%+, which was announced on Investor Day in May 2024, is on track
- We aim to achieve stable earnings growth in the future

ROE



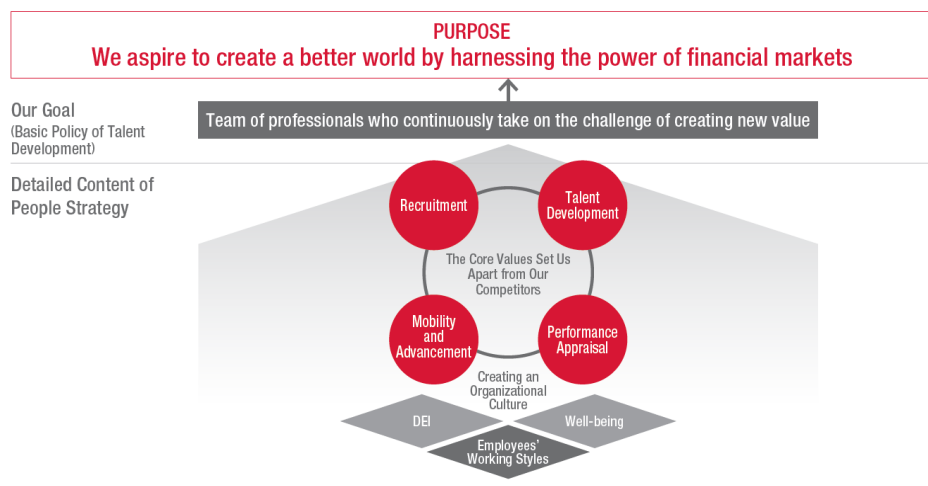
(billions of yen)

3 Divisions PTI	205.2	106.4	236.8	28.7	60.5	70.5	77.1	86.6	122.5	
Group PTI	226.6	149.5	273.9	46.3	56.7	78.7	92.1	102.9	133.0	>500
Net income	143.0	92.8	165.9	23.3	35.2	50.5	56.8	68.9	98.4	

People Strategy in Nomura Group

- Aiming to further enhance the added value provided by the Nomura Group by improving human resource engagement and differentiating intellectual capital by evolving the human resources strategy from a long-term perspective

Overview of People Strategy



Our People Strategy is based on the values of “Entrepreneurial Leadership,” “Teamwork,” and “Integrity” as defined in our corporate philosophy, and these core values set us apart from our competitors in our recruitment, talent development, performance appraisal, and mobility and advancement strategies, as well as our dedication to promoting “Diversity, Equity & Inclusion” (DEI), “Employees’ Ways of Working,” and “Wellbeing.” This strategy forms the core of our recruitment, talent development and retention initiatives.

Diverse organization

- Employees with diverse backgrounds, including various ages, genders, nationalities, races, disabilities, sexual orientations and gender identities, are actively engaged
 - About **40%** of our employees work outside Japan, with about **90** nationalities
 - About **70%** of career hires globally (FY2023/24)
 - About **20%** of female employees (about **40%** of our employees) are in managerial positions (FY2023/24)
 - NSC Women's Manager position reached **10.2%** (as of end of April 2024), and achieved the target (10% as of end of April 2025) 1 year ahead of schedule
 - In April 2024, **5** out of the 18 newly appointed executives¹ started their careers outside of Nomura

Further promote Diversity, Equity and Inclusion

- **Revision of Nomura Diversity, Equity & Inclusion Statement (Nov. 2024)**
 - Made it clear that DEI to be an essential component of key management strategy
- **Own DEI-Related Agenda**
 - Adding 'DEI Goal' to all personnel goal setting
 - 15,000 Japan employees took Inclusion Training
 - Incorporate DEI into manager appraisals² to foster an inclusive
- **Promoting male employees taking childcare leave (Addressing Unconscious Bias)**
 - Incentives are provided to employees who have taken childcare leave for more than 1 month regardless of gender
 - Male employees who have taken childcare leave hold round-table discussions and share their experiences

Rate of male employees taking childcare leave³ increased significantly from **18%** in FY2023/24 1H to approximately **50%** in FY2023/24 2H

1. Group as a whole

2. Review of its own work-life balance, create a work environment that embraces diversity, develop and nurture the abilities of female employees, promote the acquisition of childcare leave, etc.

3. Nomura Securities

Sustainability in Nomura Group

■ Build an operational structure that integrates sustainability into management strategies

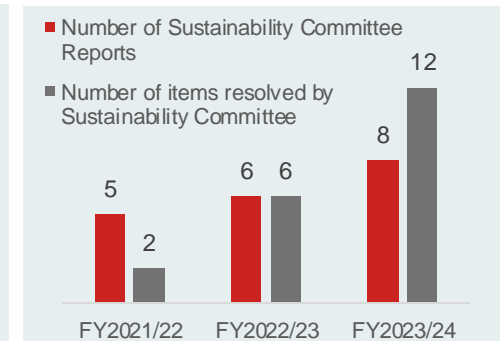
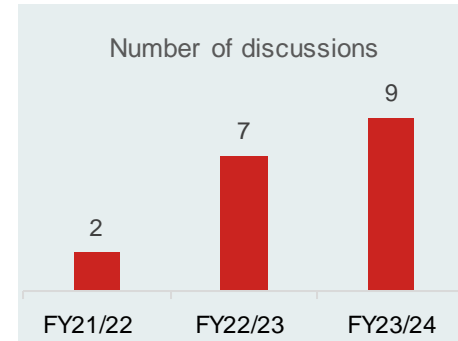
Sustainability Governance

- Establish the Sustainability Committee, chaired by the Group CEO and composed of members including the Executive Management Board member. Discuss and decide on strategies for promoting sustainability
- Establish the forum (Sustainability Forum) for the cross-department and regional discussion opportunities led by executive-level members to ensure more agile and substantive discussions
- DEI promotion is placed directly under the Sustainability Committee



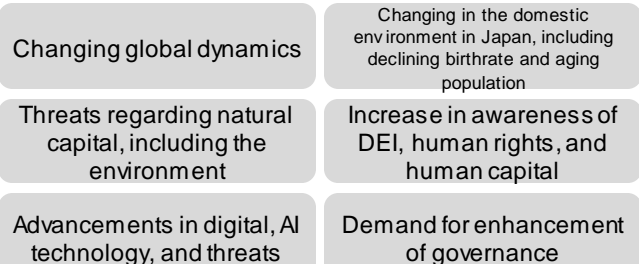
Discussion on sustainability

- Collaborate closely on the implementation and oversight of sustainability initiatives, and engage in multifaceted discussions
- The number of discussions is on the rise



Nomura Group's materiality

Environment surrounding our company



Issues to Work On



Realization of our Purpose



Sustainability in Nomura Group

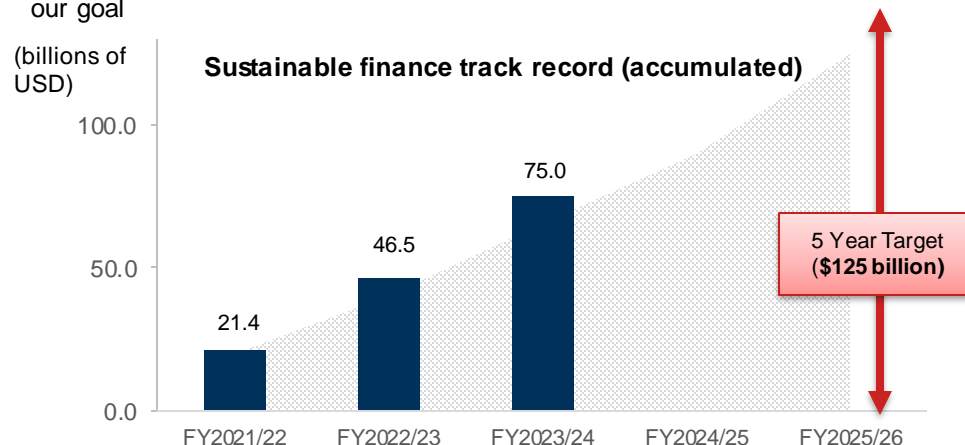
■ Creating economic and social value by supporting our client's sustainability initiatives and promoting our own sustainability

Supporting sustainability efforts of clients and stakeholders

- Sustainable Finance
- Consulting & Advisory
- ESG Investment Trust
- Research
- Financial gerontology, regional revitalization
- Improving financial literacy

Sustainable finance

- ✓ In September 2021, we set a sustainable finance projects¹ target of US\$125 billion over 5 years to March 2026
- ✓ We supported US\$28.5 billion of sustainable financing in FY2023/24 and a total of US\$75 billion since FY2021/22, which illustrates our steady progress toward our goal



1. Total of projects that qualify as sustainable finance in accordance with our company standards.

2. In March 2024, we announced the Net Zero Transition Plan, a transition plan to achieve net zero greenhouse gas emissions (Scope 3 Category 15, Financed Emissions) related to investments and loans

Promoting our own sustainability

- | | |
|---|---|
| <ul style="list-style-type: none"> ■ Environment <ul style="list-style-type: none"> ➢ <u>Setting a net zero target</u> <ul style="list-style-type: none"> • Achieving net zero at our company in 2030 • Achieving net zero investment and loan portfolio in 2050² ➢ <u>Efforts to Reduce Environmental Impact</u> <ul style="list-style-type: none"> • Use of renewable energy power and promotion of renewable energy • Paperless promotion | <ul style="list-style-type: none"> ■ Social, Governance <ul style="list-style-type: none"> ➢ Enhance governance ➢ Promotion of human capital and DEI ➢ Health management ➢ Disaster reconstruction support ➢ NPO/NGO collaboration |
|---|---|

Improving financial literacy

- Providing opportunities to improve financial literacy in line with life stages from school education to working and senior generations
- Promote expansion of activities in collaboration with partner companies in response to growing public interest

Nikkei STOCK League

- Nomura Group has been sponsoring this contest for 25 consecutive years from 2000 (Nikkei STOCK League: A contest-style program for learning about finance and economics in schools)
- About 140 employees support the event as volunteer judges (FY2023/24)
- 8,445 students participated (FY2023/24)



Outline of Nomura Holdings Corporate Governance Guidelines

- **Corporate Governance Guidelines established in November 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
- Diversified composition
- Majority of members is Outside Directors to perform its management oversight functions appropriately
- Analyze and evaluate the effectiveness of the Board and disclose the results annually

Internal Controls System

- Oversee status of maintenance and operation of internal controls through audits by Audit Committee and activities by Internal Audit independent from the business execution functions
- 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
- The Board Risk Committee, as a non-statutory committee, established to assist the Board of Directors in supervising Nomura Group's risk management and to contribute to sophistication of the risk management.

Dialogue with Shareholder

- 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
- Together with contributing to the development of capital markets through various business activities, we actively engage in sustainability-related activities aimed at the Company's sustainable growth, solving social issues, and the realization of a sustainable society.

Reference Information Link List

Annual Report (Integrated Report)

This report introduces the Nomura Group's strategy for creating economic and social value, its specific measures, and its views and initiatives on governance, compliance, and risk management, which are important foundations for value creation.

https://www.nomuraholdings.com/investor/library/ar/2024/pdf/nomura_report_all.pdf

Management Strategy Presentation

Video presentations and materials related to the latest management strategy can be found here., etc.

<https://www.nomuraholdings.com/investor/presentation/index.html>

Corporate Governance

Nomura Holdings recognizes that strengthening corporate governance is one of the most important issues in achieving the management goal of "Enhance corporate value by increasing the trust of society and the satisfaction of stakeholders, including shareholders and customers." As a company with a nominating committee, etc., Nomura Holdings strives to strengthen its supervisory function by separating management supervision from business execution and to expedite decision-making by delegating business execution authority from the Board of Directors to executive officers.

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

Corporate Governance Report

For more information on the status of corporate governance at Nomura Holdings, including the implementation of the Corporate Governance Code, please refer to the Corporate Governance Report.

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

Nomura Group Sustainability Report

The Nomura Report provides Group's strategy and specific measures for creation of economic and social value, as well as ideas and initiatives related to governance, compliance, and risk management, which are important foundations for value creation in a wide range of topics. We hope that this integrated report helps readers gain a better understanding of the Nomura Group.

<https://www.nomuraholdings.com/investor/library/ar/sustainability/2024/pdf/all.pdf>

Nomura TCFD Report

Nomura committed to support the Task Force on Climate-related Financial Disclosures (TCFD) and has enhanced information disclosure in line with the TCFD recommendations.

<https://www.nomuraholdings.com/investor/library/tcfd/2023/pdf/all.pdf>

Nomura Group PRB Report 2023

The Nomura Group recognizes the importance of integrating our company's various initiatives with the vision for a future society set forth in the Sustainable Development Goals (SDGs) and the Paris Agreement to realize a sustainable society. The Nomura Group will accelerate its efforts to achieve the goals set in the United Nations Environment Programme's Principles for Responsible Banking (PRB) Report.

<https://www.nomuraholdings.com/investor/library/ar/prb/2023/pdf/all.pdf>



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