

*This document is a translation of the Japanese language original prepared solely for convenience of reference (certain portions of the Japanese language original applicable to voting procedures in Japan that are not applicable to shareholders outside Japan have been omitted). In the event of any discrepancy between this translated document and the Japanese language original, the Japanese language original shall prevail. Please note that certain portions of this document may not be applicable to shareholders outside Japan.*

# **NOMURA**

## **Notice of Convocation of the 114<sup>th</sup> Annual General Meeting of Shareholders**

Nomura Holdings, Inc.

## To Our Shareholders

I would like to take this opportunity to thank all of our shareholders for the ongoing support.

In the first half of the fiscal year ended March 31, 2018, economic fundamentals were progressing solidly. In the last half, however, due to uncertain monetary policies of central banks and geopolitical risks, investors became more risk averse. As a result, volatility spiked in equity market, and the Japanese yen temporarily appreciated to a 104 yen level against US dollar.

Even under such highly uncertain circumstances, based on our basic philosophy of “placing our clients at the heart of everything we do,” we have continued to transform our business platform in order to secure stable revenues. In Retail Division, we have expanded a range of value-added solutions. In international regions, we have continued to optimize cost and risk. Also, in order to respond to the rapidly accelerating technological evolution and the aging and shrinking population in Japan, we have started to promote digitalization and strengthen our approach to next generation clients.

As a result, in the fiscal year ended March 31, 2018, the Group’s net revenue totaled 1,497 billion yen (after interest expense), income before income taxes amounted to 328.2 billion yen, net income came to 219.3 billion yen, and EPS was 61.88 yen (after dilution).

With regard to the distribution of dividends to shareholders, the annual dividend for the year ended March 2018 will total 20 yen per share based on our dividend policy. We also approved a resolution to set up a share buyback program and will aim for a total payout ratio, which consists of dividends and share buybacks, of at least 50 percent.

In the fiscal year ended March 31, 2018, in order to clarify our mission, vision and values, we consolidated the Nomura Group Corporate Philosophy. Also, we declared the corporate slogan “Delivering a Better Tomorrow” based on our philosophy.

Our overriding mission to contribute to creating an affluent society by leveraging our expertise in the capital markets remains unchanged. Our aim is to deliver a better tomorrow together with our clients as their most trusted partner.

Thank you very much for your continued support.

May 2018

Koji Nagai  
Director, President and Group CEO

To: Shareholders of Nomura Holdings, Inc.

Koji Nagai  
Director, Representative Executive Officer,  
President and Group CEO  
Nomura Holdings, Inc.  
1-9-1 Nihonbashi, Chuo-ku, Tokyo, JAPAN

**Notice of Convocation of the Annual General Meeting of Shareholders**

Dear Shareholder,

I would like to take this opportunity to thank you, our shareholder, for your support of Nomura Holdings, Inc. (the “Company”). The 114th Annual General Meeting of Shareholders will be held as described below.

**Details**

1. **Date and Time:** 10:00 a.m. on Friday, June 22, 2018 (JST)
2. **Place:** Grand Nikko Tokyo Daiba, “Palais Royal” (first basement)  
2-6-1, Daiba, Minato-ku, Tokyo, JAPAN
3. **Agenda for the Meeting:**  
**Matters to be Reported:**
  1. Report on the content of the business report and the consolidated financial statements and report on the results of the audits of the consolidated financial statements performed by the accounting auditor and the Audit Committee for the 114th fiscal year (covering the period from April 1, 2017 to March 31, 2018).
  2. Report on the financial statements for the 114th fiscal year (covering the period from April 1, 2017 to March 31, 2018).

**Matter to be Resolved:**

Proposal: Appointment of Ten Directors

**Matters regarding the exercise of voting rights:**

If you exercise your voting rights through a proxy, only one proxy per shareholder will be permitted and such proxy must be a shareholder who holds voting rights at this General Meeting of Shareholders. Please also submit documentation evidencing the necessary power of attorney along with the proxy card.

End.

Notes:

With regard to the following matters, pursuant to relevant laws/regulations and the provisions of Article 25 of the Company's Articles of Incorporation, they are not included in the materials annexed to this Notice of Convocation as they have been posted on the Company's website (<http://www.nomuraholdings.com/investor/shm/>). Therefore, the materials annexed to this Notice of Convocation, on the occasion of the preparation of the Audit Report, were a part of the objects that the audit committee and accounting auditor audited.

1. The following section of the business report: VII. Basic Policy Regarding the Status of Persons with Control over Decisions Concerning the Company's Financial and Business Policies;
2. The notes to the consolidated financial statements; and
3. The notes to the financial statements.

In the event of any subsequent revisions to the reference materials for the general meeting of shareholders, the business report, the consolidated financial statements, the financial statements, or other materials annexed to this Notice of Convocation, there will be a posting on the Company's website indicated above.

Regarding the Payment of the Year-end Dividend Distribution of the 114th Fiscal Year Surplus

At the Meeting of the Board of Directors of the Company held on April 26, 2018, a resolution was adopted for the payment, beginning on June 1, 2018, of the 11 yen per share year-end dividend distribution of the 114th fiscal year surplus.

## Reference Materials for the General Meeting of Shareholders


### Proposal and Reference Matters

#### Proposal: Appointment of Ten Directors

As of the conclusion of this General Meeting, the term of office of all ten directors will expire. Therefore, based on the decision of the Nomination Committee, the Company requests the appointment of ten directors, including three new director nominees. Of the ten nominees, six, including two who are to be newly appointed, are outside director nominees, and the two director nominees who will concurrently serve as executive officers are Koji Nagai and Shoichi Nagamatsu.


The nominees are as follows:


No.	Name	Positions in the Company	Attendance Record at Board of Directors Meetings
1	<b>Nobuyuki Koga</b> Non-Executive Director Reappointment	Chairman of the Board of Directors Chairman of the Nomination Committee Chairman of the Compensation Committee	100% (10/10 meetings)
2	<b>Koji Nagai</b> Executive Officer Reappointment	Representative Executive Officer and President Group CEO	100% (10/10 meetings)
3	<b>Shoichi Nagamatsu</b> Executive Officer New Appointment	Representative Executive Officer and Deputy President	(New Appointment)
4	<b>Hisato Miyashita</b> Non-Executive Director Reappointment	Member of the Audit Committee (Full-Time)	100% (10/10 meetings)
5	<b>Hiroshi Kimura</b> Outside Director, Independent Director Reappointment	Member of the Nomination Committee Member of the Compensation Committee	100% (10/10 meetings)
6	<b>Kazuhiko Ishimura</b> Outside Director, Independent Director New Appointment	Member of the Nomination Committee (to be appointed) Member of the Compensation Committee (to be appointed)	(New Appointment)
7	<b>Noriaki Shimazaki</b> Outside Director, Independent Director Reappointment	Chairman of the Audit Committee	100% (10/10 meetings)
8	<b>Mari Sono</b> Outside Director, Independent Director Reappointment	Member of the Audit Committee	100% (8/8 meetings)
9	<b>Michael Lim Choo San</b> Outside Director, Independent Director Reappointment		100% (10/10 meetings)
10	<b>Laura Simone Unger</b> Outside Director, Independent Director New Appointment		(New Appointment)

1.	Nobuyuki Koga (Aug. 22, 1950)	Non-Executive Director Reappointment Number of shares held: 307,453 shares of common stock
	<p>Apr. 1974    Joined the Company</p> <p>Jun. 1995    Director of the Company</p> <p>Apr. 1999    Managing Director of the Company</p> <p>Jun. 2000    Director and Deputy President of the Company</p> <p>Oct. 2001    Director and Deputy President of the Company (concurrently Director and Deputy President of Nomura Securities Co., Ltd.)</p> <p>Apr. 2003    Director and President of the Company (concurrently Director and President of Nomura Securities Co., Ltd.)</p> <p>Jun. 2003    Director, President &amp; CEO of the Company (concurrently Director and Executive Officer and President of Nomura Securities Co., Ltd.)</p> <p>Apr. 2008    Director and Representative Executive Officer of the Company (concurrently Director and Chairman of Nomura Securities Co., Ltd.)</p> <p>Jun. 2008    Director and Chairman of Nomura Securities Co., Ltd.</p> <p>Jun. 2011    Director and Chairman of the Company (concurrently Director and Chairman of Nomura Securities Co., Ltd.)</p> <p>Apr. 2017    Director and Chairman of the Company (concurrently Director of Nomura Securities Co., Ltd.) (Current)</p>	
<p>Chairman of the Board of Directors</p>		
<p>Chairman of the Nomination Committee</p>		
<p>Chairman of the Compensation Committee</p>		
<p>Attendance at Meetings of the Board of Directors: 10/10</p>	<p>(Significant concurrent positions)</p> <p>Director of Nomura Securities Co., Ltd.</p> <p>Representative Director and President of Kanagawa Kaihatsu Kanko Ltd.</p>	
<p>Attendance at Meetings of the Nomination Committee: 4/4</p>	<p>(Reasons for designation as a director nominee)</p> <p>Mr. Koga has held positions including Director and President of the Company, Director and President of Nomura Securities Co., Ltd., and Vice Chairman of the Japan Securities Dealers Association, and has served as Director and Chairman of the Company since June 2011, and currently holds the positions of the Vice Chairman of Nippon Keidanren (Japan Business Federation (“JBF”)), he will be appointed as Chairman of the Board of Councillors of JBF on May 31 2018).</p>	
<p>Attendance at Meetings of the Compensation Committee: 3/3</p>	<p>The Company has designated Mr. Koga, who is well-versed in the business of the Nomura Group and the customs of the securities industry, as a director nominee with the expectation that, by having Mr. Koga chair meetings of the Board of Directors as Chairman of the Board of Directors, he will contribute to enhancing the quality of discussions at meetings of the Board of Directors and operate meetings of the Board of Directors effectively and efficiently.</p> <p>If his reappointment is approved, he is slated to continue serving as Chairman of the Nomination Committee and Chairman of the Compensation Committee after this Annual General Meeting of Shareholders.</p> <p>Mr. Koga does not concurrently serve as an executive officer and is a non-executive director.</p>	


Note 1: In October 2001, the Company reorganized and became a holding company, changed the company name from, “The Nomura Securities Co., Ltd.” to “Nomura Holdings, Inc.” and Nomura Securities Co., Ltd., the subsidiary newly established by the company divestiture, succeeded the securities company operations. With regard to biographical information based on the Company prior to October 2001, the references are to positions and responsibilities at The Nomura Securities Co., Ltd.

Note 2: Since June 2003, the Company has put in place three committees (the nomination, compensation, and audit committees) and adopted a corporate governance structure that separates management’s oversight functions from business execution functions (Company with Three Board Committees). As the execution of the business of the Company, which is a Company with Three Board Committees, is performed by executive officers, directors who do not concurrently serve as executive officers (non-executive directors) do not perform such a function and perform mainly an oversight function.

2.	<b>Koji Nagai</b> (Jan. 25, 1959)	Executive Officer	Reappointment
Number of shares held: 285,000 shares of common stock			
 <p>Director</p> <p>Representative Executive Officer and President</p> <p>Group CEO</p> <p>Attendance at Meetings of the Board of Directors: 10/10</p>	Apr. 1981	Joined the Company	
	Apr. 2003	Director of Nomura Securities Co., Ltd.	
	Jun. 2003	Senior Managing Director of Nomura Securities Co., Ltd.	
	Apr. 2007	Executive Managing Director of Nomura Securities Co., Ltd.	
	Oct. 2008	Senior Corporate Managing Director of Nomura Securities Co., Ltd.	
	Apr. 2009	Executive Managing Director and Executive Vice President of Nomura Securities Co., Ltd.	
	Apr. 2011	Co-COO and Deputy President of Nomura Securities Co., Ltd.	
	Apr. 2012	Senior Managing Director of the Company (concurrently Director and President of Nomura Securities Co., Ltd.)	
	Aug. 2012	Representative Executive Officer & Group CEO of the Company (concurrently Director and President of Nomura Securities Co., Ltd.)	
	Jun. 2013	Director, Representative Executive Officer & Group CEO of the Company (concurrently Director and President of Nomura Securities Co., Ltd.)	
Apr. 2017	Director, Representative Executive Officer, President & Group CEO of the Company (concurrently Director and Chairman of Nomura Securities Co., Ltd.) (Current)		
(Significant concurrent positions)			
Director and Chairman of Nomura Securities Co., Ltd.			
(Reasons for designation as a director nominee)			
Mr. Nagai has held positions including Director and President of Nomura Securities Co., Ltd., and has served as Representative Executive Officer, President and Group CEO of the Company.			
The majority of the Board of Directors of the Company, including Outside Directors, is made up of non-executive directors. The Company has designated him as a director nominee with the expectation that, by having a top executive concurrently serve as a director, the Board of Directors will be able to easily understand the business execution status and the status of the Company, and exercise the management oversight function more effectively.			

3.	<b>Shoichi Nagamatsu</b> (Jul. 6, 1958)	Executive Officer	New Appointment
Number of shares held: 200,700 shares of common stock			
 <p data-bbox="145 517 419 636">Representative Executive Officer and Deputy President of the Company</p>	Apr. 1982	Joined the Company	
	Apr. 2004	Senior Managing Director of Nomura Securities Co., Ltd.	
	Oct. 2008	Executive Managing Director of the Company (concurrently Senior Managing Director of Nomura Securities Co., Ltd.)	
	Jun. 2010	Senior Corporate Managing Director of the Company (concurrently Senior Corporate Managing Director of Nomura Securities Co., Ltd.)	
	Apr. 2012	Senior Corporate Managing Director of Nomura Securities Co., Ltd.	
	Jun. 2012	Representative Executive Officer and Senior Corporate Managing Director of Nomura Securities Co., Ltd.	
	Apr. 2013	Executive Managing Director and Chief of Staff of the Company (concurrently Executive Managing Director and Executive Vice President of Nomura Securities Co., Ltd.)	
	Apr. 2016	Executive Managing Director and Chief of Staff of the Company (concurrently Representative Executive Officer and Deputy President of Nomura Securities Co., Ltd.)	
	Apr. 2017	Representative Executive Officer, Deputy President and Chief of Staff of the Company (concurrently Director of Nomura Securities Co., Ltd.)	
	Apr. 2018	Representative Executive Officer and Deputy President of the Company (concurrently Director of Nomura Securities Co., Ltd.) (Current)	
(Significant concurrent positions)			
Director of Nomura Securities Co., Ltd.			
(Reasons for designation as a director nominee)			
<p>Mr. Nagamatsu has held positions including Chief of Staff of the Company and Deputy President of Nomura Securities Co., Ltd., and has served as Representative Executive Officer and Deputy President of the Company.</p> <p>The majority of the Board of Directors of the Company, including outside directors, is made up of non-executive directors. The Company has designated him as a director nominee with the expectation that, by having a top executive concurrently serve as a director, the Board of Directors will be able to easily understand the business execution status and the status of the Company, and exercise the management oversight function more effectively.</p>			



4.	<b>Hisato Miyashita</b> (Dec. 26, 1958)	Non-Executive Director	Reappointment
Number of shares held: 60,000 shares of common stock			
 <p>Director</p> <p>Member of the Audit Committee (Full-Time)</p> <p>Attendance at Meetings of the Board of Directors: 10/10</p> <p>Attendance at Meetings of the Audit Committee: 16/16</p>	<p>Jul. 1987</p> <p>Jun. 1993</p> <p>Aug. 1996</p> <p>Apr. 1998</p> <p>Dec. 1999</p> <p>Mar. 2005</p> <p>Jul. 2009</p> <p>Apr. 2012</p> <p>Jun. 2012</p> <p>Apr. 2013</p> <p>Apr. 2015</p> <p>Apr. 2016</p> <p>Jun. 2016</p>	<p>Joined the Company</p> <p>Joined Union Bank of Switzerland (currently, UBS)</p> <p>Joined Bankers Trust Asia Securities Ltd.</p> <p>Joined Credit Suisse First Boston Securities (Japan) Limited</p> <p>Joined Nikko Citigroup Limited (currently, Citigroup Global Markets Japan Inc.)</p> <p>Executive Officer of Nikko Citigroup Limited, Internal Control Supervisory Manager</p> <p>Managing Director of Group Compliance Department of the Company</p> <p>Senior Managing Director of the Company, Head of Wholesale Compliance</p> <p>Senior Managing Director of the Company, Group Compliance Head (concurrently Senior Managing Director of Nomura Securities Co., Ltd.)</p> <p>Senior Managing Director of the Company, Group Compliance Head (concurrently Representative Executive Officer of Nomura Securities Co., Ltd., Internal Control Supervisory Manager)</p> <p>Senior Managing Director of the Company, Deputy Chief of Staff and Group Compliance Head (concurrently Representative Executive Officer and Senior Corporate Managing Director of Nomura Securities Co., Ltd., Internal Control Supervisory Manager)</p> <p>Advisor of the Company</p> <p>Director of the Company (Current)</p>	(Significant concurrent positions)
	<p>Director of Nomura Asset Management Co., Ltd.</p> <p>Director of The Nomura Trust and Banking Co., Ltd.</p> <p>Statutory Auditor of Nomura Financial Products &amp; Services, Inc.</p>		
	(Reasons for designation as a director nominee)		
	<p>Mr. Miyashita has engaged in legal and compliance work for many years at a number of securities companies, including the Company, and by working in positions such as the Group Compliance Head of the Nomura Group, he has extensive experience and knowledge in the compliance field.</p>		
	<p>If his reappointment is approved, he is slated to continue serving as a full-time member of the Audit Committee after this Annual General Meeting of Shareholders. The Company has designated Mr. Miyashita, who is well-versed in the business of the Nomura Group, as a director nominee with the expectation that, by adding him to the Audit Committee, the effectiveness of audits by the Audit Committee will be enhanced.</p>		
	<p>Mr. Miyashita will not concurrently serve as an executive officer and will be a non-executive director.</p>		

## Outside Director Nominees (Nominee Numbers 5 to 10)

All six Outside Director nominees satisfy the Independence Criteria established by the Company. Further, the Company has designated all Outside Director nominees as Independent Directors (an outside director who does not have any danger of having conflicts of interest with general shareholders in accordance with the rules of the Tokyo Stock Exchange, Inc.).

Reference: “Independence Criteria” for Outside Directors of Nomura Holdings, Inc.

Outside Directors of Nomura Holdings, Inc. (the “Company”) shall satisfy the requirements set forth below to maintain their independence from the Nomura Group.

1. The person, currently, or within the last three years, shall not correspond to a person listed below.
  - (1) Person Related to the Company  
A person satisfying any of the following requirements shall be considered a Person Related to the Company:
    - Executive (\*1) 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.
2. 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 below (excluding persons in unimportant positions):
  - (1) Executive of the Nomura Group; or
  - (2) A person identified in any of subsections (1) ~ (5) in Section 1 above.

(Notes)


\*1: Executive shall mean Executive Directors (*gyoumu shikkou torishimariyaku*), Executive Officers (*shikkouyaku*) and important employees (*jyuuyou na shiyounin*), including Senior Managing Directors (*shikkouyakuin*), etc.


\*2: Major Lender shall mean a lender from whom the Company borrows an amount equal to or greater than 2% of the consolidated total assets of the Company.


\*3: Major Business Partner shall mean a business partner whose transactions with the Company exceed 2% of such business partner’s consolidated gross revenues in the last completed fiscal year.


\*4: Certain amount of donation shall mean, with respect to any given institution, any amount that exceeds 2% of the donee institution’s gross revenue or ordinary income, whichever is greater, or donations that exceed 10 million yen per year.


End.


<b>5.</b>	<b>Hiroshi Kimura</b> (Apr. 23, 1953)	<b>Outside Director, Independent Director</b> <b>Reappointment</b> Number of shares held: 0 shares of common stock
 Outside Director Member of the Nomination Committee Member of the Compensation Committee Number of years in office: 3 years Attendance at Meetings of the Board of Directors: 10/10 Attendance at Meetings of the Nomination Committee: 4/4 Attendance at Meetings of the Compensation Committee: 3/3	<p>Apr. 1976      Joined Japan Tobacco and Salt Public Corporation (currently, Japan Tobacco Inc.)</p> <p>Jun. 1999      Director of Japan Tobacco Inc.</p> <p>Jun. 2001      Resigned as Director of Japan Tobacco Inc.</p> <p>Jun. 2005      Director of Japan Tobacco Inc.</p> <p>Jun. 2006      President and CEO and Representative Director of Japan Tobacco Inc.</p> <p>Jun. 2012      Chairman of the Board of Japan Tobacco Inc.</p> <p>Jun. 2014      Special Advisor of Japan Tobacco Inc.</p> <p>Jun. 2015      Outside Director of the Company (Current)</p> <p>Jul. 2016      Advisor of Japan Tobacco Inc.</p> <p>Mar. 2018      Honorary Company Fellow of Japan Tobacco Inc. (Current)</p> <p><b>(Significant concurrent positions)</b></p> <p>Honorary Company Fellow of Japan Tobacco Inc.            Outside Director of Asahi Glass Co., Ltd.            Outside Director of IHI Corporation</p> <p><b>(Reasons for designation as an outside director nominee)</b></p> <p>Mr. Kimura has extensive experience with respect to corporate management, and including the holding in the past of positions such as President, CEO and Representative Director of the Board of Japan Tobacco Inc. and Chairman of the Board of Japan Tobacco Inc., such achievements and related insights have been evaluated highly both within and outside of the Company.</p> <p>The Company has designated him as an outside director nominee with the expectation that he will continue to 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.</p> <p>If his reappointment is approved, he is slated to serve as a member of the Nomination Committee and a member of the Compensation Committee after this Annual General Meeting of Shareholders.</p>	

6.	<b>Kazuhiko Ishimura</b> (Sep. 18, 1954)	Outside Director, Independent Director	New Appointment Number of shares held: 0 shares of common stock	
	Apr. 1979	Joined Asahi Glass Company, Limited		
	Jan. 2006	Executive Officer, GM of Kansai Plant of Asahi Glass Company, Limited		
	Jan. 2007	Senior Executive Officer and GM of Electronics & Energy General Division of Asahi Glass Company, Limited		
	Mar. 2008	Representative Director and President & COO of Asahi Glass Company, Limited		
	Jan. 2010	Representative Director and President & CEO of Asahi Glass Company, Limited		
	Jan. 2015	Representative Director & Chairman of Asahi Glass Company, Limited		
	Jan. 2018	Director & Chairman of Asahi Glass Company, Limited (Current)		
	<b>(Significant concurrent positions)</b>			
	Director & Chairman of Asahi Glass Company, Limited Outside Director of TDK Corporation Outside Director of IHI Corporation			
	<b>(Reasons for designation as an outside director nominee)</b>			
<p>Mr. Ishimura has extensive experience with respect to corporate management, and including the holding in the past of positions such as Representative Director and President and CEO of Asahi Glass Company, Limited and Chairman of the Board of Asahi Glass Company, such achievements and related insights have been evaluated highly both within and outside of the Company.</p> <p>The Company has designated him as an outside director nominee with the expectation that he will continue to 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.</p> <p>If his appointment is approved, he is slated to serve as a member of the Nomination Committee and a member of the Compensation Committee after this Annual General Meeting of Shareholders.</p>				

7.	Noriaki Shimazaki (Aug. 19, 1946)	Outside Director, Independent Director, Reappointment Number of shares held: 5,500 shares of common stock
 <p>Outside Director</p> <p>Chairman of the Audit Committee</p> <p>Number of years in office: 2 years</p> <p>Attendance at Meetings of the Board of Directors: 10/10</p> <p>Attendance at Meetings of the Audit Committee: 16/16</p>	<p>Apr. 1969      Joined Sumitomo Corporation</p> <p>Jun. 1998      Director of Sumitomo Corporation</p> <p>Apr. 2002      Representative Director and Managing Director of Sumitomo Corporation</p> <p>Jan. 2003      Member of the Business Accounting Council of the Financial Services Agency</p> <p>Apr. 2004      Representative Director and Senior Managing Executive Officer of Sumitomo Corporation</p> <p>Apr. 2005      Representative Director and Executive Vice President of Sumitomo Corporation</p> <p>Jan. 2009      Trustee of the IASC Foundation (currently, IFRS Foundation)</p> <p>Jul. 2009      Special Advisor of Sumitomo Corporation</p> <p>Jun. 2011      Director of the Financial Accounting Standards Foundation</p> <p>Jun. 2011      Chairman of Self-regulation Board and Public Governor of the Japan Securities Dealers Association</p> <p>Sep. 2013      Advisor of the IFRS Foundation Asia-Oceania Office (Current)</p> <p>Sep. 2013      Advisor of the Japanese Institute of Certified Public Accountants (Current)</p> <p>Jun. 2016      Outside Director of the Company (concurrently Director of Nomura Securities Co., Ltd.) (Current)</p> <p>(Significant concurrent positions)</p> <p>Outside Director of UKC Holdings Corporation</p> <p>Outside Director of Loginet Japan Co., Ltd.</p> <p>Director of Nomura Securities Co., Ltd.</p> <p>(Reasons for designation as an outside director nominee)</p> <p>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. Including the holding in the past of 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, such achievements and related insights have been evaluated highly both within and outside of the Company.</p> <p>The Company has designated him as an outside director nominee with the expectation that he will apply his 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.</p> <p>If his reappointment is approved, he is slated to serve as a member of the Audit Committee (Chairman) after this Annual General Meeting of Shareholders.</p>	

<b>8.</b> <b>Mari Sono</b> (Feb. 20, 1952)	<b>Outside Director, Independent Director</b> <b>Reappointment</b> Number of shares held: 0 shares of common stock
 <p>Outside Director</p> <p>Member of the Audit Committee</p> <p>Number of years in office: 1 year</p> <p>Attendance at Meetings of the Board of Directors: 8/8</p> <p>Attendance at Meetings of the Audit Committee: 11/11</p> <p>(Ms. Sono attended all meetings of the Board of Directors and Audit Committee which were held after her appointment as an outside director and a member of the Audit Committee.)</p>	<p>Oct. 1976    Joined NISSHIN Audit Corporation (currently, Ernst &amp; Young ShinNihon LLC)</p> <p>Mar. 1979    Registered as Certified Public Accountant</p> <p>Nov. 1988    Partner of CENTURY Audit Corporation (currently, Ernst &amp; Young ShinNihon LLC)</p> <p>Nov. 1990    Member of “Certified Public Accountant Examination System Subcommittee”, Certified Public Accountant Examination and Investigation Board, Ministry of Finance</p> <p>Apr. 1992    Member of “Business Accounting Council”, Ministry of Finance</p> <p>Dec. 1994    Senior Partner, CENTURY Audit Corporation (currently, Ernst &amp; Young ShinNihon LLC)</p> <p>Oct. 2002    Member of Secretariat of the Information Disclosure, Cabinet Office (currently, Secretariat of the Information Disclosure and Personal Information Protection Review Board, Ministry of Internal Affairs and Communications)</p> <p>Apr. 2005    External Comprehensive Auditor, Tokyo</p> <p>Jul. 2008    Senior Partner of Ernst &amp; Young ShinNihon LLC</p> <p>Aug. 2012    Retired Ernst &amp; Young ShinNihon LLC</p> <p>Dec. 2013    Commissioner of the Securities and Exchange Surveillance Commission</p> <p>Jun. 2017    Outside Director of the Company (Current)</p> <p><b>(Significant concurrent positions)</b> None</p> <p><b>(Reasons for designation as an outside director nominee)</b>          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, and such achievements and related insights have been evaluated highly both within and outside of the Company.          The Company has designated her as an outside director nominee with the expectation that she will apply her 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.          If her reappointment is approved, she is slated to serve as a member of the Audit Committee after this Annual General Meeting of Shareholders.</p> <p><b>(Supplementary note regarding independence)</b>          Although Ms. Sono was, in the past, a Senior Partner of Ernst &amp; Young ShinNihon LLC (“E&amp;Y”), the current corporate auditor of the Company, for the reasons set forth below, the Company has determined that Ms. Sono’s background does not compromise her independence as an Outside Director.          The fact that just under six years have passed since Ms. Sono retired from E&amp;Y, after which she has had no involvement whatsoever in E&amp;Y’s management and financial policy.          The fact that Ms. Sono, during her tenure at E&amp;Y, was never involved in an accounting audit of the Company and also never belonged to the Financial Division that is responsible for accounting audits of financial institutions.          Further, in addition to satisfying the Company’s Independence Criteria for Outside Directors and requirements for Independent Directors as established by the Tokyo Stock Exchange, Inc., Ms. Sono also satisfies independence requirements for an audit committee member of the Company as established by the New York Stock Exchange.</p>

9.	<b>Michael Lim Choo San</b> (Sept. 10, 1946)	<b>Outside Director, Independent Director</b> <b>Reappointment</b> Number of shares held: 0 shares of common stock
 <p>Outside Director</p> <p>Number of years in office: 7 years</p> <p>Attendance at Meetings of the Board of Directors: 10/10</p>	<p>Aug. 1972    Joined Price Waterhouse, Singapore</p> <p>Jan. 1992    Managing Partner of Price Waterhouse, Singapore</p> <p>Oct. 1998    Member of the Singapore Public Service Commission (Current)</p> <p>Jul. 1999    Executive Chairman of PricewaterhouseCoopers, Singapore</p> <p>Sep. 2002    Chairman of the Land Transport Authority of Singapore</p> <p>Sep. 2004    Independent Director of Olam International Limited</p> <p>Jun. 2011    Outside Director of the Company (Current)</p> <p>Nov. 2011    Chairman of the Accounting Standards Council, Singapore</p> <p>Apr. 2013    Chairman of the Singapore Accountancy Commission</p> <p>Sep. 2016    Non-Executive Chairman of Fullerton Healthcare Corporation Limited (Current)</p> <p><b>(Significant concurrent positions)</b></p> <p>Non-Executive Chairman of Fullerton Healthcare Corporation Limited</p> <p>Non-Executive Chairman of Nomura Singapore Ltd.</p> <p><b>(Reasons for designation as an outside director nominee)</b></p> <p>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, and was also awarded with honors by the Government of Singapore three times between 1998 and 2010, etc., and such achievements and related insights have been evaluated highly both within and outside of the Company.</p> <p>The Company has designated him as an outside director nominee with the expectation that he will continue to apply his global and extensive experience and his 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.</p>	

10.	<b>Laura Simone Unger</b> (Jan. 8, 1961)	Outside Director, Independent Director	New Appointment Number of shares held: 0 shares of common stock
	<p>           Jan. 1988 Enforcement Attorney of U.S. Securities and Exchange Commission (SEC)            Oct. 1990 Counsel of U.S. Senate Committee on Banking, Housing and Urban Affairs            Nov. 1997 Commissioner of SEC            Feb. 2001 Acting Chairperson of SEC            Jul. 2002 Regulatory Expert of CNBC            May 2003 Independent Consultant of JPMorgan Chase &amp; Co.            Aug. 2004 Independent Director of CA Inc.            Jan. 2010 Special Advisor of Promontory Financial Group            Dec. 2010 Independent Director of CIT Group Inc. (Current)            Nov. 2014 Independent Director of Navient Corporation (Current)         </p> <p> <b>(Significant concurrent positions)</b>            Independent Director of CIT Group Inc.            Independent Director of Navient Corporation            Independent Director of Nomura Securities International, Inc.         </p> <p> <b>(Reasons for designation as an outside director nominee)</b>            Ms. Unger, by serving as a Commissioner and as Acting Chairman of the U.S. Securities and Exchange Commission, etc., is well-versed in financial laws and regulations, and such achievements and related insights have been evaluated highly both within and outside of the Company.            The Company has designated her as an outside director nominee with the expectation that she will apply her 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.         </p>		



Note 3: There are no particular conflicts of interest between the Company and each of the 10 nominees.

Note 4: The Company has entered into agreements to limit Companies Act Article 423 Paragraph 1 liability for damages (limitation of liability agreements) with each of the following director nominees: Mr. Hisato Miyashita, Mr. Hiroshi Kimura, Mr. Noriaki Shimazaki, Ms. Mari Sono, and Mr. Michael Lim Choo San. Liability under each such agreement is limited to either 20 million yen or the amount prescribed by laws and regulations, whichever is greater. If Mr. Hisato Miyashita, Mr. Hiroshi Kimura, Mr. Noriaki Shimazaki, Ms. Mari Sono, and Mr. Michael Lim Choo San are each reappointed at this Annual General Meeting of Shareholders, the Company is planning to maintain the limitation of liability agreements stated above with each of them. Further, if the director nominees Mr. Kazuhiko Ishimura and Ms. Laura Unger are appointed as directors, the Company is planning to enter into the limitation of liability agreement stated above with each of them.

### **Reference**

The structure below is planned for the Nomination Committee, Compensation Committee and Audit Committee after the conclusion of this Annual General Meeting of Shareholders:

Nomination Committee: Nobuyuki Koga (chairman), Hiroshi Kimura, and Kazuhiko Ishimura

Compensation Committee: Nobuyuki Koga (chairman), Hiroshi Kimura, and Kazuhiko Ishimura

Audit Committee: Noriaki Shimazaki (chairman), Mari Sono, and Hisato Miyashita

## **Report for the 114<sup>th</sup> Fiscal Year**

**From April 1, 2017 to March 31, 2018**

### **I. Current State of Nomura Group**

#### **1. Fundamental Management Policy and Structure of Business Operations**

##### **(1) Fundamental Management Policy**

Nomura Group's management vision is to enhance its corporate value by deepening society's trust in the firm and increasing the satisfaction of stakeholders, including shareholders and clients.

As "Asia's global investment bank" Nomura will provide high value-added solutions to clients globally, and recognizing its wider social responsibility, Nomura will continue to contribute to economic growth and development of society.

To enhance its corporate value, Nomura emphasizes Earnings Per Share ("EPS") as a management index and will seek to maintain sustained improvement in this index.

##### **(2) Structure of Business Operations**

Nomura Group's business execution is to focus on business divisions and regions, rather than individual legal entities, under unified strategy. Nomura Group's divisions are comprised of four divisions (Retail Division, Asset Management Division, Wholesale Division and Merchant Banking Division newly established this fiscal year). Also, Nomura Group's regions are comprised of four regions (Americas; Europe, Middle East and Africa ("EMEA"); Asia ex-Japan ("AEJ"); and Japan). Nomura Group shall delegate its powers to each of these business divisions and regions to an appropriate extent and establish its business execution structure by enhancing professional skills, while strengthening global linkages among these business divisions and regions, and fully demonstrating Nomura Group's comprehensive capabilities.

#### **2. Progress and Results of the Nomura Group's Business Activities**

##### **(1) Summary**

During the fiscal year ended March 31, 2018, the global economy continued to see solid recovery, both in advanced and developing economies. In the U.S., acceleration in the real Gross Domestic Product ("GDP") growth rate continued from 2016. The U.S. Congress approved a major tax cut worth \$1.5 trillion over 10 years and agreed to increase spending by \$300 billion over two years, undertaking a massive fiscal expansion. Reflecting solid economic growth in the U.S. and elsewhere, the Federal Reserve Board ("FRB") has continued to raise interest rates at a moderate pace. In Europe, including the U.K., the underlying economy was favorable, buoyed by improving Chinese economic conditions and solid growth in the U.S. economy, both of which supported renewed acceleration in exports, and by firm capital expenditure. In Asia ex-Japan, growth in the Chinese economy picked up speed on a recovery in real estate prices and higher infrastructure spending by public-private partnerships. In other countries in Asia, improvement in the business environment on infrastructure spending and deregulation has supported solid economic conditions.

Meanwhile, the Japanese economy expanded at a favorable pace. Exports were steady owing to cyclical recovery in capital expenditure in the U.S. and Europe, growth in automation demand from Chinese production facilities, and global growth in demand for semiconductor-related products. In Japan, higher automation demand and construction demand contributed to an expansion in capital expenditure. While employment increased steadily, growth in wages was weak overall, and consumer spending stagnated, dampened in part by adverse weather conditions. Corporate earnings were firm and Japanese equities, along with equities on major stock markets worldwide, showed a solid performance. In the second half of the fiscal year, market volatility increased on expectations for accelerated interest rate hikes in the U.S. and on concerns about trade friction between the U.S. and China. The Tokyo Stock Price Index (the "TOPIX") rose from 1,512.60 at the end of March 2017 to 1,716.30 at the end of March 2018, and the Nikkei

Stock Average rose from 18,909.26 at the end of March 2017 to 21,454.30 at the end of March 2018. While the yen was trading at around ¥111-112 versus the U.S. dollar at the end of March 2017, the dollar/yen exchange rate fluctuated sharply in both directions owing to geopolitical risks, including North Korea's military provocations. The yen strengthened sharply after the start of 2018 on concerns about a worsening in U.S. government finances, ending up at around 106-107 at the end of March 2018. The yield on Japanese government debt securities fluctuated in a narrow range owing to the Bank of Japan's yield curve control policy. The yield on newly issued 10-year Japanese government debt securities was 0.045% at the end of March 2018.

From a regulatory perspective, in addition to the implementation of Basel III requirements relating to capital ratio, liquidity ratio, and leverage ratio, Nomura has been identified as a Domestic Systemically Important Bank. Nomura will continue to monitor closely and take necessary measures in responding to wide-ranging reforms as part of the global tightening of financial regulations. Also, as the uncertainty surrounding Brexit persists, Nomura plans and implements proper initiatives for addressing changes in the global business environment, including the enforcement of MiFID II in EMEA.

While our environment is changing drastically, based on our basic philosophy of "placing our clients at the heart of everything we do," we have continued to transform our domestic business model of Retail Division, and have worked on improving the profitability of our international operations. Also, with the establishment of Merchant Banking Division in January 2018, as a new solution for clients, we have embarked on principal business to primarily provide equity to transactions such as business reorganization and revitalization, business succession as well as management buyout.

As a result of these efforts, we posted net revenue of 1,497.0 billion yen for the year ended March 31, 2018, a 6.7% increase from the previous fiscal year. Non-interest expenses increased by 8.2% to 1,168.8 billion yen, income before income taxes was 328.2 billion yen, and net income attributable to the shareholders of Nomura Holdings, Inc. was 219.3 billion yen. Return on equity was 7.9%. EPS<sup>(1)</sup> for the year ended March 31, 2018 was 61.88 yen, a decrease from 65.65 yen for the year ended March 31, 2017. We have decided to pay a dividend of 11 yen per share to shareholders of record as of March 31, 2018. As a result, the total annual dividend will be 20 yen per share.

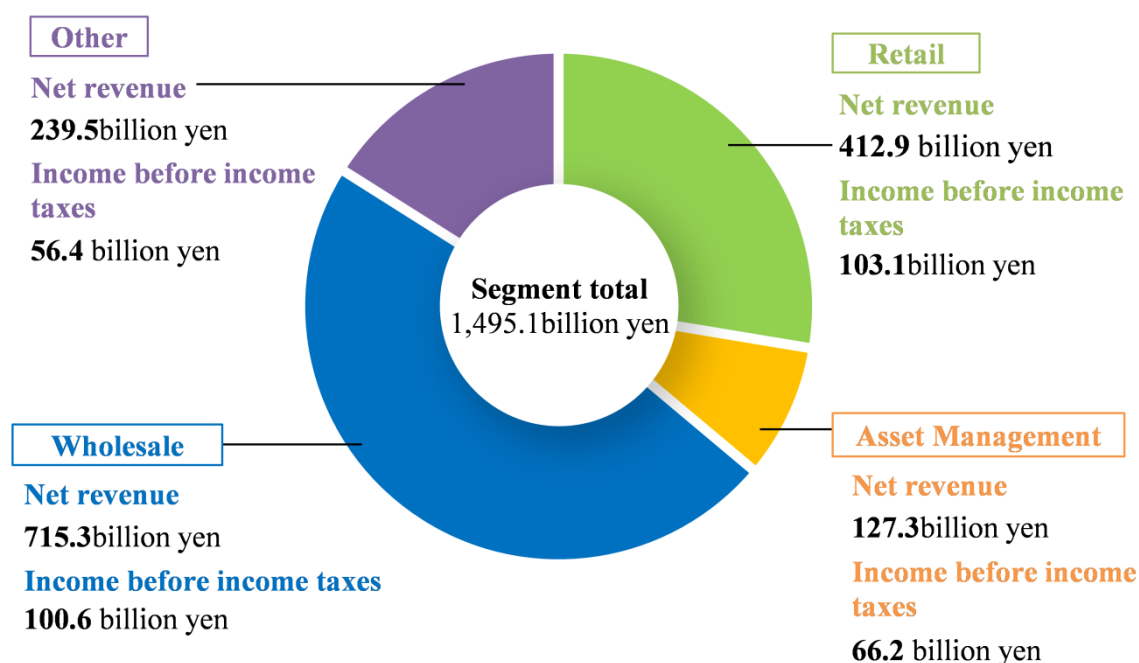
(Note):

1. Diluted net income attributable to Nomura Holdings' shareholders per share.

## Consolidated Financial Results

	Billions of yen		% Change
	For the year ended		(B-A)/(A)
	March 31, 2017 (A)	March 31, 2018 (B)	
Net revenue .....	1,403.2	1,497.0	6.7
Non-interest expenses .....	1,080.4	1,168.8	8.2
Income before income taxes .....	322.8	328.2	1.7
Income tax expense .....	80.2	103.9	29.5
Net income .....	242.6	224.3	(7.5)
Less: Net income attributable to noncontrolling interests .....	2.9	4.9	67.8
Net income attributable to NHI shareholders .....	239.6	219.3	(8.5)
Return on shareholders' equity .....	8.7%	7.9%	—

**Revenue distribution  
For the year ended March 31, 2018**



(2) Segment Information

We report our operations and business results by reporting segment that corresponds to the following three divisions: Retail, Asset Management and Wholesale.

Business Segment Results

	Billions of yen		% Change (B-A)/(A)
	For the year ended		
	March 31, 2017 (A)	March 31, 2018 (B)	
Net revenue .....	1,396.6	1,495.1	7.1
Non-interest expenses .....	1,080.4	1,168.8	8.2
Income before income taxes .....	316.2	326.3	3.2

In business segment totals, which exclude unrealized gain (loss) on investments in equity securities held for operating purposes, net revenue for the fiscal year ended March 31, 2018 was 1,495.1 billion yen, an increase of 7.1% from the previous year. Non-interest expenses for the fiscal year ended March 31, 2018 increased by 8.2% from the previous year to 1,168.8 billion yen. Income before income taxes was 326.3 billion yen for the fiscal year ended March 31, 2018, an increase of 3.2% from the previous year.

## Operating Results of Retail

	Billions of yen		% Change
	For the year ended		(B-A)/(A)
	March 31, 2017 (A)	March 31, 2018 (B)	
Net revenue .....	374.4	412.9	10.3
Non-interest expenses .....	299.6	309.8	3.4
Income before income taxes .....	74.8	103.1	37.9

Net revenue increased by 10.3% from the previous fiscal year to 412.9 billion yen, and non-interest expenses increased by 3.4% to 309.8 billion yen. As a result, income before income taxes increased by 37.9% to 103.1 billion yen.

In Retail Division, under the basic philosophy of “placing our clients at the heart of everything we do,” we provided consulting services to become “the most trusted partner” by understanding and meeting their diversified demands and needs. This fiscal year, we made substantial organizational changes where we can provide better services and interactive solutions to clients. As a result, client assets of the investment trust and discretionary investment grew, and the number of consulting businesses such as inheritance and business succession plans increased steadily.

## Operating Results of Asset Management

	Billions of yen		% Change
	For the year ended		(B-A)/(A)
	March 31, 2017 (A)	March 31, 2018 (B)	
Net revenue .....	99.4	127.3	28.1
Non-interest expenses .....	57.1	61.2	7.1
Income before income taxes .....	42.3	66.2	56.3

Net revenue increased by 28.1% from the previous fiscal year to 127.3 billion yen. Non-interest expenses increased by 7.1% to 61.2 billion yen. As a result, income before income taxes increased by 56.3% to 66.2 billion yen.

In the investment trust business, we delivered a strong performance mainly led by ETFs and funds distributed via banks contributing to the increase in assets under management. In the investment advisory business, we saw continued asset inflow from large domestic public pensions, partially offset by outflow overseas. As a result, assets under management increased from the end of the previous fiscal year as of March 31, 2018. In this fiscal year, we delivered gains related to American Century Investments.

## Operating Results of Wholesale

	Billions of yen		% Change
	For the year ended		(B-A)/(A)
	March 31, 2017 (A)	March 31, 2018 (B)	
Net revenue .....	739.3	715.3	(3.2)
Non-interest expenses .....	577.8	614.7	6.4
Income before income taxes .....	161.4	100.6	(37.7)

The Wholesale Division consists of two businesses, Global Markets which is engaged in financial products trading, sales and structuring, and Investment Banking which conducts financing and advisory businesses.

Net revenue decreased by 3.2% from the previous fiscal year to 715.3 billion yen. Non-interest expenses increased by 6.4% to 614.7 billion yen. As a result, income before income taxes decreased by 37.7% to 100.6 billion yen.

### Global Markets

The year ended March 2018 was a challenging year for the industry, marked by low client volumes amid low volatility that prevailed for most of the year. In this environment, Global Markets delivered a robust performance but moderate decline compared with the previous fiscal year. Strong performance in Equities was led by a booming global equity market, offsetting slowdown in Fixed Income due to low clients activity.

### Investment Banking

Globally our core business expanded resulting in revenues increasing year on year. In Japan, our participation in multiple high-profile M&A mandates and our continued provision of cutting edge products to our underwriting clients have resulted in year on year revenue growth. Additionally, our firm has achieved 1st place M&A and ECM (the finance business, such as equity and equity-related offerings) league table rankings. In international regions, the Americas and Asia have achieved their highest recorded revenues since the year ended March 2010, supported by participation in M&A transactions and the provision of related financing and execution of numerous interest rate, FX and solutions transactions.

### Other

	Billions of yen		% Change
	For the year ended		(B-A)/(A)
	March 31, 2017 (A)	March 31, 2018 (B)	
Net revenue .....	183.5	239.5	30.5
Non-interest expenses .....	145.9	183.1	25.6
Income before income taxes .....	37.6	56.4	49.9

Net revenue increased by 30.5% from the previous fiscal year to 239.5 billion yen. Non-interest expenses increased by 25.6% to 183.1 billion yen. As a result, income before income taxes increased by 49.9% to 56.4 billion yen.

### 3. Financing Situation

#### (1) Funding situation

In terms of funding, the Company, Nomura Securities Co., Ltd., Nomura Europe Finance N.V., Nomura Bank International plc, and Nomura International Funding Pte. Ltd. are the main group entities that borrow externally, issue debt instruments and engage in other funding activities. By raising funds to match the currencies and liquidities of our assets or by using foreign exchange swaps as necessary, we pursue optimization of our funding structures.

#### (2) Capital Expenditures

Capital expenditures focus primarily on investment in systems with the objective in encouraging business activities further in Japan and overseas. In Retail Division, we have improved online-based services in order to provide better services for our clients having high convenience. In Wholesale Division, we have been continuously enhancing the trading systems as well as strengthening the infrastructure system in order to navigate through the global markets and achieve best execution more stably and efficiently.

### 4. Results of Operations and Assets

Item	Period	(in billions of yen except per share data in yen)			
		111 <sup>th</sup> Fiscal Year (April 1, 2014 to March 31, 2015)	112 <sup>th</sup> Fiscal Year (April 1, 2015 to March 31, 2016)	113 <sup>th</sup> Fiscal Year (April 1, 2016 to March 31, 2017)	114 <sup>th</sup> Fiscal Year (April 1, 2017 to March 31, 2018)
Total Revenue .....		1,930.6	1,723.1	1,715.5	1,972.2
Net revenue .....		1,604.2	1,395.7	1,403.2	1,497.0
Income before income taxes .....		346.8	165.2	322.8	328.2
Net income attributable to NHI shareholders .....		224.8	131.6	239.6	219.3
Basic-Net income attributable to NHI shareholders per share .....		61.66	36.53	67.29	63.13
Diluted-Net income attributable to NHI shareholders per share .....		60.03	35.52	65.65	61.88
Total assets .....		41,783.2	41,090.2	42,852.1	40,591.3
Total NHI shareholders' equity .....		2,707.8	2,700.2	2,789.9	2,749.3

(Note) Stated in accordance with accounting principles generally accepted in the U.S.

### 5. Management Challenges and Strategies

The Nomura Group's management vision is to enhance its corporate value by deepening society's trust in the firm and increasing the satisfaction of stakeholders, including shareholders and clients. In order to enhance its corporate value, Nomura responds flexibly to various changes in the business environment, and emphasizes Earnings Per Share ("EPS") as a management index to achieve stable profit growth, and will seek to maintain sustained improvement in this index.

In order to achieve our management objectives, we are primarily focusing on ensuring that profits are recorded by all divisions and regions. We have committed ourselves to continuing business model transformation in Japan as well as aiming to improve profitability of our overseas operations under Vision C&C slogan, so that we will be able to build a solid foundation to generate profits even under severe market environments.

We will ensure a flexible and robust response to changes in the global operating environment related to international financial regulations and progress in various digital initiatives; and make efforts to monitor the international political situation which is changing rapidly, so that we will be able to maintain a robust financial position and to use management resources effectively by improving capital efficiency.

The challenges and strategies in each division are as follows:

[Retail Division]

In Retail Division, under the basic philosophy of “placing our clients at the heart of everything we do,” we provided consulting services to become a “financial institution a lot of people need” by responding to diversifying needs and wishes. We continue to support elderly clients with their family in Japan experiencing a rapidly aging and shrinking population, and expand the client base including next-generation clients for their asset management. We also focus on providing a broad range of value-added solutions to clients including discretionary investments not only through face-to-face consulting services, but also through seminars, online and call center channels, aiming to earn clients’ trust.

[Asset Management Division]

We aim to increase assets under management and expand our client base in (i) our investment trust business, by providing clients with a diverse range of investment opportunities to meet investors’ various needs, and (ii) our investment advisory business, by providing value-added investment services to our clients on a global basis. As a distinctive investment manager based in Asia with the ability to provide a broad range of products and services, we aim to gain the strong trust of investors worldwide by making continuous efforts to improve investment performance and to meet clients’ various needs.

[Wholesale Division]

In addition to the needs of our clients becoming increasingly more sophisticated, the Wholesale Division also faces challenges presented by the technological revolution; which may result in market changes which fundamentally affect the form of our traditional business. In order to keep step with such changes as well as to ensure our ability to provide our clients with added value, we will continue to seek the enhancement of our connectivity across Global Markets, Investment Banking and other Divisions around the globe as part of our sustained efforts to provide highly sought-after products and services to the markets.

Global Markets has been focusing on delivering differentiated and competitive products and solutions to our clients by leveraging our global capabilities in trading, research, and global distribution. We aim to provide uninterrupted liquidity to our clients across asset classes and markets, and strive to offer best-in-class market access and execution services. Additionally, Global Markets will gear up for the digital transformation of our business.

In Investment Banking, while we have seen a recent reemergence of geopolitical risk, our clients have continued their efforts to globalize their businesses. In order to be able to meet their needs, we have continued to enhance our cross-border M&A capabilities and supported our clients’ capital raising activities both in Japan and in other international regions. Going forward, we will continue to provide our clients with cutting edge services and products across M&A, capital raising and solutions.

[Merchant Banking Division]

The Merchant Banking Division will primarily provide equity as a new solution for business reorganizations and revitalizations, business succession as well as management buyouts. In Nomura Group, Retail Division has been making efforts to bolster its consulting services, while the group’s Wholesale Division has been offering creative solutions leveraging its strengths in Investment Banking and Global Markets. In order to respond to clients’ growing need for a wider range of solutions, the Merchant Banking Division will, under proper management of risk, focus on support for improving the enterprise value of portfolio companies, and will contribute to expansion of the private equity market.

[Risk Management and Compliance, etc.]

Nomura Group has established its risk appetite which articulates the risks that the firm is willing to assume in pursuit of its corporate vision, strategic objectives and business plan. We will continue to develop a risk management framework which ensures financial soundness, enhances corporate value, and is strategically aligned to the business plan and incorporated in decision making by senior management.

With regard to compliance, we will continue to focus on improving the management structure to comply with local laws and regulations in the countries where we operate. In addition to complying with laws and regulations, we will



continuously review and improve our internal compliance system and rules for the purpose of promoting an environment of high ethical standards among all of our executive management and employees. In this way, we will meet the expectations of society and clients toward the Nomura Group and contribute to the further development of financial and capital markets.

Nomura Group established the Nomura Founding Principles and Corporate Ethics Day in 2015. Commemorated annually, this day aims to remind all of our executive officers and employees of the lessons learned from the incident and to renew our determination to prevent similar incidents from recurring in the future and further improve public trust through various measures. We will strive to maintain a sound corporate culture through these initiatives. We will also further enhance and reinforce our internal control framework, which includes measures to prevent insider trading and solicitation of unfair dealing, by ensuring that all of our executive officers and employees continually maintain the highest level of business ethics expected from professionals engaged in the capital markets.

Through the efforts described above, we are strengthening the earnings power of the entire Nomura Group and working to achieve our management targets and to maximize corporate value. We will advance cooperation across regions and among our four Divisions, and devote our efforts to the stability of financial and capital markets and to our further expansion and development as “Asia’s global investment bank”.

## **6. Major Business Activities**

Nomura Group primarily operates in investment and financial services focusing on the securities business. We provide wide-ranging services to customers for both financing and investment through operations in Japan and other major financial capital markets around the world. Such services include securities trading and brokerage, underwriting and distribution, arrangement of offering and distribution, arrangement of private placement, principal finance, asset management, and other securities and financial business. We divide our business segments into four divisions of Retail, Asset Management, Wholesale and Merchant Banking established this fiscal year.

## 7. Organizational Structure

### (1) Principal place of business in Japan

The Company: Head office (Tokyo)

Nomura Securities Co., Ltd. (Head office and local branches — 157 locations in total): Tokyo (Head office and local branches — 35 locations in total), Kanto area excluding Tokyo (36 branches), Hokkaido area (5 branches), Tohoku area (9 branches), Hokuriku area (4 branches), Chubu area (16 branches), Kinki area (28 branches), Chugoku area (9 branches), Shikoku area (4 branches) and Kyushu and Okinawa area (11 branches)

Nomura Asset Management Co., Ltd. (Tokyo, Osaka, Fukuoka)

The Nomura Trust & Banking Co., Ltd. (Tokyo)

Nomura Facilities, Inc. (Tokyo)

Nomura Financial Products & Services, Inc. (Tokyo)

### (2) Principal place of business overseas

Nomura Securities International, Inc. (New York, U.S.)

Nomura International plc (London, U.K.)

Nomura International (Hong Kong) Limited

Nomura Singapore Limited

Instinet Incorporated (New York, U.S.)

### (3) Status of Employees

	Employees	Increase / Decrease
Total .....	28,048	(138)Decrease

(Notes)

1. Number of employees consists of the total number of employees of the Company and its consolidated subsidiaries (excluding temporary employees).

2. Number of employees excludes employees seconded outside the Company and its consolidated subsidiaries.

### (4) Status of Significant Subsidiaries

Name	Location	Capital (in millions)	Percentage of Voting Rights	Type of Business
Nomura Securities Co., Ltd. ....	Tokyo, Japan	¥ 10,000	100%	Securities
Nomura Asset Management Co., Ltd. ....	Tokyo, Japan	¥ 17,180	100%	Investment Trust Management / Investment Advisory
The Nomura Trust & Banking Co., Ltd. ....	Tokyo, Japan	¥ 35,000	100%	Banking / Trust
Nomura Facilities, Inc. ....	Tokyo, Japan	¥ 480	100%	Business Space / Facility Management
Nomura Financial Products & Services, Inc. ....	Tokyo, Japan	¥ 176,775	100%	Financial
Nomura Holding America Inc. ....	New York, U.S.	US\$ 5,917.25	100%	Holding Company
Nomura Securities International, Inc. ....	New York, U.S.	US\$ 3,650.00	100% *	Securities
Nomura America Mortgage Finance, LLC ....	New York, U.S.	US\$ 1,792.49	100% *	Holding Company
Instinet Incorporated .....	New York, U.S.	US\$ 1,314.50	100% *	Holding Company
Nomura Europe Holdings plc .....	London, U.K.	US\$ 10,491.32	100%	Holding Company
Nomura International plc .....	London, U.K.	US\$ 10,241.23	100% *	Securities
Nomura Bank International plc .....	London, U.K.	US\$ 555.00	100% *	Financial
Nomura Asia Holding N.V. ....	Amsterdam, The Netherlands	¥ 139,982	100% *	Holding Company
Nomura International (Hong Kong) Limited .....	Hong Kong	¥ 176,711	100% *	Securities
Nomura Singapore Limited .....	Singapore, Singapore	S\$ 239.00	100% *	Securities / Financial

(Notes)

1. “Capital” is stated in the currency on which each subsidiary’s books of record are maintained. “Capital” of a subsidiary, whose paid-in capital is zero or is in nominal amount (primarily subsidiaries located in the U.S.), is disclosed in amount including additional paid-in capital. Percentages with “\*” in the “Percentage of Voting Rights” column include voting rights from indirect ownership of shares.

2. The total number of consolidated subsidiaries and consolidated variable interest entities as of March 31, 2018 was

1,279. The total number of entities accounted for under the equity method of accounting such as Nomura Research Institute, Ltd. and Nomura Real Estate Holdings, Inc. was 10 as of March 31, 2018.

3. We have decided to place Nomura Asia Holding N.V. in a voluntary winding up due to reorganization of management system within the Nomura Group. This winding up is expected to be completed by March 31, 2019.

## 8. Major Lenders

Lender	Type of Loan	Loan Amount (in millions of yen)
The Bank of Tokyo-Mitsubishi UFJ, Ltd.....	Long-term borrowing	344,480
Mizuho Bank, Ltd. ....	Long-term borrowing	343,401
Sumitomo Mitsui Banking Corporation .....	Long-term borrowing	330,747
Resona Bank, Ltd. ....	Long-term borrowing	50,000
Sumitomo Mitsui Trust Bank, Limited. ....	Long-term borrowing	163,095
Mitsubishi UFJ Trust and Banking Corporation .....	Long-term borrowing	100,000
Mizuho Trust & Banking Co., Ltd. ....	Long-term borrowing	30,000
The Chiba Bank, Ltd. ....	Long-term borrowing	43,777
The Shizuoka Bank, Ltd. ....	Long-term borrowing	35,000
The Hachijuni Bank, Ltd. ....	Long-term borrowing	30,000
The Norinchukin Bank .....	Long-term borrowing	47,786
Meiji Yasuda Life Insurance Company .....	Long-term borrowing	31,238

## 9. Capital Management Policy

We seek to enhance shareholder value and to capture growing business opportunities by maintaining sufficient levels of capital. We will continue to review our levels of capital as appropriate, taking into consideration the economic risks inherent to operating our businesses, the regulatory requirements, and maintaining our ratings necessary to operate businesses globally.

We believe that raising corporate value over the long term and paying dividends is essential to rewarding shareholders. We will strive to pay dividends using a consolidated pay-out ratio of 30 percent of each semi-annual consolidated earnings as a key indicator.

Dividend payments will be determined taking into account a comprehensive range of factors such as the tightening of Basel regulations and other changes to the regulatory environment as well as the company's consolidated financial performance.

Dividends will in principle be paid on a semi-annual basis with record dates of September 30 and March 31.

Additionally we will aim for a total payout ratio, which includes dividends and share buybacks, of at least 50 percent.

With respect to the retained earnings, in order to implement measures to adapt to regulatory changes and to increase shareholder value, we seek to efficiently invest in business areas where high profitability and growth may reasonably be expected, including the development and expansion of infrastructure.

#### Dividends for the Fiscal Year

Based on our Capital Management Policy described above, we paid a dividend of 9 yen per share to shareholders of record as of September 30, 2017 and have decided to pay a dividend of 11 yen per share to shareholders of record as of March 31, 2018. As a result, the total annual dividend will be 20 yen per share.

The following table sets forth the details of dividends paid for the fiscal year ended March 31, 2018:

Resolution of Board of Directors	Record Date	Total Amount of Dividends (in millions of yen)	Dividend Per Share (yen)
October 30, 2017 .....	September 30, 2017	31,378	9.00
April 26, 2018 .....	March 31, 2018	37,326	11.00

#### **10. Other Important Matters Related to the Current Situation of the Corporate Group**

(Situation of corporate merger)

The Company, as of April 1, 2018, transferred the rights and obligations it held related to a part of share management business to Nomura Asia Pacific Holdings Co., Ltd. through a company split.

## II. Stocks

1. Total Number of Authorized Shares: 6,000,000,000 shares

The total number of classes of shares authorized to be issued in each class is as follows.

Type	Total Number of Shares Authorized to be Issued in Each Class
Common Stock .....	6,000,000,000
Class 1 Preferred Stock .....	200,000,000
Class 2 Preferred Stock .....	200,000,000
Class 3 Preferred Stock .....	200,000,000
Class 4 Preferred Stock .....	200,000,000

2. Total Number of Issued Shares: Common Stock 3,643,562,601 shares

(Note)

Due to the cancellation of treasury stock on December 18, 2017, total number of issued shares decreased by 179,000,000 shares from March 31, 2017.

3. Number of Shareholders: 373,524

4. Major Shareholders (Top 10):

Names of Shareholders	Number of Shares Owned and Percentage of Shares Owned	
	(in thousand shares)	(%)
Japan Trustee Services Bank, Ltd. (Trust Account) .....	168,204	5.0
The Master Trust Bank of Japan, Ltd. (Trust Account) .....	158,790	4.7
State Street Bank West Client-Treaty 505234 .....	65,993	1.9
Japan Trustee Services Bank, Ltd. (Trust Account 5) .....	64,838	1.9
Japan Trustee Services Bank, Ltd. (Trust Account 1) .....	48,118	1.4
Japan Trustee Services Bank, Ltd. (Trust Account 2) .....	47,496	1.4
Japan Trustee Services Bank, Ltd. (Trust Account 7) .....	45,040	1.3
Northern Trust Co. (AVFC)		
Re Silchester International Investors International Value Equity Trust .....	44,183	1.3
JP Morgan Chase Bank 385151 .....	44,129	1.3
Japan Trustee Services Bank, Ltd. (Trust Account 9) .....	43,253	1.3

(Notes)

1. The Company has 250,285 thousand shares of treasury stock as of March 31, 2018 which is not included in the major shareholders list above.

2. Figures for Number of Shares Owned are rounded down to the nearest thousand and figures for Percentage of Shares Owned are calculated excluding treasury stock.

5. Status of Treasury Stock Repurchase, Disposition and Number of Shares Held in Treasury:

(1) Repurchased shares

Common Stock .....	170,027,391 shares
Total Repurchase Amount (in thousands of yen) .....	109,096,398

Stocks acquired according to resolution of the Board, included above, are as follows;

Common Stock .....	170,000,000 shares
Total Repurchase Amount (in thousands of yen) .....	109,078,190

Reason for Repurchase

The Company plans to use the acquired treasury stock to deliver shares upon the exercise of stock options , to raise capital efficiency and to ensure a flexible capital management policy.

(2) Shares Disposed

Common Stock .....	34,115,701 shares
Aggregate Amount of Disposition (in thousands of yen) .....	21,398,264

(3) Shares Cancelled

Common Stock .....	179,000,000 shares
Aggregate Amount of Cancellation (in thousands of yen) .....	111,941,337

(4) Number of Shares Held in Treasury as of the end of fiscal year

Common Stock .....	250,285,115 shares
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6. Other Significant Matters concerning Stocks

At the meeting of the Board of Directors held on April 26, 2018, the Company adopted a resolution to repurchase shares.

(1) Reasons

To raise capital efficiency and to ensure a flexible capital management policy, and to deliver as stock-based compensation.

(2) Types and aggregate number of shares to be repurchased

Common Stock .....100,000,000 shares (upper limit)

(3) Total Repurchase Amount ..... 70 billion yen (upper limit)

(4) Period of Repurchase..... From May 16, 2018 to March 29, 2019

(5) Method of Repurchase ..... Purchase on the stock exchange via a trust bank

### III. Stocks Acquisition Rights

#### 1. Stock Acquisition Rights as of the end of the fiscal year

Name of Stock Acquisition Rights	Allotment Date	Number of Stock Acquisition Rights	Number of Shares under Stock Acquisition Rights	Period for the Exercise of Stock Acquisition Rights	Exercise Price per Share under Stock Acquisition Rights (yen)
Stock Acquisition Rights No.38 .....	July 28, 2010	4,273	427,300	From April 30, 2013 to April 29, 2018	1
Stock Acquisition Rights No.40 .....	June 7, 2011	2,500	250,000	From May 25, 2012 to May 24, 2018	1
Stock Acquisition Rights No.41 .....	June 7, 2011	5,831	583,100	From May 25, 2013 to May 24, 2018	1
Stock Acquisition Rights No.42 .....	June 7, 2011	7,816	781,600	From May 25, 2014 to May 24, 2018	1
Stock Acquisition Rights No.43 .....	November 16, 2011	8,204	820,400	From November 16, 2013 to November 15, 2018	299
Stock Acquisition Rights No.44 .....	June 5, 2012	2,338	233,800	From April 20, 2013 to April 19, 2018	1
Stock Acquisition Rights No.45 .....	June 5, 2012	8,607	860,700	From April 20, 2014 to April 19, 2019	1
Stock Acquisition Rights No.46 .....	June 5, 2012	10,840	1,084,000	From April 20, 2015 to April 19, 2020	1
Stock Acquisition Rights No.47 .....	June 5, 2012	7,312	731,200	From April 20, 2016 to April 19, 2021	1
Stock Acquisition Rights No.48 .....	June 5, 2012	10,990	1,099,000	From April 20, 2017 to April 19, 2022	1
Stock Acquisition Rights No.49 .....	June 5, 2012	1,377	137,700	From October 20, 2015 to April 19, 2021	1
Stock Acquisition Rights No.50 .....	June 5, 2012	2,593	259,300	From October 20, 2016 to April 19, 2022	1
Stock Acquisition Rights No.51 .....	November 13, 2012	12,143	1,214,300	From November 13, 2014 to November 12, 2019	298
Stock Acquisition Rights No.52 .....	June 5, 2013	6,289	628,900	From April 20, 2014 to April 19, 2019	1
Stock Acquisition Rights No.53 .....	June 5, 2013	7,973	797,300	From April 20, 2015 to April 19, 2020	1
Stock Acquisition Rights No.54 .....	June 5, 2013	10,535	1,053,500	From April 20, 2016 to April 19, 2021	1
Stock Acquisition Rights No.55 .....	November 19, 2013	26,812	2,681,200	From November 19, 2015 to November 18, 2020	821
Stock Acquisition Rights No.56 .....	June 5, 2014	9,508	950,800	From April 20, 2015 to April 19, 2020	1
Stock Acquisition Rights No.57 .....	June 5, 2014	12,577	1,257,700	From April 20, 2016 to April 19, 2021	1
Stock Acquisition Rights No.58 .....	June 5, 2014	22,606	2,260,600	From April 20, 2017 to April 19, 2022	1
Stock Acquisition Rights No.59 .....	June 5, 2014	4,882	488,200	From March 31, 2015 to March 30, 2020	1
Stock Acquisition Rights No.60 .....	June 5, 2014	7,355	735,500	From March 31, 2016 to March 30, 2021	1
Stock Acquisition Rights No.61 .....	June 5, 2014	25,190	2,519,000	From March 31, 2017 to March 30, 2022	1
Stock Acquisition Rights No.62 .....	November 18, 2014	26,757	2,675,700	From November 18, 2016 to November 17, 2021	738
Stock Acquisition Rights No.63 .....	June 5, 2015	10,884	1,088,400	From April 20, 2016 to April 19, 2021	1
Stock Acquisition Rights No.64 .....	June 5, 2015	20,504	2,050,400	From April 20, 2017 to April 19, 2022	1
Stock Acquisition Rights No.65 .....	June 5, 2015	63,269	6,326,900	From April 20, 2018 to April 19, 2023	1



Name of Stock Acquisition Rights	Allotment Date	Number of Stock Acquisition Rights	Number of Shares under Stock Acquisition Rights	Period for the Exercise of Stock Acquisition Rights	Exercise Price per Share under Stock Acquisition Rights (yen)
Stock Acquisition Rights No.66 .....	June 5, 2015	360	36,000	From November 8, 2015 to November 7, 2020	1
Stock Acquisition Rights No.68 .....	November 18, 2015	25,688	2,568,800	From November 18, 2017 to November 17, 2022	802
Stock Acquisition Rights No.69 .....	June 7, 2016	21,759	2,175,900	From April 20, 2017 to April 19, 2022	1
Stock Acquisition Rights No.70 .....	June 7, 2016	59,075	5,907,500	From April 20, 2018 to April 19, 2023	1
Stock Acquisition Rights No.71 .....	June 7, 2016	58,862	5,886,200	From April 20, 2019 to April 19, 2024	1
Stock Acquisition Rights No.72 .....	June 7, 2016	5,276	527,600	From October 30, 2016 to October 29, 2021	1
Stock Acquisition Rights No.73 .....	June 7, 2016	2,421	242,100	From April 30, 2017 to April 29, 2022	1
Stock Acquisition Rights No.74 .....	November 11, 2016	25,554	2,555,400	From November 11, 2018 to November 10, 2023	593
Stock Acquisition Rights No.75 .....	June 9, 2017	46,139	4,613,900	From April 20, 2018 to April 19, 2023	1
Stock Acquisition Rights No.76 .....	June 9, 2017	45,857	4,585,700	From April 20, 2019 to April 19, 2024	1
Stock Acquisition Rights No.77 .....	June 9, 2017	47,036	4,703,600	From April 20, 2020 to April 19, 2025	1
Stock Acquisition Rights No.78 .....	June 9, 2017	8,852	885,200	From April 20, 2021 to April 19, 2026	1
Stock Acquisition Rights No.79 .....	June 9, 2017	8,827	882,700	From April 20, 2022 to April 19, 2027	1
Stock Acquisition Rights No.80 .....	June 9, 2017	1,416	141,600	From April 20, 2023 to April 19, 2028	1
Stock Acquisition Rights No.81 .....	June 9, 2017	1,416	141,600	From April 20, 2024 to April 19, 2029	1
Stock Acquisition Rights No.82 .....	June 9, 2017	5,337	533,700	From October 30, 2017 to October 29, 2022	1
Stock Acquisition Rights No.83 .....	June 9, 2017	694	69,400	From April 30, 2018 to April 29, 2023	1
Stock Acquisition Rights No.84 .....	November 17, 2017	25,545	2,554,500	From November 17, 2019 to November 16, 2024	684

(Notes)

1. Stock acquisition rights are issued in conjunction with the Company's equity-based compensation plan and no payment is required in exchange for stock acquisition rights.
2. Any transfer of stock acquisition rights is subject to approval by the Board of Directors of the Company.
3. No stock acquisition rights shall be exercised partially. Grantees who lose their positions as executives or employees due to resignation or other similar reasons before the commencement of the exercise period will, in principle, forfeit their stock acquisition rights.
4. Number of stock acquisition rights and number of shares under stock acquisition rights are as of the end of the fiscal year.
5. Stock Acquisition Rights No.1 to No.37, No.39 and No.67 were all extinguished by exercise, forfeiture, or expiration of exercise period.

2. Stock Acquisition Rights Held by the Directors and Executive Officers of the Company as of the end of the fiscal year

Name of Stock Acquisition Rights	Directors and Executive Officers (excluding Outside Directors)	
	Number of Stock Acquisition Rights	Number of Holders
Stock Acquisition Rights No.44 .....	32	1
Stock Acquisition Rights No.45 .....	32	1
Stock Acquisition Rights No.46 .....	49	2
Stock Acquisition Rights No.47 .....	172	4
Stock Acquisition Rights No.48 .....	256	6
Stock Acquisition Rights No.52 .....	245	3
Stock Acquisition Rights No.53 .....	241	3
Stock Acquisition Rights No.54 .....	240	3
Stock Acquisition Rights No.56 .....	173	2
Stock Acquisition Rights No.57 .....	348	3
Stock Acquisition Rights No.58 .....	917	6
Stock Acquisition Rights No.59 .....	206	3
Stock Acquisition Rights No.60 .....	206	3
Stock Acquisition Rights No.61 .....	841	6
Stock Acquisition Rights No.63 .....	391	4
Stock Acquisition Rights No.64 .....	918	7
Stock Acquisition Rights No.65 .....	1,151	9
Stock Acquisition Rights No.69 .....	1,310	8
Stock Acquisition Rights No.70 .....	1,600	9
Stock Acquisition Rights No.71 .....	1,599	9
Stock Acquisition Rights No.75 .....	1,421	8
Stock Acquisition Rights No.76 .....	1,416	8
Stock Acquisition Rights No.77 .....	1,413	8

(Notes)

1. Number of stock acquisition rights is as of the end of the fiscal year.
2. No stock acquisition rights have been issued to outside directors.

### 3. Stock Acquisition Rights Issued to the Employees and Others during the fiscal year ended March 31, 2018

Name of Stock Acquisition Rights	Employees (excluding employees who are concurrently serving as Directors/Executive Officers of the Company)		Directors, Executive Officers and Employees, etc. in subsidiaries (excluding those who are concurrently serving as Employees or Directors/Executive Officers of the Company)	
	Number of Stock Acquisition Rights	Number of Holders	Number of Stock Acquisition Rights	Number of Holders
Stock Acquisition Rights No.75 .....	669	16	46,510	837
Stock Acquisition Rights No.76 .....	664	16	46,228	837
Stock Acquisition Rights No.77 .....	815	17	47,237	845
Stock Acquisition Rights No.78 .....	155	2	8,960	129
Stock Acquisition Rights No.79 .....	155	2	8,935	129
Stock Acquisition Rights No.80 .....	155	2	1,261	10
Stock Acquisition Rights No.81 .....	155	2	1,261	10
Stock Acquisition Rights No.82 .....	55	1	10,969	29
Stock Acquisition Rights No.83 .....	55	1	639	1
Stock Acquisition Rights No.84 .....	—	—	25,575	1,203

(Note)

Number of stock acquisition rights is as of each allotment date.

### 4. Other Significant Matters

On May 14, 2018, the Company passed a resolution to grant Restricted Stock Units (“RSUs”) in lieu of existing compensation programs as the issuance of stock acquisition rights to directors, executive officers and/or employees of the Company and/or its subsidiaries, etc. A total of 50,284,100 RSUs will be granted, and the number of shares of common stock under the RSUs will be 50,284,100 shares.

#### IV. Matters Relating to the Company's Directors and Executive Officers

##### 1. Status of the Directors

Name	Positions and Responsibilities	Significant Concurrent Positions
Nobuyuki Koga	Chairman of the Board of Directors Chairman of the Nomination Committee Chairman of the Compensation Committee	Director of Nomura Securities Co., Ltd. (*1) President of Kanagawa Kaihatsu Kanko Co., Ltd.
Koji Nagai	Director Representative Executive Officer and President Group CEO	Director and Chairman of the Board of Directors of Nomura Securities Co., Ltd. (*1)
Tetsu Ozaki	Director Representative Executive Officer and Deputy President Group COO	Director of Nomura Securities Co., Ltd. (*1)
Takao Kusakari	Outside Director Member of the Nomination Committee Member of the Compensation Committee	Senior Advisor of Nippon Yusen Kabushiki Kaisha (NYK LINE) (*2) Outside Director of Japan Oil Transportation Co., Ltd.
Hiroshi Kimura	Outside Director Member of the Nomination Committee Member of the Compensation Committee	Honorary Company Fellow of Japan Tobacco Inc. Outside Director of Asahi Glass Co., Ltd. Outside Director of IHI Corporation
Noriaki Shimazaki	Outside Director Chairman of the Audit Committee	Outside Director of Autobacs Seven Co. Ltd. (*2) Outside Director of UKC Holdings Corporation Outside Director of Loginet Japan Co., Ltd. Director of Nomura Securities Co., Ltd. (*1)
Toshinori Kanemoto	Outside Director Member of the Audit Committee	Of-Counsel of City-Yuwa Partners Outside Statutory Auditor of Nippon Television Holdings, Inc. Outside Director of Riken Corporation
Mari Sono	Outside Director Member of the Audit Committee	Not Applicable
Hisato Miyashita	Director Member of the Audit Committee (full time)	Director of Nomura Asset Management Co., Ltd. (*1) Director of The Nomura Trust and Banking Co., Ltd. (*1) Statutory Auditor of Nomura Financial Products & Services, Inc. (*1)
Michael Lim Choo San	Outside Director	Non-Executive Chairman of Fullerton Healthcare Corporation Limited Non-Executive Chairman of Nomura Singapore Ltd. (*1)

(Notes)

1. Status as of March 31, 2018, the last day of the fiscal year.
2. Directors Takao Kusakari, Hiroshi Kimura, Noriaki Shimazaki, Toshinori Kanemoto, Mari Sono and Michael Lim Choo San are Outside Directors, as provided for in Article 2, Item 15 of the Companies Act, and are also Independent Directors, as provided for in Article 436-2 of the Tokyo Stock Exchange, Inc.'s Securities Listing Regulations.
3. Director Noriaki Shimazaki, Chairman of the Audit Committee, is a financial expert under the Sarbanes-Oxley Act of 2002 and Director Mari Sono, a member of the Audit Committee, is a certified public accountant. Each of them has considerable finance and accounting knowledge.
4. The Company has selected director Hisato Miyashita, who is well-versed in the business of the Nomura Group, as a full-time member of the Audit Committee, with the expectation that audits by the Audit Committee will be performed more effectively.
5. Companies marked with “\*1” are wholly-owned subsidiaries (including indirect ownership) of the Company.
6. There are no special relationships between the Company and companies in which Outside Directors concurrently serve (except for those companies marked with “\*1”).
7. The Company has entered into agreements to limit Companies Act Article 423 Paragraph 1 liability for damages with directors Takao Kusakari, Hiroshi Kimura, Noriaki Shimazaki, Toshinori Kanemoto, Mari Sono, Hisato Miyashita, and Michael Lim Choo San. Liability under each such agreement is limited to either 20 million yen or the amount prescribed by laws and regulations, whichever is greater.
8. Concurrent positions marked with “\*2” are positions from which a director has resigned during the period from the fiscal year-end to the date of this Business Report, or positions from which a director is scheduled to resign as of the date of this Business Report.

## 2. Matters Relating to the Outside Directors

### Status of the Activities of the Outside Directors

Name	Status of Main Activities
Takao Kusakari	Attended all 10 meetings of the Board of Directors, all 4 meetings of the Nomination Committee, and all 3 meetings of the Compensation Committee held during the fiscal year and appropriately made statements based on his extensive experience and comprehensive knowledge gained from being a corporate manager for many years.
Hiroshi Kimura	Attended all 10 meetings of the Board of Directors, all 4 meetings of the Nomination Committee, and all 3 meetings of the Compensation Committee held during the fiscal year and appropriately made statements based on his extensive experience and comprehensive knowledge gained from being a corporate manager for many years.
Noriaki Shimazaki	Attended all 10 meetings of the Board of Directors and all 16 meetings of the Audit Committee held during the fiscal year and appropriately made statements based on his extensive experience and comprehensive knowledge gained from being a corporate manager for many years and an expert well-versed in international accounting systems.
Toshinori Kanemoto	Attended all 10 meetings of the Board of Directors and all 16 meetings of the Audit Committee held during the fiscal year and appropriately made statements based on his extensive experience and comprehensive knowledge gained from being a legal expert.
Mari Sono	Attended all 8 meetings of the Board of Directors and all 11 meetings of the Audit Committee held after her appointment as a Director and a member of the Audit Committee and appropriately made statements based on her extensive experience and comprehensive knowledge gained from being an expert well-versed in corporate accounting.
Michael Lim Choo San	Attended all 10 meetings of the Board of Directors held during the fiscal year and appropriately made statements based on his extensive experience and comprehensive knowledge gained from being an expert well-versed in international accounting systems.

Other than the above, meetings of the Outside Directors, consisting solely of members who are Outside Directors, have been held, where there are discussions concerning matters such as the business and corporate governance of the Company.

### 3. Status of the Executive Officers

Name	Positions and Responsibilities	Significant Concurrent Positions
Koji Nagai	Director Representative Executive Officer and President Group CEO	See “1. Status of the Directors”
Tetsu Ozaki	Director Representative Executive Officer and Deputy President Group COO	See “1. Status of the Directors”
Shoichi Nagamatsu	Representative Executive Officer and Deputy President Chief of Staff	Director of Nomura Securities Co., Ltd.
Toshio Morita	Executive Managing Director	Director, Representative Executive Officer and President of Nomura Securities Co., Ltd.
Kunio Watanabe	Executive Managing Director Head of Asset Management	Director, President and CEO of Nomura Asset Management Co., Ltd.
Takumi Kitamura	Executive Managing Director Chief Financial Officer (CFO)	Executive Managing Director of Nomura Securities Co., Ltd.
Yuji Nakata	Executive Managing Director Head of Group Entity Structure and Co-CRO	Executive Managing Director and Deputy President of Nomura Securities Co., Ltd. Director of Nomura Financial Products & Services, Inc.

(Notes)

1. Status as of March 31, 2018, the last day of the fiscal year.

2. As of April 1, 2018, Kentaro Okuda assumed Executive Managing Director of the Company.

(Reference) Executive Officers as of April 1, 2018 are as follows:

Koji Nagai	Representative Executive Officer and President, Group CEO
Shoichi Nagamatsu	Representative Executive Officer and Deputy President
Tetsu Ozaki	Executive Managing Director, Vice Chairman
Toshio Morita	Executive Managing Director, Group Co-COO
Kentaro Okuda (newly appointed)	Executive Managing Director, Group Co-COO and Head of Americas (based in New York)
Kunio Watanabe	Executive Managing Director, Head of Asset Management
Takumi Kitamura	Executive Managing Director, Chief Financial Officer (CFO)
Yuji Nakata	Executive Managing Director, Head of Group Entity Structure and Co-CRO

### 4. Compensation paid to Directors and Executive Officers

	Number of People (1)	Millions of yen			
		Basic Compensation (2,3)	Bonus	Deferred Compensation (4)	Total
Directors .....	9	264	89	84	437
(Outside Directors) .....	(6)	(124)	(—)	(—)	(124)
Executive Officers .....	7	522	415	511	1,448
Total .....	16	786	504	595	1,885

(Notes)

1. The number of people includes 1 Director who retired in June 2017. There were 8 Directors and 7 Executive

Officers as of March 31, 2018. Compensation to Directors who were concurrently serving as Executive Officers is included in that of Executive Officers.

2. Basic compensation of 786 million yen includes other compensation (commuter pass allowance) of 1,067 thousand yen.

3. In addition to basic compensation, 24 million yen of corporate housing costs, such as housing allowance and related tax adjustments, were provided.

4. Deferred compensation (such as stock options) granted during and prior to the fiscal year ended March 31, 2018 is recognized as expense in the financial statements for the fiscal year ended March 31, 2018.

5. Subsidiaries of the Company paid 49 million yen to Outside Directors as compensation, etc. for their directorship at those subsidiaries for the fiscal year ended March 31, 2018.

6. The Company abolished retirement bonuses to Directors in 2001.

5. Matters relating to Individual Directors and Executive Officers' Compensation Determined by Compensation Committee

(1) Method of Determining Compensation Policies

As the Company is organized under the Committee System, the Compensation Committee has set the "Compensation Policy of Nomura Group" and "Compensation Policy for Directors and Executive Officers of Nomura Holdings, Inc."

(2) Compensation Policy of Nomura Group

The "Compensation Policy of Nomura Group" is as follows:

Nomura Group is establishing its status firmly as a globally competitive financial services group. To support this, we recognize that our people are our most valuable asset. We have therefore developed our Compensation Policy for both executives and employees of Nomura Group to ensure we attract, retain, motivate and develop talent that enables us to achieve sustainable growth, realize a long-term increase in shareholder value, deliver client excellence, compete in a global market and enhance our reputation.

Our Compensation Policy is based around six key themes:

1) Align with Nomura Values and Strategies

- Compensation is designed to support delivery against the broader strategic aims of the Group.
- Levels and structures of compensation reflect the needs of each business line and allow the Group to effectively compete for key talent in the market.
- We develop our staff to support the Nomura values.

2) Reflect Firm, Division and Individual Performance

- "Pay for Performance" is our fundamental principle to motivate and reward our key talent regardless of personal background.
- We manage compensation on a firm-wide basis, taking into account the performance of the Group and supporting our ethos of sustainable growth, collaboration and client service. This enables us to manage strategic investments and still operate market-competitive compensation practices.
- An individual's compensation is determined by properly reflecting the Group, division and individual performance, ensuring that it is aligned with both the business strategy and market considerations.
- Individual compensation award decisions are underpinned by valid and rigorous performance management processes and supporting systems.

3) Establish Appropriate Performance Measurement with a Focus on Risk

- Compensation is not determined by reference solely to revenues. Risk-adjusted profits are being emphasized in Nomura's management information and performance systems and processes.
- In addition, qualitative factors such as cross-divisional collaboration, risk management, alignment with organizational values, and compliance are stressed when evaluating performance.
- Performance measurement reflects the business needs, taking account of risk associated with each business. Such risk includes market, credit, operational, and liquidity risk among others.
- In assessing and measuring risk for compensation, input and advice is received from the risk management and

finance divisions.

#### 4) Align Employee and Shareholder Interests

- Compensation of Group executives and higher paid employees should reflect the achievement of targets which are in line with the creation of shareholder value.
- For higher paid executives and employees, a part of their compensation is delivered in equity linked awards with appropriate vesting periods to ensure that their interests are closely aligned with those of shareholders.

#### 5) Appropriate Compensation Structures

- The compensation structure reflects our desire to grow and develop our talent. It is merit based, reflecting performance and is regularly reviewed to ensure its fairness.
- For higher paid executives and employees, a significant portion of compensation is deferred, balancing short-term interests with longer-term stewardship of the Group.
- Deferred compensation should be subject to forfeiture or “clawback” in the event of a material restatement of earnings or other significant harm to the business of Nomura.
- The percentage of deferral increases as an employee’s total compensation increases. A part of deferred compensation is delivered in mid/long-term incentive plans, such as equity linked awards with appropriate vesting periods.
- Guarantees of bonus/compensation should be allowed only in limited circumstances such as new hiring or strategic business needs, and multi-year guarantees should not be used as a matter of course.
- There should be no special or expensive retirement/severance guarantees for senior executives.
- Nomura will respect all areas in which it operates and will seek to ensure pay structures reflect the needs of the organization as well as regulatory and government bodies.

#### 6) Ensure Robust Governance and Control Processes

- This Policy and any change hereof must be approved by Nomura Holdings’ Compensation Committee, a majority of which consists of non-executive outside directors.
- The Compensation Committee of Nomura Holdings decides individual amounts as well as compensation policy for Directors and Executive Officers of Nomura Holdings, in line with this Policy.
- Globally, we institute a review and authorization policy for senior or high-level contracts ensuring consistency with this Policy. This is administered by Human Resources, involves Finance, Risk Management and Regional Compensation Committees and is reviewed by the Executive Managing Board.
- Compensation for employees of risk management and compliance functions is determined independently of other business divisions.
- The Compensation Committee uses market and specialist advisory groups to advise on appropriate compensation structures and levels as necessary.

#### (3) Compensation Policy for Directors and Executive Officers of Nomura Holdings, Inc.

”Compensation Policy for Directors and Executive Officers of Nomura Holdings, Inc.” is as follows:

Compensation of Directors and Executive Officers is composed of base salary, cash bonus and long-term incentive plans.

##### 1) Base Salary

- Base salary is determined based on factors such as professional background, career history, responsibilities and compensation standards of related business fields.
- A portion of base salary may be paid in equity linked awards with appropriate vesting periods to ensure that medium to long-term interests of Directors and Executive Officers are closely aligned with those of shareholders.

##### 2) Cash Bonus

- Cash bonuses of Directors and Executive Officers are determined by taking into account both quantitative and qualitative factors. Quantitative factors include performance of the Group and the division. Qualitative factors include achievement of individual goals and subjective assessment of individual contribution.
- Depending on the level of bonus payment, a portion of payment in cash may be deferred. In addition, a portion of



deferred bonus may be paid in equity linked awards with appropriate vesting periods in lieu of cash to ensure that medium to long-term interests of Directors and Executive Officers are closely aligned with those of shareholders. Such deferred bonus may be unpaid or forfeited under specific circumstances.

### 3) Long-term Incentive Plan

- Long-term incentive plans may be awarded to Directors and Executive Officers, depending on their individual responsibilities and performance.
- Payments under long-term incentive plans are made when a certain degree of achievements are accomplished. Payments are made in equity linked awards with appropriate vesting periods to ensure that medium to long-term interests of Directors and Executive Officers are closely aligned with those of shareholders.

## V. Matters Relating to Accounting Auditor

1. Name: Ernst & Young ShinNihon LLC

2. Audit Fees, etc.

Item	Amount
(1) Audit fees, etc.	839 million yen
(2) Total amount of cash and other financial benefits payable by the Company and its subsidiaries to the Accounting Auditor	1,466 million yen

(Notes)

1. The audit contract between the Company and the Accounting Auditor does not separate the audit fees based on the Companies Act and the Financial Instruments and Exchange Act. Since the audit fees based on the Companies Act and the Financial Instruments and Exchange Act could not be substantively separated, the amount of audit fees above includes the audit fees based on the Financial Instruments and Exchange Act.

2. In addition to the attestation services pursuant to the Article 2, Paragraph 1 of the Certified Public Accountant Act, the Company and its subsidiaries pay compensation to the Accounting Auditor with respect to verification services on compliance with the segregation of customers' assets requirements, etc.

3. Significant overseas subsidiaries of the Company are subject to audit (limited to audit pursuant to the Companies Act or the Financial Instruments and Exchange Act and other equivalent foreign regulations) by certified public accountants or auditing firms (who hold equivalent qualifications in foreign countries) other than the Company's Accounting Auditor.

4. The Audit Committee has received necessary documents and reports from the Chief Financial Officer ("CFO"), relevant internal divisions, and the Accounting Auditor, and has confirmed the structure of the Accounting Auditor's audit team, audit plan, audit status, the status of the maintenance of the structure for controlling quality of the audit firm, and the basis for the calculation of estimated remuneration, etc. Additionally, the Audit Committee conducts pre-approval procedures in accordance with Article 202 of the Sarbanes-Oxley Act of 2002, etc. Based on the result of such confirmations and procedures, the Audit Committee has verified the compensation, etc. of the Accounting Auditor and determined that it is at a reasonable level to maintain and improve audit quality, and has given the Companies Act Article 399 Paragraph 1 consent.

3. Dismissal or Non-Reappointment Policy

(1) If the Accounting Auditor corresponds to any of the items stipulated under Article 340, Paragraph 1 of the Companies Act, the Audit Committee shall consider dismissal of the Accounting Auditor, and if dismissal is determined to be reasonable, the Audit Committee will dismiss the Accounting Auditor by a unanimous consent of all members of the Audit Committee. In such event, an Audit Committee Member appointed by the Audit Committee shall report the dismissal of the Accounting Auditor and reasons for dismissal at the general meeting of shareholders to be convened immediately after the dismissal.

(2) In cases where the Audit Committee determines that the Accounting Auditor has issues in terms of the fairness, or that maintenance of more appropriate audit structure is needed, a proposal on dismissal or non-reappointment of the Accounting Auditor will be submitted to the annual general meeting of shareholders.

## **VI. The Content of the Resolution Adopted Regarding the Maintenance of Structures such as the Structure for Ensuring Appropriate Business Activities and the Summary of the Status of the Implementation of the Structure**

The content of the resolution adopted by the Board of Directors concerning the Structure for Ensuring Appropriate Business Activities and the summary of the status of the implementation of the structure during this fiscal year is set forth below.

Structure for Ensuring Appropriate Business Activities at Nomura Holdings, Inc.

The Company shall, through the Board of Directors of the Company, establish the following structure (hereinafter referred to as the “Internal Controls System”) to ensure appropriate business activities at the Company and within the Nomura Group, assess the structure on a regular basis, and revise the structure as necessary. The Board of Directors shall, in addition to ensuring appropriate business through, amongst other measures, the supervision of the execution of duties by Directors and Executive Officers and development of the basic management policy of the Nomura Group, shall also monitor the maintenance by Executive Officers and operational status of the Internal Controls System, and call for improvements when necessary.

Further, the Board of Directors shall establish and thoroughly enforce the Code of Ethics of the Nomura Group, a code of conduct that all Nomura Group officers and employees should comply with, which encompasses an emphasis on customer interests, full awareness of the social mission, compliance with applicable laws and regulations, undertaking of social contribution activities, etc.

### **< I. Matters Concerning the Audit Committee >**

The Audit Committee shall enforce its powers prescribed by laws and regulations to audit the legality, adequacy and efficiency of the execution by Directors and Executive Officers of their duties through the use of the Independent Auditor, auditing firms and organizations within the Company to ensure the appropriate business activities of Nomura Holdings, Inc.

#### **1. Directors and Employees that will provide Support with respect to the Duties**

(1) The Board of Directors may appoint a Director, not concurrently serving as an Executive Officer, as the “Audit Mission Director.” The Audit Mission Director shall support audits performed by the Audit Committee, and in order for the Board of Directors to effectively supervise the execution by the Directors and Executive Officers of their duties, the Audit Mission Director shall perform the Audit Mission Director’s duties in accordance with the Audit Committee’s instructions.

(2) The Company shall put in place the Office of Non-Executive Directors and Audit Committee to support the duties of the Audit Committee and Directors. The Audit Committee or a member of the Audit Committee designated by the Audit Committee shall evaluate employees of the Office of Non-Executive Directors and Audit Committee. Regarding the hiring, transfer and discipline of the employees of the Office of Non-Executive Directors and Audit Committee, the consent of the Audit Committee or a member of the Audit Committee designated by the Audit Committee must be obtained.

#### **[Summary of Implementation Status]**

The Company has set up the Office of Non-Executive Directors and Audit Committee as a unit dedicated to assisting with the duties of the Directors. To secure the independence of the Office of Non-Executive Directors and Audit Committee, employees of the Office of Non-Executive Directors and Audit Committee are evaluated by an Audit Committee Member designated by the Audit Committee.

#### **2. Audit System within the Nomura Group**

(1) The Company shall establish a group audit structure centered around the Company (the holding company) so that the Audit Committee can conduct audits in coordination with the Audit Committees, etc., of subsidiaries.

(2) The Audit Committee shall audit the legality, adequacy and efficiency of the business of the Nomura Group in

coordination, as necessary, with the Audit Committee of its subsidiaries.

[Summary of Implementation Status]

As a general rule, meetings of the Audit Committee of the Company and the Audit Committee of Nomura Securities Co., Ltd. are held jointly. Further, efforts are being made to coordinate closely by having persons such as full-time audit committee members of the Company and audit mission directors of Nomura Securities Co., Ltd. concurrently serve as company auditors and audit committee members of subsidiaries in Japan. Additionally, at the Nomura Group, audit committees have been set up in the holding companies that supervise each of the 3 overseas regions (Europe, the Americas, and Asia) and audit committee members of the Company and the heads of such committees share information regarding the issues and awareness of problems for each region from the audit work perspective.

### 3. Structures Ensuring the Effectiveness of the Audit

(1) Members of the Audit Committee designated by the Audit Committee or the Audit Mission Director may participate in or attend important meetings including meetings of the Executive Management Board.

(2) The Audit Committee may require an explanation from accounting auditors and accounting firms that conduct audits of financial statements about the audit plan at the beginning of the period, audit status during the period, audit results at the end of the period, and the status of internal controls over financial reporting. Members of the Audit Committee and the Audit Mission Director may exchange opinions with accounting auditors and accounting firms that conduct audits of financial statements as necessary.

(3) A member of the Audit Committee designated by the Audit Committee may investigate the Company or its subsidiaries through, as necessary, himself/herself, other members of the Audit Committee or the Audit Mission Director.

(4) The Audit Committee in conducting audits may engage attorneys, certified public accountants, consultants or other outside advisors as deemed to be necessary.

[Summary of Implementation Status]

Audit Committee Members designated by the Audit Committee have participated in or attended important meetings such as meetings of the Executive Management Board and the Internal Controls Committee.

The Audit Committee has directly received explanations regarding the audit plan at the beginning of the period, audit status during the period, audit results at the end of the period, and the status of internal controls over financial reporting, from Ernst & Young ShinNihon LLC who is the Accounting Auditor and accounting firm that conducts audits of the Financial Statements. In addition, there have been exchanges of opinions with the Accounting Auditor by, for example, Audit Committee Members seeking the opinions of the Accounting Auditor as necessary.

Furthermore, Audit Committee Members, in addition to carrying out site visits of sites such as retail branches of Nomura Securities and site visits of subsidiaries other than Nomura Securities in person, have received reports from Nomura Securities' Audit Committee Members and Audit Mission Directors who carried out site visits at subsidiaries.

Moreover, the Audit Committee, by entering into an advisory services agreement with an external lawyer, has established a structure whereby expert opinions can be sought from the lawyer as necessary.

### 4. Coordination with the Internal Audit Division

(1) The Company shall obtain the consent of the Audit Committee, or a member of the Audit Committee designated by the Audit Committee, regarding implementation plans and formulation of the budget of the Internal Audit Division, as well as the election and dismissal of the Head of the Internal Audit Division.

(2) The Audit Committee shall coordinate with the Internal Audit Division by attending meetings of the Internal Controls Committee, hearing reports regarding the status of internal audits, and with regard to internal audits, issuing recommendations, etc., concerning the modification of the implementation plan, additional audits, development of remedial measures, etc.

[Summary of Implementation Status]

The Internal Controls Committee attended by Audit Committee Members deliberates and determines basic matters regarding the establishment and evaluation of internal controls for the Nomura Group's business management structure as well as matters regarding the improvement of corporate behavior. In addition, the Audit Committee is coordinating with the Internal Audit Division by, for example, receiving reports, as necessary, directly from the Senior Managing Director in charge of internal audits or through Audit Committee Members, regarding matters such as the maintenance/operational status of the internal control structure and the implementation status of internal audits.

< II. Matters Concerning the Executive Officers >

1. Compliance Structure

(1) Thorough Compliance with the Nomura Group Code of Ethics

Executive Officers shall promote lawful management in accordance with laws, regulations and the Articles of Incorporation, and shall swear to comply with the Nomura Group Code of Ethics. At the same time, Executive Officers shall ensure that the Nomura Group Code of Ethics is well known amongst Senior Managing Directors and employees of the Company and shall ensure compliance with the said Code.

(2) Establishment and Maintenance of the Compliance Structure

Executive Officers shall strive to maintain the Nomura Group's compliance structure through, among other means, the maintenance of compliance-related regulations and the installation of responsible divisions and persons. The Company shall install Compliance Managers, etc., or other persons responsible for compliance, in each company within the Nomura Group to take corrective action against cases regarding any conduct considered questionable in light of social ethics or social justice and to thoroughly ensure that business activities undertaken by employees are based on a law-abiding spirit and social common sense, thereby promoting execution of duties in accordance with laws and regulations.

(3) Compliance Hotline

(a) Executive Officers shall put into place a "Compliance Hotline" as a channel through which employees can, with regard to conduct in the Nomura Group that may be questionable based on compliance with laws and regulations, etc., including matters concerning accounting or accounting audits, report such conduct directly to the person appointed by the Board of Directors.

(b) Executive Officers shall guarantee the confidentiality of anonymous notifications, including the content of such notifications, made through the Compliance Hotline.

(4) Severing Relations with Anti-Social Forces

The Nomura Group shall not engage in any transaction with anti-social forces or groups and Executive Officers shall maintain structures that are necessary for the enforcement of this rule.

[Summary of Implementation Status]

The officers and employees of the Nomura Group are required to annually affirm that they will comply with the Code of Ethics of Nomura Group, which sets forth the Group's basic policy for compliance. In addition, the Group has designated the "Nomura Founding Principles and Corporate Ethics Day" as a day to reconfirm corporate culture and ethics based on Our Founder's Principles. During this fiscal year, based on the Founder's Principles, the Group has established Nomura Group Corporate Philosophy which sets forth the Nomura Group's mission in the society, the vision to fulfill that mission, and the values that have to be continuously held for the purpose of realizing the vision. Moreover, the Group has adopted the Nomura Group Corporate Slogan, "Delivering a Better Tomorrow", which represents the Philosophy, through the discussion among officers and employees.

At the Company, based on the Regulations of the Organization and the Nomura Group Compliance Policy, a Group Compliance Head is appointed and a Group Compliance Department that assists the Group Compliance Head has been put in place. In addition, for the purpose of strengthening the internal control structure so that it can cope with global business expansion, and to maintain/sustain the compliance structure at each group company including overseas locations, a compliance manager has been installed at each company and each region.

In the event that an employee becomes aware of activity such as activity that could be a violation of applicable law or regulation, as a means of directly presenting such information directly to report recipients including outside directors, a compliance hotline has been put in place and all employees have been notified. Regardless of the means by which information is presented, anonymous presentation of information is possible and confidentiality concerning the presentation of information is strictly observed.

At the Nomura Group, within the Code of Ethics of Nomura Group, it is essentially set forth that transactions will never be entered into with anti-social forces and the basic policy is that all relationships with anti-social forces are to be cut off. Based on this, the Group has set up a supervising unit for the purpose of promoting organizational measures to cope with anti-social forces, and at the same time as related information is being gathered/accumulated and strictly managed, whilst consulting/coordinating with attorneys, police, etc., as necessary, anti-social forces are being eliminated and measures for the purpose of ensuring appropriate corporate behavior are being taken. In addition, as of April 1 2018, the Company has set up the Anti-Money Laundering Department which supervises and controls measures for anti-money laundering in the Group.

## 2. Risk Management Structure

(1) Executive Officers shall acknowledge the importance of identification, evaluation, monitoring and management of various risks relating to the execution of the Nomura Group's business centered on risks such as market risk, credit risk, liquidity risk, and operational risk and ensure understanding and management of such risks at each company within the Nomura Group.

(2) Executive Officers shall strive to maintain a system to ensure the effectiveness of risk management in the Nomura Group through, among other means, the maintenance of regulations concerning risk management and the installation of responsible divisions and persons.

(3) Executive Officers shall report the status of risk management structures within the Nomura Group to the Group Integrated Risk Management Committee. The Group Integrated Risk Management Committee shall analyze the risk management status of the entire Nomura Group based on the report and take appropriate measures to establish the most suitable risk management structures for the business.

(4) Executive Officers shall maintain a structure that enables the Nomura Group to prevent or avoid crises, ensure the safety of customers, officers and employees of the Nomura Group, protect operating assets, reduce damage and ensure early recovery from any damage by establishing basic principles of business continuity including precautionary measures against crises, such as natural disasters or system failures, and emergency measures.

### [Summary of Implementation Status]

At the Nomura Group, taking into account regulatory capital requirements, liquidity, and business environment, the content of permissible risk for the purpose of achieving management policy, strategic objectives and business plans is set forth as the Risk Appetite and the risks attendant to the carrying on of the Nomura Group's business are thereby ascertained and managed.

To prescribe the basic principles, framework, and governance concerning risk management, with the purpose of contributing to securing the financial health and appropriate risk management of the Nomura Group, the Risk Management Policy has been put in place. The unit in charge of risk management is structured as an organization that is independent from units that execute business, and based on the leadership of the Chief Risk Officer ("CRO") who presides over all aspects of risk management, the various risks relating to business execution are identified, evaluated, monitored, and

managed.

As for risks arising out of business operations, on the basis of the basic policy of restraining within the scope of the Risk Appetite, the Executive Management Board or the Group Integrated Risk Management Committee upon delegation by the Executive Management Board deliberates and determines important matters relating to risk management.

In addition, the Company prescribes the basic principles of crisis management at the Nomura Group in the Nomura Group Crisis Management Regulations. In accordance with such regulations, each company of the Nomura Group has appointed Crisis Management Officers and discusses crisis management measures based on the fundamental policies of crisis management adopted by each company. Also, by establishing the Nomura Group Crisis Management Committee which reports to the Executive Management Board, the Company has established a global crisis management structure, which includes business continuity measures in case of an emergency.

### 3. Reporting Structure in Relation to Execution of Duties

(1) Executive Officers shall report on the status of their own execution of duties not less frequently than once every 3 (three) months. They shall also maintain a reporting structure that governs reporting with respect to Nomura Group directors, executives, and employees.

(2) Executive Officers shall report the following matters on a regular basis to the Audit Committee directly or through the members of the Audit Committee or the Audit Mission Director:

(a) The implementation status of internal audits, internal audit results, and remediation status;

(b) The maintenance and operational status of the compliance structure;

(c) Risk management status;

(d) The outline of quarterly financial results and material matters (including matters concerning the selection and application of significant accounting policies and matters concerning internal controls over financial reporting); and

(e) The operational status of the Compliance Hotline and details of the reports received.

(3) In the event that an Executive Officer, Senior Managing Director, or employee is requested to report on a matter concerning the execution of such person's duties by an Audit Committee Member designated by the Audit Committee or the Audit Mission Director, such person shall promptly report on such matters.

(4) In the event that a Director, Executive Officer or Senior Managing Director becomes aware of a matter raised below, an immediate report must be made to an Audit Committee member or Audit Mission Director. Moreover, in the event that the person who becomes aware of such a matter is an executive officer or senior managing director, a report must be made simultaneously to the Executive Management Board. The Executive Management Board will deliberate concerning such matter, and in the event that it is admitted as necessary, based on such results, appropriate measures will be taken.

(a) Any material violation of law or regulation or other important matter concerning compliance.

(b) Any legal or financial problem that may have a material impact on the business or financial conditions of each Nomura Group company.

(c) Any order from any regulatory authority or other facts that may potentially cause the Nomura Group to incur a significant loss.

(5) In the event that a Nomura Group director, officer, or employee discovers a matter raised above, the Company must maintain a structure that provides for immediate direct or indirect reporting to an Audit Committee Member or Audit Mission Director.

(6) To ensure that persons making a report prescribed in the preceding paragraph 2 do not receive disadvantageous treatment due to the making of such report, the Company must take appropriate measures.

[Summary of Implementation Status]

Executive Officers provide reports concerning the deliberation status of the Executive Management Board, the Group's financial status, and the business execution status of each division at each

meeting of the Board of Directors. Further, Executive Officers provide reports concerning their business execution status directly to the Audit Committee or through an Audit Committee Member. At the same time, as for Executive Officers, Senior Managing Directors, and employees, if an Audit Committee Member seeks a report on matters concerning the execution of their duties, a report is presented on such matters promptly.

The Company routinely disseminates to all officers and employees of the Nomura Group the fact that a report must promptly be made to each company's designated point of contact in the event that activity, such as activity that could be in violation of laws, regulations, or internal rules, is found. Furthermore, at the Nomura Group, in accordance with internal rules such as the Regulations on Management of Nomura Group Compliance Hotline and the Code of Ethics of Nomura Group, in addition to prohibiting any dismissal, demotion, salary reduction, or other disadvantageous treatment due to such a report, the fact that such disadvantageous treatment is prohibited is disseminated to all Nomura Group officers and employees.

#### 4. Structure for Ensuring the Effectiveness of the Execution of Duties

(1) Executive Officers shall determine the Nomura Group's management strategy and business execution, and execute business in accordance with the management organization and allocation of business duties determined by the Board of Directors.

(2) Executive Officers shall determine the allocation of business duties between each Senior Managing Director and the scope of authority of each employee, and thereby ensure the effectiveness of the structure for the execution of duties and establish a responsibility structure for the execution of duties.

(3) Of the matters whose business execution decision has been delegated to Executive Officers based on a resolution adopted by the Board of Directors, certain important matters shall be determined through the deliberation and determination by bodies, such as the Executive Management Board, or through documents requesting managerial decisions.

(4) The Executive Management Board shall determine or review the necessary allocation of management resources based on the business plan and budget application of each division and regional area to ensure the effective management of the Nomura Group.

#### [Summary of Implementation Status]

Business execution decisions within the Company, to the extent permitted by laws and regulations, are made flexibly and efficiently by Executive Officers to whom the Board of Directors has delegated authority. In addition, to undertake the further strengthening of the business execution structure with regard to the sophistication and specialization of financial operations, Senior Managing Directors to whom Executive Officers have delegated a part of their business execution authority assume the business and operations of the field that each such Senior Managing Director is in charge of.

Out of the matters delegated to Executive Officers by a resolution adopted by of the Board of Directors, concerning the determination of particularly important business matters, bodies such as the Executive Management Board, the Group Integrated Risk Management Committee, and the Internal Controls Committee have been put in place at which there are deliberations and determinations are made. The Board of Directors receives reports on the status of deliberation from each such body at least once every three months. The Executive Management Board deliberates and determines important matters regarding the business management of the Nomura Group, beginning with and including management strategy, budgets, and the distribution of management resources.

#### 5. Structure for Retention and Maintenance of Information

(1) Executive Officers shall retain the minutes of important meetings, conference minutes, documents regarding requests for managerial decisions, contracts, documents related to finances and other material documents (including



their electronic records), together with relevant materials, for at least ten years, and shall maintain access to such documents if necessary.

(2) Executive Officers shall maintain a structure to protect the Nomura Group's non-public information, including its financial information, and promote fair, timely and appropriate disclosure of information to external parties, thereby securing the trust of customers, shareholders, investors, etc.

[Summary of Implementation Status]

All minutes of important meetings, conference minutes, internal approval requests, contracts, documents related to finances, and other material documents (including their electronic records) are appropriately retained in accordance with applicable laws, regulations, internal rules and related contracts, etc., and are maintained in a condition in which they are available for inspection if necessary.

At the Nomura Group, for the purpose of securing the trust of persons such as clients, shareholders, and investors, the basic policy is to comply with laws, and regulations relating to timely disclosure such as the Financial Instruments and Exchange Act and other exchange rules, and in addition to protection of the Nomura Group's non-public information, promotion of fair, timely, and appropriate disclosure of information to external parties. Based on the aforementioned policy, the Company has established the Nomura Group's Statement of Global Corporate Policy regarding Public Disclosure of Information, and the Disclosure Committee has been set up based on the Statement. The Committee, whose chairperson is the Senior Managing Director responsible for Group Corporate Communications, in addition to disseminating the content of the Nomura Group's Statement of Global Corporate Policy to officers and employees, maintains the structure to carry out the fair, timely, and appropriate disclosure of information by taking measures such as establishing/implementing guidelines concerning the disclosure of information.

#### 6. Internal Audit System

(1) Executive Officers shall install a department in charge of internal audit, and by implementing an internal audit program, shall ensure effective and adequate internal controls across the entire business of the Nomura Group.

(2) The Internal Controls Committee shall deliberate or determine basic matters concerning internal controls within the Nomura Group, the annual plan regarding internal audit and the implementation status and results.

(3) Executive Officers shall report on the status of the internal audit within the Nomura Group and the results thereof to the Internal Controls Committee at least once every three months.

[Summary of Implementation Status]

To secure the validity and suitability of internal controls, the Group Internal Audit Department has been put in place within the Company and units dedicated to internal audit have also been put in place at each major subsidiary under the Company. These internal audit departments carry out audits independent from business execution and carry out activities such as the provision of advice and recommendations for business improvement. The annual plan regarding internal audit, as well as the implementation status and results are deliberated in or reported to the Internal Controls Committee in which Audit Committee Members participate, and the content of the Internal Controls Committee meetings are reported to the Board of Directors.

#### < III. The Nomura Group's Internal Controls System >

(1) Executive Officers shall secure the appropriateness of the Nomura Group's business by ensuring that each company within the Nomura Group is fully aware of the Internal Controls System of the Company and by requiring the maintenance of an internal controls system at each company that reflects the actual conditions of each company.

(2) Executive Officers shall ensure the effectiveness of internal controls concerning financial reporting by the Company by, among other means, maintaining the structures listed in I through III above.

[Summary of Implementation Status]

The Company, for every amendment of the internal control system, disseminates the content and meaning of the amendment to each Nomura Group company and provides guidance to maintain internal control systems that fit with each company's actual conditions. In addition, the Company, including for important subsidiaries, identifies and understands the risks related to financial reporting, and based on such understanding, establishes and maintains internal controls over financial reporting. Concerning the status of such establishment and maintenance, the Company receives an evaluation from the internal audit division and an audit and evaluation by the accounting firm.

Consolidated Balance Sheet (As of March 31, 2018)

	<u>(Millions of yen)</u>
<b>ASSETS</b>	
Cash and cash deposits: .....	2,959,046
Cash and cash equivalents .....	2,354,639
Time deposits .....	315,445
Deposits with stock exchanges and other segregated cash .....	288,962
Loans and receivables: .....	4,117,714
Loans receivable .....	2,462,503
Receivables from customers .....	442,343
Receivables from other than customers .....	1,216,382
Allowance for doubtful accounts .....	(3,514)
Collateralized agreements: .....	16,237,743
Securities purchased under agreements to resell .....	9,853,898
Securities borrowed .....	6,383,845
Trading assets and private equity investments: .....	14,985,023
Trading assets .....	14,967,557
Private equity investments .....	17,466
Other assets: .....	2,291,803
Office buildings, land, equipment and facilities .....	338,984
(net of accumulated depreciation and amortization of 397,834 million yen)	
Non-trading debt securities .....	485,891
Investments in equity securities .....	150,760
Investments in and advances to affiliated companies .....	408,034
Other .....	908,134
Total assets .....	<u>40,591,329</u>
<b>LIABILITIES</b>	
Short-term borrowings .....	743,497
Payables and deposits: .....	3,804,655
Payables to customers .....	1,176,773
Payables to other than customers .....	1,476,540
Deposits received at banks .....	1,151,342
Collateralized financing: .....	16,696,994
Securities sold under agreements to repurchase .....	14,759,010
Securities loaned .....	1,524,363
Other secured borrowings .....	413,621
Trading liabilities .....	8,213,318
Other liabilities .....	950,534
Long-term borrowings .....	7,382,507
Total liabilities .....	<u>37,791,505</u>
Commitments and contingencies	
<b>EQUITY</b>	
Common stock .....	594,493
Authorized       – 6,000,000,000 shares	
Issued           – 3,643,562,601 shares	
Outstanding     – 3,392,937,486 shares	
Additional paid-in capital .....	675,280
Retained earnings .....	1,696,890
Accumulated other comprehensive income .....	(59,356)
Common stock held in treasury, at cost – 250,625,115 shares .....	(157,987)
Total Nomura Holdings, Inc. shareholders' equity .....	2,749,320
Noncontrolling interests .....	50,504
Total equity .....	<u>2,799,824</u>
Total liabilities and equity .....	<u>40,591,329</u>

Consolidated Statement of Income (April 1, 2017 — March 31, 2018)

	(Millions of yen)
Commissions .....	373,313
Fees from investment banking .....	101,663
Asset management and portfolio service fees .....	245,616
Net gain on trading .....	442,885
Gain (loss) on private equity investments .....	(869)
Interest and dividends .....	585,675
Gain on investments in equity securities .....	2,683
Other .....	221,192
Total revenue .....	<u>1,972,158</u>
Interest expense .....	<u>475,189</u>
Net revenue .....	<u>1,496,969</u>
Compensation and benefits .....	530,641
Commissions and floor brokerage .....	99,868
Information processing and communications .....	184,781
Occupancy and related depreciation .....	67,895
Business development expenses .....	36,762
Other .....	248,864
Non-interest expenses .....	<u>1,168,811</u>
Income before income taxes .....	328,158
Income tax expense .....	<u>103,866</u>
Net income .....	224,292
Less: Net income attributable to noncontrolling interests .....	<u>4,949</u>
Net income attributable to Nomura Holdings, Inc. shareholders .....	<u>219,343</u>

Consolidated Statement of Changes in Equity (April 1, 2017 — March 31, 2018)

	(Millions of yen)
Common Stock	
Balance at beginning of year .....	594,493
Balance at end of year .....	<u>594,493</u>
Additional paid-in capital	
Balance at beginning of year .....	681,329
Issuance and exercise of common stock options .....	(5,465)
Changes in ownership interests in subsidiaries .....	(584)
Balance at end of year .....	<u>675,280</u>
Retained earnings	
Balance at beginning of year .....	1,663,234
Net income attributable to Nomura Holdings, Inc.'s shareholders .....	219,343
Cash dividends .....	(68,703)
Gain (loss) on sales of treasury stock .....	(5,043)
Cancellation of treasury stock .....	(111,941)
Balance at end of year .....	<u>1,696,890</u>
Accumulated other comprehensive income (loss)	
Cumulative translation adjustments	
Balance at beginning of year .....	47,767
Net change during the year .....	(63,363)
Balance at end of year .....	<u>(15,596)</u>
Defined benefit pension plans	
Balance at beginning of year .....	(41,020)
Pension liability adjustments .....	(6,817)
Balance at end of year .....	<u>(47,837)</u>
Non-trading securities	
Balance at beginning of year .....	20,344
Net unrealized gain (loss) on non-trading securities .....	(20,344)
Balance at end of year .....	<u>—</u>
Own credit adjustments	
Balance at beginning of year .....	6,561
Own credit adjustments .....	(2,484)
Balance at end of year .....	<u>4,077</u>
Balance at end of year .....	<u>(59,356)</u>
Common stock held in treasury	
Balance at beginning of year .....	(182,792)
Repurchases of common stock .....	(109,096)
Sales of common stock .....	0
Common stock issued to employees .....	21,398
Cancellation of treasury stock .....	111,941
Other net change in treasury stock .....	562
Balance at end of year .....	<u>(157,987)</u>
Total NHI shareholders' equity	
Balance at end of year .....	<u>2,749,320</u>
Noncontrolling Interests	
Balance at beginning of year .....	53,875
Cash dividends .....	(1,955)
Net income attributable to noncontrolling interests .....	4,949
Accumulated other comprehensive income (loss) attributable to noncontrolling interests	
Cumulative translation adjustments .....	559
Net unrealized gain (loss) on non-trading securities .....	(6,157)
Purchase/sale (disposition) of subsidiary shares, etc., net .....	(9,392)
Other net change in noncontrolling interests .....	8,625
Balance at end of year .....	<u>50,504</u>
Total equity balance at end of year .....	<u>2,799,824</u>

[Translation]  
Report of Independent Auditors

May 11, 2018

The Board of Directors  
Nomura Holdings, Inc.

Ernst & Young ShinNihon LLC

Noboru Miura  
Certified Public Accountant  
Designated and Engagement Partner

Toyohiro Fukata  
Certified Public Accountant  
Designated and Engagement Partner

Toru Nakagiri  
Certified Public Accountant  
Designated and Engagement Partner

Kenjiro Tsumura  
Certified Public Accountant  
Designated and Engagement Partner

Pursuant to Article 444, Section 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity and the notes to the consolidated financial statements of Nomura Holdings, Inc. applicable to the fiscal year from April 1, 2017 through March 31, 2018.

*Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America with certain disclosure items omitted pursuant to the same provisions in the second sentence of Article 120, section 1 of the Ordinance on Accounting of Companies, as applied to Article 120-3, section 3, and for designing and operating such internal controls as management determines are necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America with certain disclosure items omitted pursuant to the same provisions in the second sentence of Article 120, section 1 of the Ordinance on Accounting of Companies, as applied to Article 120-3, section 3, referred above present fairly, in all material respects, the financial position and results of operations of Nomura Holdings, Inc. and its consolidated subsidiaries, applicable to the fiscal year ended March 31, 2018.

### *Conflicts of Interest*

We have no interest in Nomura Holdings, Inc. which should be disclosed in compliance with the Certified Public Accountants Act.

### (Note)

This is an English translation of the Japanese language Report of Independent Auditors issued by Ernst & Young ShinNihon LLC in connection with the audit of the consolidated financial statements of Nomura Holdings, Inc., prepared in Japanese, for the year ended March 31, 2018. Ernst & Young ShinNihon LLC have not audited the English language version of the consolidated financial statements for the above-mentioned year.

## Report of the Audit Committee on the Consolidated Financial Statements

### REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

The Audit Committee of Nomura Holdings, Inc. (the “Company”) has audited the Company’s consolidated financial statements (the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity and the notes to the consolidated financial statements) applicable to the 114th fiscal year (from April 1, 2017 to March 31, 2018). We hereby report the method, contents and results of the audit as follows:

#### 1. METHOD AND DETAILS OF THE AUDIT

In accordance with the auditing principles and assignment of duties, etc. determined by the Audit Committee, the Audit Committee received reports from the Executive Officers, etc. of the Company regarding to the consolidated financial statements, and asked for the explanations as necessary. In addition, we have monitored and verified whether the Accounting Auditor maintained its independent position and implemented appropriate audit, and we received reports from Accounting Auditor regarding the status of the performance of its duties and, whenever necessary, asked for explanations. Furthermore, we have been notified by the Accounting Auditor that the “Structure for Ensuring Appropriate Operation” (matters set forth in each items prescribed in Article 131 of the Ordinance for Company Calculation) is organized in accordance with the “Quality Control Standards for Audits” (Business Accounting Council, October 28, 2005), etc., and when necessary, asked for explanations.

Based on the above methods, we have examined the consolidated financial statements for this fiscal year.

#### 2. RESULT OF THE AUDIT

We acknowledge that both the method and result of the audit by Ernst & Young ShinNihon LLC, the Company’s Accounting Auditor, are appropriate.

#### 3. SUBSEQUENT EVENTS

A resolution to grant Restricted Stock Units (“RSUs”) in lieu of other compensation programs such as the issuance of Stock Acquisition Rights as stock options, to executives and employees, etc. of the Company as well as executives and employees, etc. of subsidiaries of the Company (the “Allottees”), was passed on May 14, 2018. The Company also determined, in principle, that after the expiration of a deferral period determined beforehand by the Company, the Company will dispose of and allot treasury stock in a number corresponding to the number of RSUs granted to each Allottees which number is determined beforehand by the Company, by having the Allottees make a contribution in kind to the Company of monetary compensation claims granted to the Allottees. The Company also submitted a shelf registration statement regarding the disposition of treasury stock on the same day.

May 15, 2018

THE AUDIT COMMITTEE OF  
NOMURA HOLDINGS, INC.

Noriaki Shimazaki, Chairman of the Audit Committee

Toshinori Kanemoto, Member of the Audit Committee

Mari Sono, Member of the Audit Committee

Hisato Miyashita, Member of the Audit Committee

Note: Messrs. Noriaki Shimazaki, Toshinori Kanemoto, and Mari Sono are Outside Directors as provided for in Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.



Balance Sheet (As of March 31, 2018)

	<u>(Millions of yen)</u>
<b>ASSETS</b>	
Current Assets: .....	3,714,784
Cash and time deposits .....	1,711
Money held in trust .....	73
Short-term loans receivable .....	3,604,969
Accounts receivable .....	46,774
Deferred tax assets .....	1,615
Others .....	59,643
Fixed Assets: .....	3,218,136
Tangible fixed assets: .....	28,645
Buildings .....	10,842
Furniture & fixtures .....	11,401
Land .....	6,402
Intangible assets: .....	95,609
Software .....	95,609
Others .....	0
Investments and others: .....	3,093,883
Investment securities .....	143,110
Investments in subsidiaries and affiliates (at cost) .....	2,383,501
Other securities of subsidiaries and affiliates .....	6,328
Long-term loans receivable from subsidiaries and affiliates .....	489,878
Long-term guarantee deposits .....	27,029
Deferred tax assets .....	15,329
Others .....	28,731
Allowance for doubtful accounts .....	(23)
Total assets .....	<u>6,932,921</u>
<b>LIABILITIES</b>	
Current Liabilities: .....	1,625,604
Short-term borrowings .....	1,256,600
Bond due within one year .....	182,468
Collaterals received .....	107,515
Accrued income taxes .....	7
Accrued bonuses .....	2,414
Others .....	76,600
Long-term Liabilities: .....	2,673,466
Bonds payable .....	847,677
Long-term borrowings .....	1,824,422
Others .....	1,367
Total liabilities .....	<u>4,299,070</u>
<b>NET ASSETS</b>	
Shareholders' equity: .....	2,547,921
Common stock .....	594,493
Additional paid-in capital: .....	559,676
Capital reserves .....	559,676
Retained earnings: .....	1,551,543
Retained earnings reserve .....	81,858
Other retained earnings .....	1,469,685
Retained earnings carried forward .....	1,469,685
Treasury stock .....	(157,791)
Valuation and translation adjustments: .....	55,439
Net unrealized gain on investments .....	51,364
Deferred gains or loss on hedges .....	4,075
Stock acquisition rights .....	30,491
Total net assets .....	<u>2,633,851</u>
Total liabilities and net assets .....	<u>6,932,921</u>

Statement of Income (April 1, 2017 — March 31, 2018)

	<u>(Millions of yen)</u>
Operating revenue .....	484,396
Property and equipment fee revenue .....	121,483
Rent revenue .....	30,785
Royalty on trademark .....	39,184
Dividend from subsidiaries and affiliates .....	200,053
Interest income from loans to subsidiaries and affiliates .....	79,431
Others .....	13,460
Operating expenses .....	230,598
Compensation and benefits .....	22,070
Occupancy and equipment costs .....	38,214
Data processing and office supplies .....	61,857
Depreciation and amortization .....	47,450
Taxes .....	1,345
Others .....	6,132
Interest expenses .....	53,530
Operating income .....	<u>253,798</u>
Non-operating income .....	6,036
Non-operating expenses .....	<u>28,105</u>
Ordinary income .....	<u>231,730</u>
Extraordinary income .....	76,825
Gain on capital reduction of subsidiaries and affiliates .....	31,698
Gain on sales of subsidiaries and affiliates .....	43,563
Gain on liquidation of subsidiaries and affiliates .....	504
Gain on sales of investment securities .....	785
Gain on reversal of subscription rights to shares .....	276
Extraordinary losses .....	893
Loss on sales of investment securities .....	0
Loss on retirement of fixed assets .....	893
Income before income taxes .....	<u>307,662</u>
Income taxes - current .....	<u>(22,323)</u>
Income taxes - deferred .....	<u>48,978</u>
Net income .....	<u><u>281,006</u></u>

Statement of Changes in Net Assets (April 1, 2017 — March 31, 2018)

	<u>(Millions of yen)</u>
Shareholders' Equity	
Common stock	
Balance at beginning of the year .....	594,493
Balance at end of the year .....	<u>594,493</u>
Additional paid-in capital	
Capital reserve	
Balance at beginning of the year .....	559,676
Balance at end of the year .....	559,676
Total capital reserve	
Balance at beginning of the year .....	559,676
Balance at end of the year .....	<u>559,676</u>
Retained earnings	
Retained earnings reserve	
Balance at beginning of the year .....	81,858
Balance at end of the year .....	81,858
Other retained earnings	
Retained earnings carried forward	
Balance at beginning of the year .....	1,375,531
Change in the year	
Cash dividends .....	(70,199)
Net income .....	281,006
Disposal of treasury stock .....	(4,711)
Cancellation of treasury stock .....	(111,941)
Total change in the year .....	94,154
Balance at end of the year .....	1,469,685
Total retained earnings	
Balance at beginning of the year .....	1,457,389
Change in the year	
Cash dividends .....	(70,199)
Net income .....	281,006
Disposal of treasury stock .....	(4,711)
Cancellation of treasury stock .....	(111,941)
Total change in the year .....	94,154
Balance at end of the year .....	<u>1,551,543</u>
Treasury stock	
Balance at beginning of the year .....	(182,034)
Change in the year	
Purchases of treasury stock .....	(109,096)
Disposal of treasury stock .....	21,398
Cancellation of treasury stock .....	111,941
Total change in the year .....	24,243
Balance at end of the year .....	<u>(157,791)</u>

	<u>(Millions of yen)</u>
Total shareholders' equity	
Balance at beginning of the year .....	2,429,524
Change in the year	
Cash dividends .....	(70,199)
Net income .....	281,006
Purchases of treasury stock .....	(109,096)
Disposal of treasury stock .....	16,687
Total change in the year .....	118,398
Balance at end of the year .....	<u>2,547,921</u>
Valuation and translation adjustments	
Net unrealized gain on investments	
Balance at beginning of the year .....	49,108
Change in the year	
Other-net .....	2,256
Total change in the year .....	2,256
Balance at end of the year .....	51,364
Deferred gains or loss on hedges	
Balance at beginning of the year .....	11,898
Change in the year	
Other-net .....	(7,823)
Total change in the year .....	(7,823)
Balance at end of the year .....	4,075
Total valuation and translation adjustments	
Balance at beginning of the year .....	61,006
Change in the year	
Other-net .....	(5,567)
Total change in the year .....	(5,567)
Balance at end of the year .....	<u>55,439</u>
Stock acquisition rights	
Balance at beginning of the year .....	36,231
Change in the year	
Other-net .....	(5,741)
Total change in the year .....	(5,741)
Balance at end of the year .....	<u>30,491</u>
Total net assets	
Balance at beginning of the year .....	2,526,761
Change in the year	
Cash dividends .....	(70,199)
Net Income .....	281,006
Purchases of treasury stock .....	(109,096)
Disposal of treasury stock .....	16,687
Other-net .....	(11,308)
Total change in the year .....	107,089
Balance at end of the year .....	<u>2,633,851</u>

[Translation]  
Report of Independent Auditors

May 11, 2018

The Board of Directors  
Nomura Holdings, Inc.

Ernst & Young ShinNihon LLC

Noboru Miura  
Certified Public Accountant  
Designated and Engagement Partner

Toyohiro Fukata  
Certified Public Accountant  
Designated and Engagement Partner

Toru Nakagiri  
Certified Public Accountant  
Designated and Engagement Partner

Kenjiro Tsumura  
Certified Public Accountant  
Designated and Engagement Partner

Pursuant to Article 436, Section 2, Paragraph 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements and the related supplementary schedules of Nomura Holdings, Inc. (the “Company”) applicable to the 114th fiscal year from April 1, 2017 through March 31, 2018.

*Management’s Responsibility for the Financial Statements and the Related Supplementary Schedules*

Management is responsible for the preparation and fair presentation of the financial statements and the related supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal controls as management determines are necessary to enable the preparation and fair presentation of the financial statements and the related supplementary schedules that are free from material misstatement, whether due to fraud or error.

*Auditors’ Responsibility*

Our responsibility is to express an opinion on the financial statements and the related supplementary schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the related supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the related supplementary schedules. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements and the related supplementary schedules, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the entity’s preparation and fair presentation of the financial statements and the related supplementary schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the related supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements and the related supplementary schedules referred above present fairly, in all material respects, the financial position and results of operations of Nomura Holdings, Inc. applicable to the fiscal year ended March 31, 2018 in conformity with accounting principles generally accepted in Japan.

*Conflicts of Interest*

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

(Note)

This is an English translation of the Japanese language Report of Independent Auditors issued by Ernst & Young ShinNihon LLC in connection with the audit of the financial statements of Nomura Holdings, Inc., prepared in Japanese, for the year ended March 31, 2018. Ernst & Young ShinNihon LLC have not audited the English language version of the financial statements for the above-mentioned year.

## Report of the Audit Committee

### REPORT OF THE AUDIT COMMITTEE

The Audit Committee of Nomura Holdings, Inc. (the “Company”) audited the execution by the Directors and Executive Officers of the Company of their duties during the 114th fiscal year (from April 1, 2017 to March 31, 2018). We hereby report the method, contents and results of the audit as follows:

#### 1. METHOD AND DETAILS OF THE AUDIT

Based on the auditing principles and assignment of duties, etc. determined by the Audit Committee, with the cooperation of the Company’s departments in charge of internal control, etc. the Audit Committee has investigated the procedure and details of the decision making at the important meetings, etc., reviewed important authorized documents and other material documents regarding to the business execution, investigated the performance of the duties by the Directors, Executive Officers, Senior Managing Directors and other significant employees, etc., and investigated the conditions of the businesses and assets of the Company.

With respect to the resolution of the Board of Directors regarding the internal control system as stipulated in Article 416, Paragraph 1, Items 1(ii) and (v) of the Companies Act and the internal control system maintained based on such resolution, we received reports from the Directors, Executive Officers, Senior Managing Directors and significant employees, etc. periodically, and asked for explanations as necessary and provided our opinion. In relation to internal control over financial reporting required under the Financial Instruments and Exchange Act, we have received reports from the Executive Officers, etc. and Ernst & Young ShinNihon LLC regarding the assessment of such internal controls and status of the audit, and asked for explanations as necessary.

With respect to subsidiaries, we have communicated and exchanged information with the subsidiaries’ Directors, Executive Officers, Senior Managing Directors, members of the Audit Committee and statutory auditors, etc. and when necessary, requested the subsidiaries to report on their business.

Furthermore, we have monitored and verified whether the Accounting Auditor maintained its independent position and implemented appropriate audit, and received reports from the Accounting Auditor regarding the status of the performance of its duties and, whenever necessary, asked for explanations. In addition, we have been notified from the Accounting Auditor that “Structure for Ensuring Appropriate Operation” (matters set forth in each items prescribed in Article 131 of the Ordinance for Company Calculation) is organized in accordance with the “Quality Control Standards for Audits” (Business Accounting Council, October 28, 2005), etc. and when necessary, asked for explanations.

Based on the above methods, we have examined the business report and its supplementary schedules, financial statements (balance sheet, statement of income, statement of changes in net assets and notes to the financial statements) and its supplementary schedules for this fiscal year.

#### 2. RESULT OF THE AUDIT

##### (1) Result of the audit

1. We have found that business report and its supplementary schedules fairly present the status of the Company, in conformity with the applicable laws and regulations and the Articles of Incorporation.
2. In relation to the performance of the duties by the Directors and the Executive Officers, we have found no misconduct or material facts that violate applicable laws and regulations or the Articles of Incorporation.
3. We have found that the content of the resolution of the Board of Directors regarding the internal control system is adequate. Moreover, we have no remarks to point out on the content of the business report and on the execution of the duties by the Directors and the Executive Officers regarding the status of the establishment and the maintenance of the internal control system based on such resolution, including internal control over financial reporting required under the Financial Instruments and Exchange Act.

##### (2) Result of the audit of Financial Statements and Supplementary Schedules

We acknowledge that both the method and result of the audit by Ernst & Young ShinNihon LLC, the Company’s Accounting Auditor, are appropriate.

### 3. SUBSEQUENT EVENTS

A resolution to grant Restricted Stock Units (“RSUs”) in lieu of other compensation programs such as the issuance of Stock Acquisition Rights as stock options, to executives and employees, etc. of the Company as well as executives and employees, etc. of subsidiaries of the Company (the “Allottees”), was passed on May 14, 2018. The Company also determined, in principle, that after the expiration of a deferral period determined beforehand by the Company, the Company will dispose of and allot treasury stock in a number corresponding to the number of RSUs granted to each Allottees which number is determined beforehand by the Company, by having the Allottees make a contribution in kind to the Company of monetary compensation claims granted to the Allottees. The Company also submitted a shelf registration statement regarding the disposition of treasury stock on the same day.

May 15, 2018

THE AUDIT COMMITTEE OF  
NOMURA HOLDINGS, INC.

Noriaki Shimazaki, Chairman of the Audit Committee

Toshinori Kanemoto, Member of the Audit Committee

Mari Sono, Member of the Audit Committee

Hisato Miyashita, Member of the Audit Committee

Note: Messrs. Noriaki Shimazaki, Toshinori Kanemoto, and Mari Sono are Outside Directors as provided for in Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.



Fiscal Year..... April 1 to March 31

Annual General Meeting of the Shareholders..... Held in June

<Special Note Regarding Forward-Looking Statements>

This report contains forward-looking statements that are based on our current expectations, assumptions, estimates and projections about our business, our industry and capital markets around the world. These forward-looking statements are subject to various risks and uncertainties. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as “may”, “will”, “expect”, “anticipate”, “estimate”, “plan” or similar words. These statements discuss future expectations, identify strategies, contain projections of our results of operations or financial condition, or state other forward-looking information. Known and unknown risks, uncertainties and other factors may cause our actual results, performance, achievements or financial position expressed or implied by any forward-looking statement in this report.