

Statement on Administrative Action by Japan's Financial Services Agency

Tokyo, May 28, 2019—In accordance with Article 57-19 (1) and Article 51 of the Financial Instruments and Exchange Act, Japan's Financial Services Agency today issued a business improvement order against Nomura Holdings, Inc. (NHI) and Nomura Securities Co., Ltd. (NSC).

We take this matter very seriously and we regret the trouble that has been caused to our clients and all other concerned parties.

Commenting on the business improvement order, Nomura President and Group CEO Koji Nagai said: "We will work together as one firm to fully implement the remediation action plan we announced on May 24 in order to prevent similar incidents from occurring in the future.

"The management team will work to ensure that everyone at the firm fully understands Nomura's mission and their individual responsibility to contribute to the sound development of the capital markets. We will take responsibility to make sure that each employee develops common sense thinking and acts in accordance with proper conduct.

"We will further strengthen our compliance and internal controls frameworks. We are committed to preventing a recurrence and will work towards regaining trust."

Outline of business improvement order

- (A) Clarify where responsibility lies for this incident, including senior executives, based on this administrative action.
- (B) Submit a detailed improvement plan to prevent recurrence in response to the proposal of the internal review by NHI and NSC. Moreover, ensure that the prevention measures are firmly implemented, based on the improvement plan developed.
- (C) Report periodically the implementation of recurrence prevention measures.
- (D) Examine and report periodically the effectiveness of recurrence prevention measures. In case inadequacies are found as the result of the above examination, report the causes and the improvement measures to address the deficiencies.
- (E) Regarding (A) to (D) above, submit the first report by June 4, 2019 under joint signature of NHI and NSC. Thereafter, submit each report within 15 days from the end of each quarter and at any times as needed in consideration of the necessity.

Three pillars of remediation action plan announced by Nomura on May 24, 2019

1. Embed the mindset of a Code of Conduct that fulfills the role the public expects financial institutions to play, and create an environment to maintain and improve self-discipline.
2. Reorganize the Wholesale Equities business to ensure that our people are incentivized to contribute to the development of the capital markets.
3. Establish a framework to tightly control not only information related to corporates, but also non-public information that could materially affect investment decisions.

Reference

May 24, 2019, news release: Statement on Report of Investigation into Improper Communication of Information and Announcement of Remediation Action Plan

<https://www.nomuraholdings.com/news/nr/holdings/20190524/20190524.pdf>

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Nomura

Nomura is an Asia-headquartered financial services group with an integrated global network spanning over 30 countries. By connecting markets East & West, Nomura services the needs of individuals, institutions, corporates and governments through its four business divisions: Retail, Asset Management, Wholesale (Global Markets and Investment Banking), and Merchant Banking. Founded in 1925, the firm is built on a tradition of disciplined entrepreneurship, serving clients with creative solutions and considered thought leadership. For further information about Nomura, visit www.nomura.com