



# Nomura Report 2017

Nomura Holdings, Inc.

**Nomura Group contributes to the economic development and realization of a prosperous society through its involvement in the securities industry.**



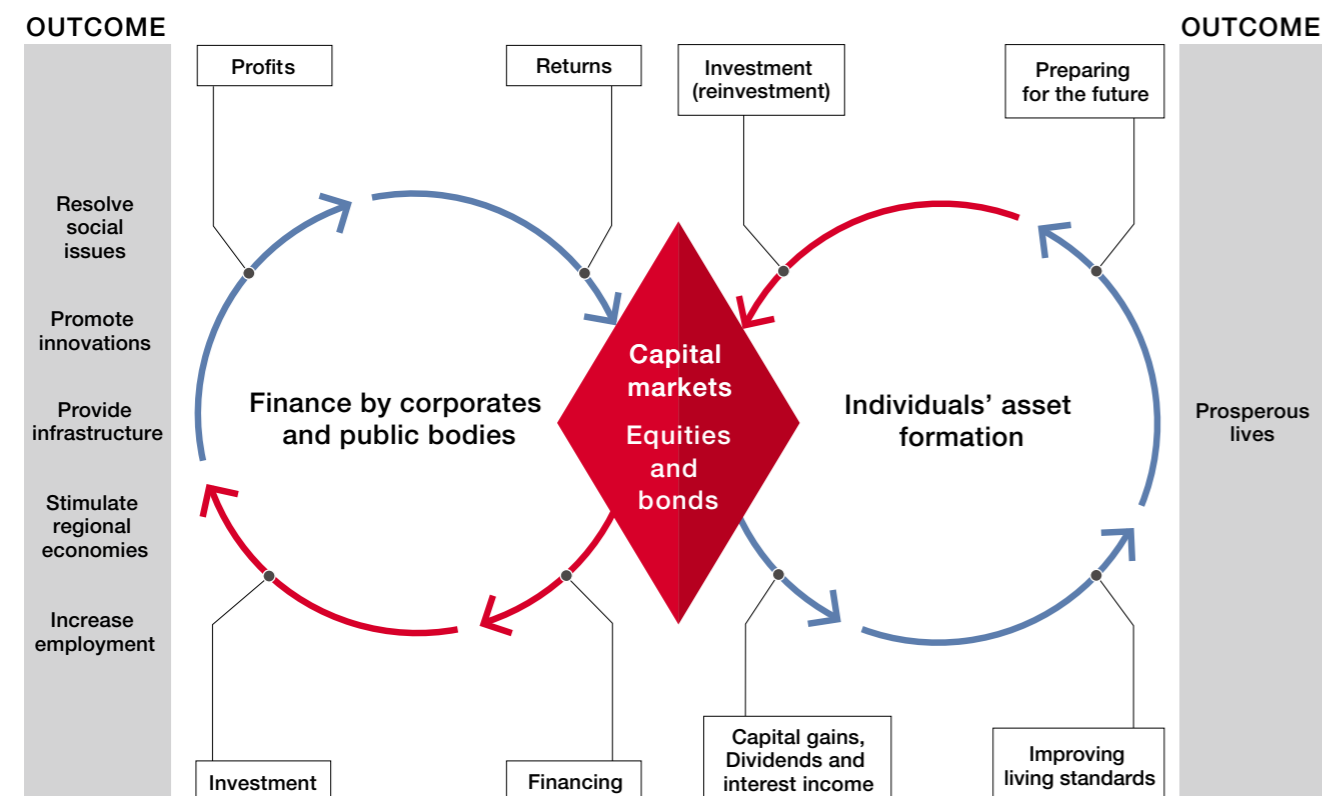
**“Place our clients at the heart of everything we do”**  
**A commitment that remains unchanged since our founding**



## Aiming for a better future

Individuals' asset formation is closely connected to the financing and growth of individual companies and the broader economy. To prepare for the future, individuals can invest to receive capital gains, dividends, interest and other benefits commensurate with their risk taking. In addition, corporations and public bodies can create value, revitalize communities, and sometimes even resolve social issues through the capital markets. We connect both investors and companies to these capital markets, thereby supporting the productive use of risk capital, paving the way to a better future.

Social contribution through risk capital cycle (Nomura's Retail-Wholesale two-pronged business model)



### Supporting financing by companies and public bodies



**1961**  
First American Depositary Receipts issued by Japanese company (Sony Corporation)



**1987**  
Nippon Telegraph and Telephone Corporation (NTT) listed on stock market



**2015**  
Three Japan Post Group companies listed on stock market

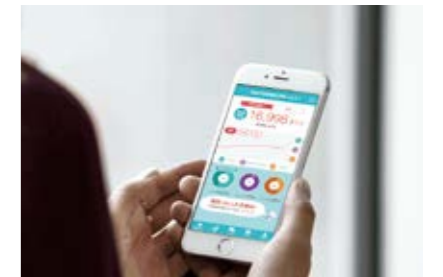
### Supporting individuals' asset formation



**1953**  
Distributed "Million Ryo Savings Chest" piggy banks to promote securities investment as a form of savings



**2012**  
Start using mobile tablets for client consultations (Photo taken in 2017)  
⇒ Please see "Special Feature 1: Transforming business model in Japan" on P28 for more details.



**2016**  
Providing investment information through robo advisory service  
⇒ Please see "Special Feature 2: Leveraging new technologies" on P30 for more details.

### Financial and economic education



**2000**  
Start of financial education courses for universities (Photo taken in 2015)



**2008**  
Start of "Manabou Classroom" school-visit classes for elementary schools (Photo taken in 2017)



**2016**  
The 17th Nikkei Stock League contest award ceremony

⇒ Please see "Special Feature 3: Promoting financial and economic education in Japan" on P32 for more details

# INDEX

**About Nomura**

- P 8 Business Model
- P10 History of the Nomura Group  
—Contributing to the Development of Capital Markets for 91 Years
- P12 Nomura by the Numbers
- P13 Key Events during the Year
- P14 Financial and Non-Financial Highlights

**Strategies for Value Creation**

- P16 Message from Group CEO
- P22 Message from Group COO
- P26 Message from CFO
- P28 Special Feature 1: Transforming business model in Japan
- P30 Special Feature 2: Leveraging new technologies
- P32 Special Feature 3: Promoting financial and economics education in Japan
- P34 Special Feature 4: Supporting the growth of private and public sectors through our business
- P36 Special Feature 5: Strengthening international businesses
- P38 At a Glance
- P40 Business Divisions: Retail Division
- P42 Business Divisions: Asset Management Division
- P44 Business Divisions: Wholesale Division

**Strengths Supporting Value Creation**

- P46 Corporate Governance
- P54 Interview with Outside Director
- P56 Interview with Advisory Board Member
- P58 Message from the Chief of Staff
- P60 Directors of Nomura Holdings / Outside Directors of Major Subsidiaries in Japan / Executive Officers and Senior Managing Directors of Nomura Holdings
- P64 Risk Management
- P70 Compliance
- P72 Investing in Our Employees
- P76 Corporate Social Responsibility
- P78 Advancing Sustainable Finance
- P80 Supporting Our Communities
- P84 Our Environment

**Corporate Information / Data**

- P86 Key Financial Data
- P88 Eleven-Year Consolidated Financial Summary
- P90 CSR Key Facts
- P94 Independent Assurance
- P96 Global Network
- P97 Services for Retail Clients / Nomura Securities Branches in Japan
- P98 Corporate Data / Share Information / Credit Rating

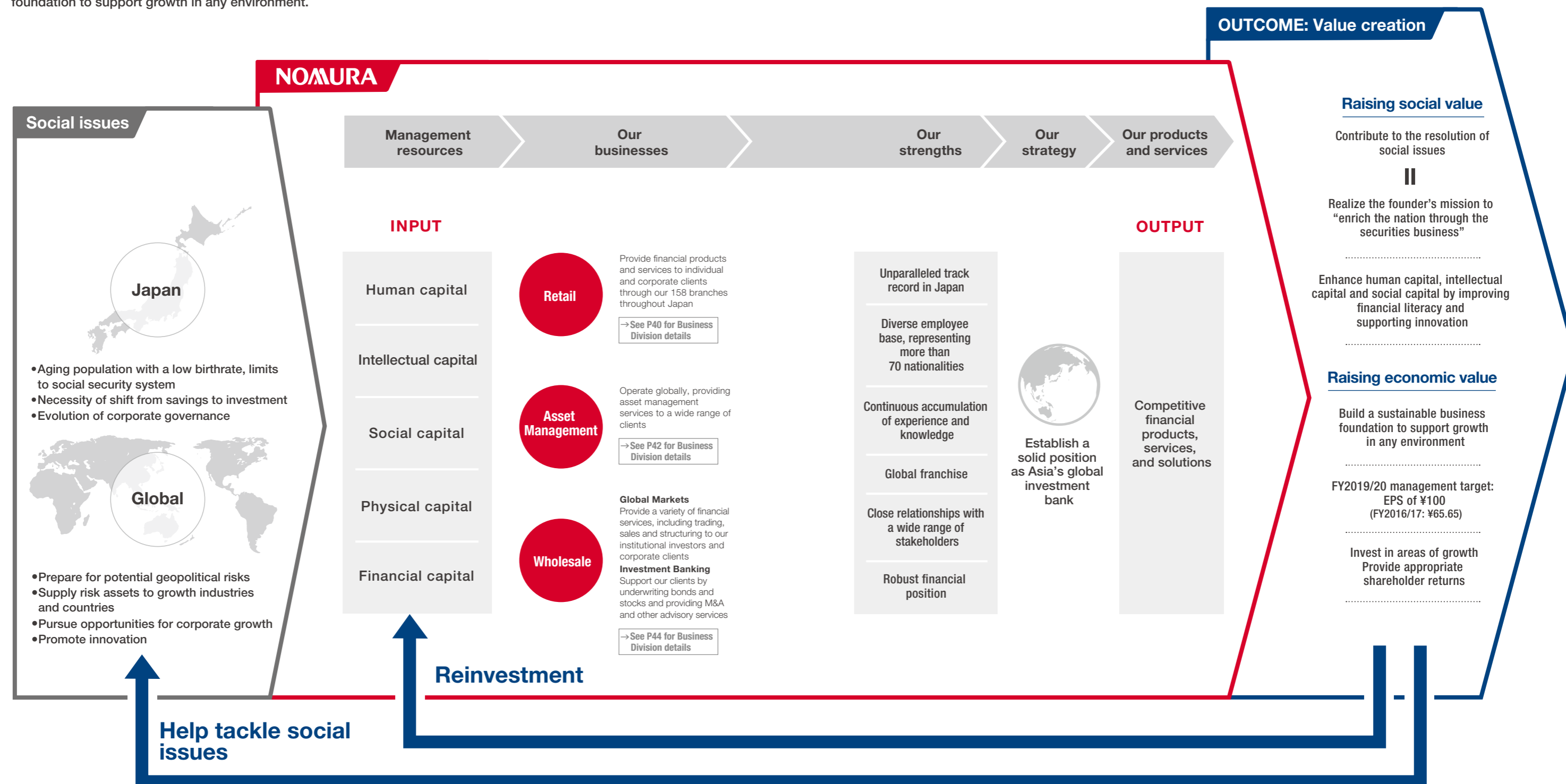
**Forward-Looking Statements**

This Nomura Report contains forward-looking statements about the future plans, strategies, beliefs, and performance of Nomura Group. These forward-looking statements are not historical facts. They are expectations, estimates, forecasts, and projections based on information currently available to the Company and are subject to a number of risks, uncertainties, and assumptions, which, without limitation, include market trends, economic trends, competition in the financial industry, laws and regulations, and tax systems. As such, actual results may differ materially from those projected.



# Nomura Group value creation model

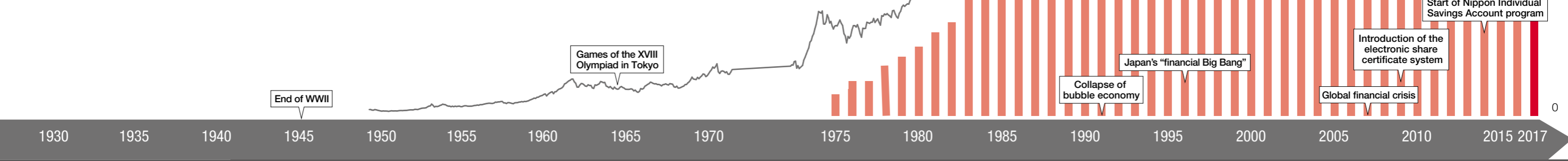
The Nomura Group's business is executed according to our philosophy of always "placing our clients at the heart of everything we do." We contribute to the economic growth and creation of a prosperous society by providing financial products, services, and solutions that are innovative and competitive, while also utilizing our high-quality management resources. We strive to raise our economic value by building a sustainable business foundation to support growth in any environment.



# Pursue long-term growth by responding to clients' needs and providing a wide range of financial services

Since its inception in 1925, the Nomura Group has continually expanded its product and service offerings, developed its global operations and reinforced its corporate governance systems. Our Founder set forth ten principles that, even today, lie at the heart of Nomura's operations. Among these founding principles is a description of Nomura's raison d'être or mission to "enrich the nation through the securities business." We will continue to contribute to economic growth and a more fulfilling society by delivering superior services and solutions to meet all of our clients' investment needs.

Unchanged from time of founding	Changes from time of founding		
Founder's Principles	1926	2000	2017
“Nomura’s mission is to enrich the nation through the securities business.”	Net revenue (billions of yen)	1,062.7	1,403.2
	Retail client assets (trillions of yen)	62.4	107.7
	Employees	14,823	28,186
	Branches in Japan	126	158
	Personnel working outside of Japan (%)	19	42
	Aggregate number of participants in financial education programs (tens of thousands of people)	0.3*	77
* Figures as of March 31, 2001			



91 Years of contributing to the development of capital markets

-1927

Operations centered on underwriting and sale of public and corporate bonds

1941

Sale of Japan's first investment trust products

1947

Public offering of 8 power stocks (currently electricity stocks)

1949

Issuance of Japan's first convertible bonds (1 unit Takashimaya convertible bonds)

1961

First American Depositary Receipts issued by Japanese company (Sony Corporation)

1962

First overseas issuance of convertible bonds by a Japanese company (Shin Mitsubishi Heavy Industries [currently Mitsubishi Heavy Industries])

1968

Nippon Gakki (currently Yamaha) conducted public stock offering by issuing Japan's first shares at market value

1970

First issuance of samurai bonds by overseas entity (Asian Development Bank)

1972

Deregulation of foreign investment trust sales in Japan

1980

Development and commencement of sales of the Medium-Term Japanese Government Bond Fund

Early 1990s

Adoption of Open Architecture: offering products managed by a wide range of asset managers

1994

Global offering conducted by Japan Telecom, when listing on stock market

1994

Japan Tobacco listed on stock market

2003

Commence of government bond issuance targeting individual investors by Ministry of Finance

2015

Three Japan Post Group listed on stock market

1925

The Securities Department of Osaka Nomura Bank split off into a separate company, Nomura Securities

1927

Opened representative office in New York

1959

Founded Nomura Securities Investment Trust

1961

Nomura Securities listed its shares on the Tokyo Stock Exchange, Osaka Securities Exchange, and Nagoya Stock Exchange

1967

Established Nomura International (Hong Kong)

1969

Established Nomura Securities International, a U.S. subsidiary

1981

Established Nomura Investment Management

1981

Established Nomura International, a U.K. subsidiary

1993

Established The Nomura Trust and Banking

2001

Formed a holding company structure; Nomura Holdings listed its shares on the New York Stock Exchange

2008

Absorbed the personnel of Lehman Brothers Asia Pacific and its European and Middle Eastern divisions

2016

Entered into a strategic alliance with American Century Investments

## History of the Nomura Group

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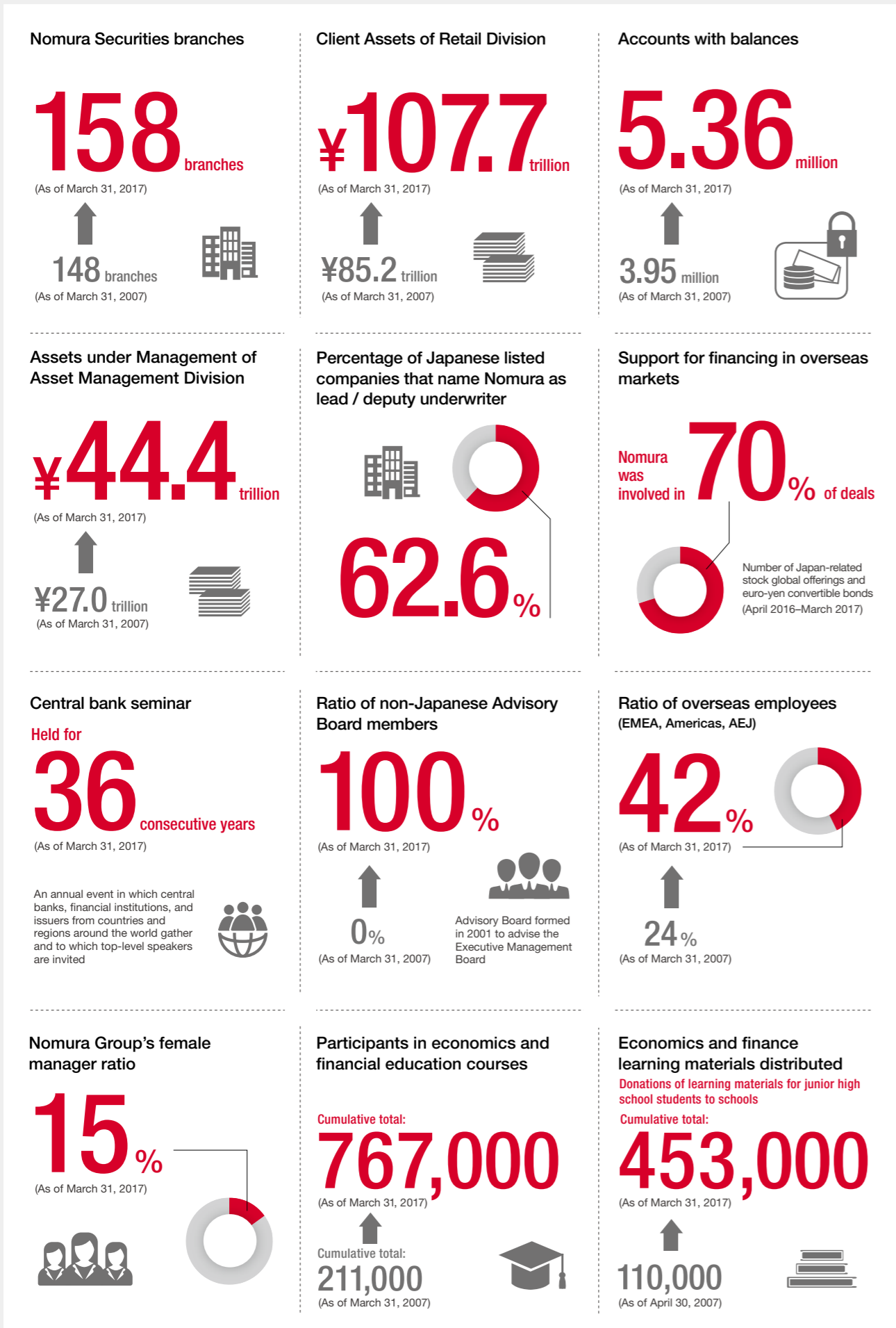
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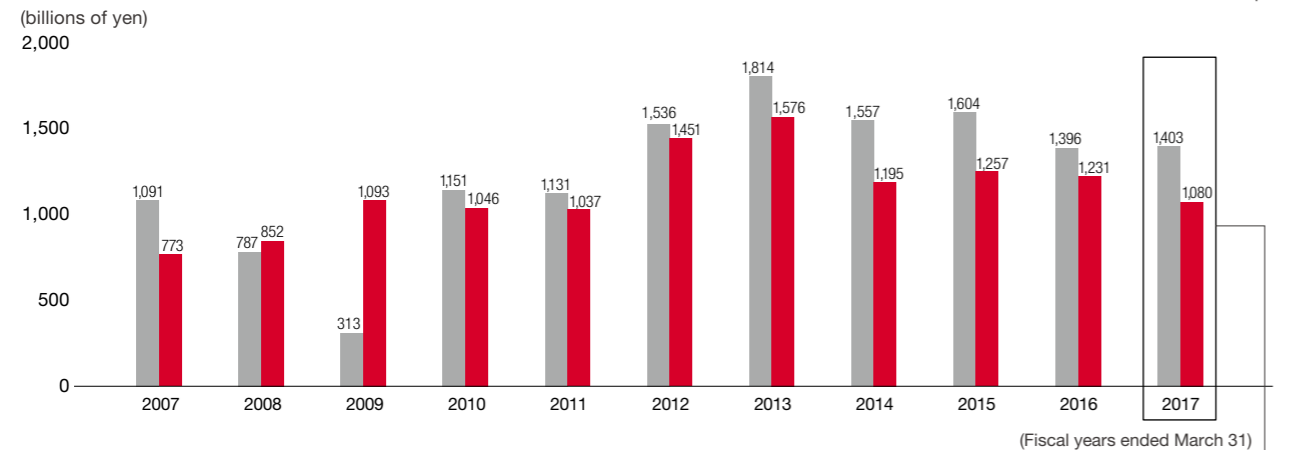
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# Nomura by the Numbers



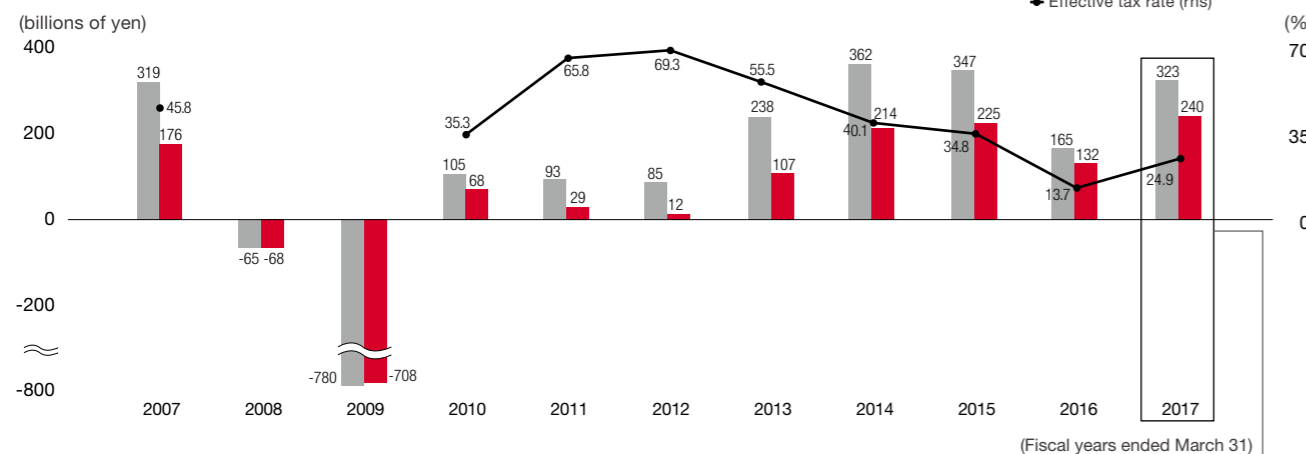
# Financial and Non-Financial Highlights

## Net revenue, non-interest expenses



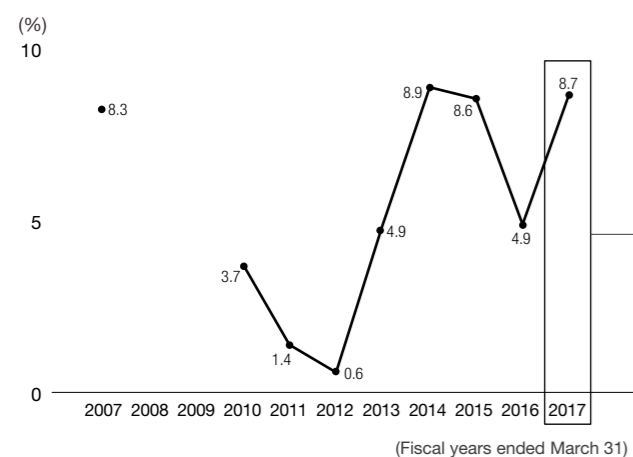
In FY2016/17, we performed a strategic review of the Wholesale business in EMEA and the Americas, and reallocated management resources to the areas where Nomura has competitive strength. The strategic review was the culmination of an ongoing, multi-year review of our costs, especially across Wholesale. And as a result, we could significantly lower our expenses, while growing revenues in FY2016/17.

## Income (loss) before income taxes, net income (loss) attributable to Nomura Holdings shareholders, effective tax rate



We booked income before income taxes of ¥322.8bn in FY2016/17, of which ¥88.1bn, or close to 30%, was derived from the international businesses. Income generated overseas effectively lowered the firm-wide effective tax rate to 25% and, as a result, net income attributable to Nomura Holdings shareholders improved to ¥239.6bn, the second highest level since we started reporting under US GAAP in 2001.

## ROE

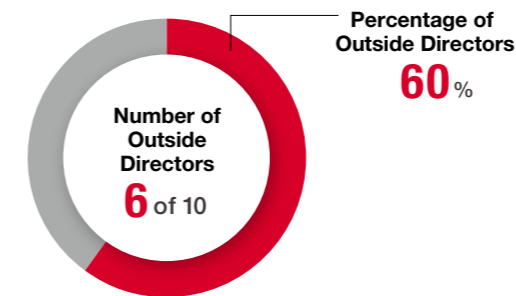


Our 2020 management vision is to create an organization capable of consistently delivering EPS of ¥100, which equates to approximately 10% of ROE. In addition to working to improve profitability, we also continued to buy back shares and, as a result, EPS improved to ¥65.65 in FY2016/17.

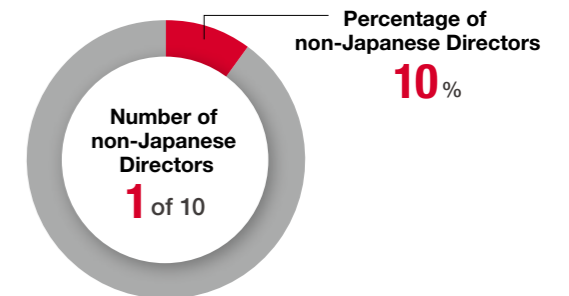
## EPS (Diluted net income (loss) attributable to Nomura Holdings shareholders per share)



## Members of the Board of Directors (End of June, 2017)

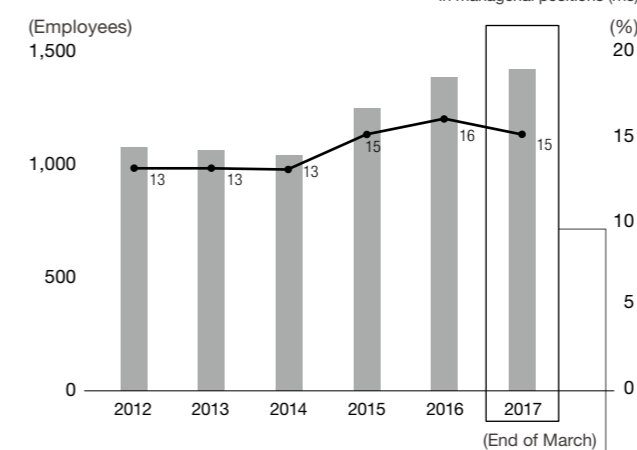


The Board of Directors comprises a majority of Outside Directors, which enables it to conduct highly transparent management while enabling oversight based on outside perspectives. The Nomination Committee has established the Independence Criteria for Outside Directors to ensure that Outside Directors are sufficiently independent from the Group.



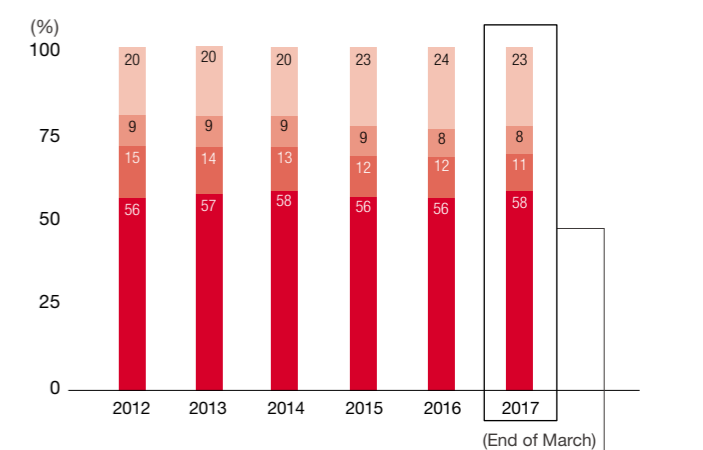
The Company places importance on the diversity of the Board of Directors in order to allow for business execution to be supervised from various perspectives and to improve effectiveness. Directors with various nationalities, genders, and backgrounds utilize their extensive experience in a broad range of fields to make decisions on important management matters, and to provide management oversight.

## Women in managerial positions



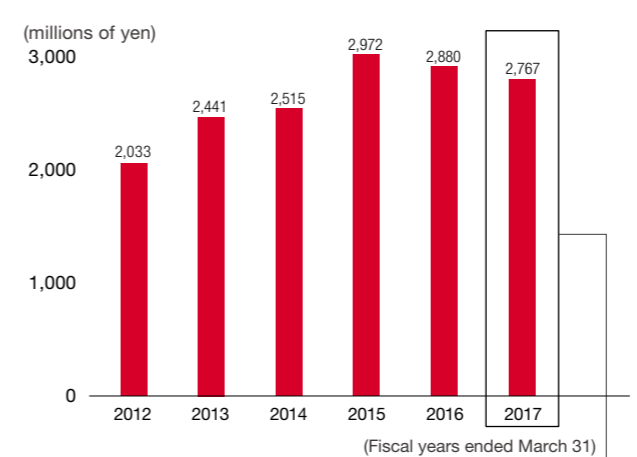
Initiatives to support women in improving their careers include training and mentoring programs for management candidates and sponsorship programs supported by senior management, along with various other measures.

## Ratio of employees by region



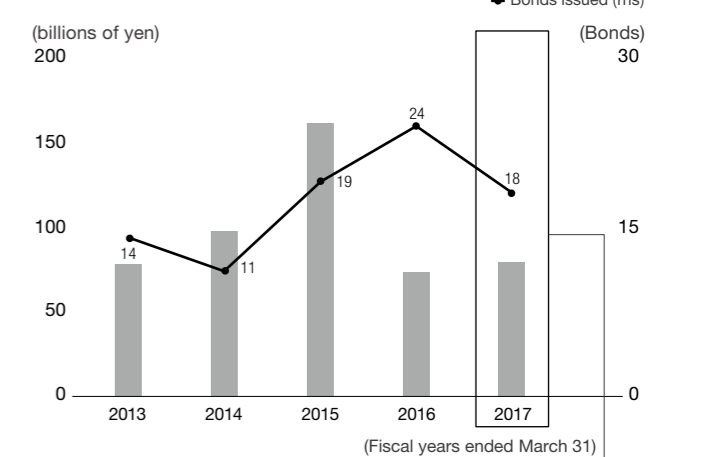
Nomura Group boasts a network consisting of business sites in more than 30 countries and regions staffed by employees of more than 70 different nationalities. These diverse human resources are our greatest asset for the ongoing creation of new value.

## Education and training expenses



We are establishing and enhancing human-resource development systems to enable employees with diverse backgrounds and values to better display their talents. In addition to offering equal employment, we provide appropriate, performance-based evaluations and feedback.

## Social contribution-type bonds



Nomura offers products that contribute to sustainable development of society in order to bridge the gap between investors that seek to aid society through investment and projects, and funding drives that help resolve social and environmental issues.

## Towards 2020 and beyond

Our operating environment is expected to change dramatically over the coming years, but our overriding philosophy of placing clients at the heart of everything we do will remain unchanged. As we head towards 2020 and beyond, we will continue to transform ourselves and take on new challenges with the aim of creating a solid operating platform that can deliver consistent growth in any market environment.

**Koji Nagai**  
Group CEO

### Aiming for consistent growth

In August 2014 we announced Vision C&C, our long-term management vision for 2020. This calls for us, as we head towards 2020 and beyond, to transform ourselves and create a robust operating platform capable of delivering consistent growth in any market environment.

The key driver behind this is the changes we envisage over the coming years. In Japan, the declining birthrate and aging population will continue to hinder growth, while the global geopolitical landscape shifts significantly as economic growth powers ahead in the rest of Asia. With innovation, conventional wisdom and the way business is conducted could undergo fundamental changes. Naturally, we cannot accurately predict what the world will be like in ten or twenty years' time. That is why we are looking to lay the foundation for a solid operating platform that can help us sustain growth even under uncertain conditions.

To achieve our vision, we are working to address two overriding issues: transforming our business model in Japan and improving the profitability of our international operations. Our Retail business is shifting to a consulting-based approach to meet individual needs and diversifying its offerings by working closely with our clients as a trusted partner. In Wholesale, we are focusing on our areas of strength where there is client demand and recalibrating our business portfolio to take services to the next level.

We are already starting to see results, but when we look ahead to 2020 and beyond, we still have a lot of work to do. By leveraging our strengths and transforming ourselves from within, we will continue to take on new challenges to seek growth. Some initiatives may not lead to concrete results in the short term, but I am personally committed to ensuring their contribution to our success over the longer term.

### Creating synergies between Retail and Wholesale

We have a long-standing presence in the Retail business. To add to that strength, we built an independent Wholesale franchise to create a two-pronged business model. In the financial services industry, underwriting and other Wholesale businesses can generally be considered upstream while sales and distribution is downstream. Having worked in both Retail and Wholesale at Nomura, I can say confidently that we have a holistic approach, adding to our strength.

Issuers are well aware of our distribution capabilities and, by delivering on the trust they place in us, we have been able to forge close business partnerships with over 60 percent of companies

listed in Japan. We also have broad coverage of financial institutions and other institutional investors across Japan which allows us to provide liquidity to a wide range of clients, giving us a competitive edge in our Global Markets business. That is why our Wholesale and Retail businesses have never been separated and operate in unison, deriving synergies from each other.

Corporate clients highly rate our ability to make compelling proposals as well as our extensive distribution capabilities. Retail clients recognize our consulting expertise and diverse product offering. These are the reasons they choose Nomura.

## Growing with Asia as Asia's global investment bank

We believe that our successful Retail-Wholesale two-pronged business model in Japan can be exported to some other regions internationally. We recognize that it will be challenging to build a Retail brand from scratch in Europe or the US where there are multiple high-profile brands with long histories. But in Asia including Japan, the region we consider our home, we have an advantage and we believe we can build a credible business.

That said, Asia is a diverse region where each country is at a different stage of population growth and economic development. To establish a viable Retail business in any country, there needs to be a middle class and per-capita GDP of around US\$15,000 to US\$20,000. Asian countries are expected to start entering this zone and we believe there are ample business opportunities over the long term. However, we will have to carefully assess

when, where and how to lay the foundations for this business in Asia.

With Capital Nomura Securities (CNS) in Thailand and BDO Nomura Securities in the Philippines, we already have a Retail presence in some Asian markets. We now have to make a concerted effort to increase client accounts and position ourselves to respond to the middle class that emerges with economic growth. Thailand is about to enter that phase and CNS has 500 financial advisors who have started proving consulting services to their clients. (⇒ For details, please refer to

"Special Feature 5: Strengthening international businesses" on pages 36-37.)

In China, we have set up a joint venture with a local financial firm in the Shanghai Free Trade Zone as part of our efforts to steadily build out our business platform there.

The Wholesale business in Asia, and investment banking in particular, is known for its low fees and

fierce competition. So by establishing a robust Retail business and setting up a strong distribution network across the region, we believe we can avoid unnecessary competition. Having a two-pronged business model in Asia that connects Asia including

Japan to Europe and the US will be our true competitive advantage which peers may find hard to replicate. That is the essence of Connecting Markets East & West.

## Generational asset shift and technological innovation: Working with the next generation

In Japan, our strongest market, people's lifestyles and behavior are expected to change significantly as the population declines and ages and as a result of technological innovation.

With people now living into their nineties, it is essential that personal financial assets are managed from a long-term perspective so that they live a fulfilling life in old age. The Japanese government has introduced a number of schemes, such as the accumulation-type NISA that starts in 2018 and is tax-free for twenty years. There is also the iDeCo, otherwise known as J401K, which is a defined contribution pension plan that offers tax breaks for individuals. At Nomura, we are developing systems to help investors tap into these plans through simple, low-fee products that they can use to invest over the long term. By meeting the needs of asset builders today, we aim to pave the way for their success in twenty years.

For asset builders, it is critical to proactively use latest technologies such as artificial intelligence and big data. To this end, Nomura offers goal-based robo advisory services and the moneby app on smartphones. We have set up a dedicated department in the firm to guide our use of the latest technologies and to drive open innovation by teaming up with start-ups.

(⇒ For details, please refer to "Special Feature 2: Leveraging new technologies" on pages 30-31.)

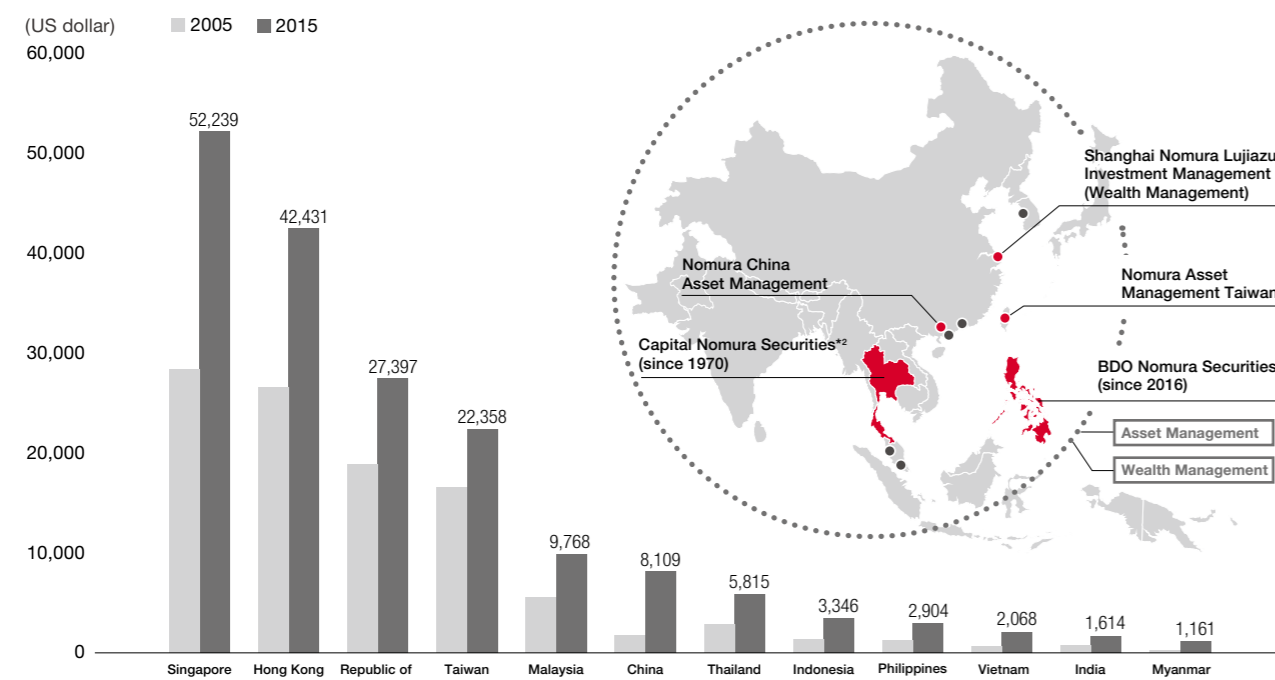
In Japan, which has an annual inheritance related market of over 50 trillion yen, there is increasing



demand for advice around estate planning and business succession. We have set up a team to respond to these needs and provide the required solutions. We also have dedicated lawyers, accountants, and tax attorneys who help support our clients' needs.

One of the key challenges for Japan is to protect and grow the 1,800 trillion yen of personal financial assets. And Nomura has a major role to play in this. The field of gerontology, or the study of old age, has received significant attention recently. In October 2016, we launched a joint research project with Keio University on financial gerontology that looks into the implications of old age on financial behavior. This is a part of our efforts to conduct research and provide advice on how to solve the problems that older people face in managing their assets. We will continue to stay close to our clients to ascertain their needs and leverage the full expertise of Nomura to be chosen as the best partner by clients across generations.

## GDP per capita\*1, Nomura's Retail and Asset Management businesses in Asia ex-Japan



Our people continue to challenge the status quo

We cannot achieve our goals or meet the needs of our clients without excellent people in the firm.

When we started out in Osaka in 1925, we were already a latecomer to the Tokyo market. But by placing our clients at the heart of everything we do

and always being forward looking in trying to make our tomorrow better than today, we have never been afraid of change or taking on new challenges.

As Japan was recovering from World War II, we promoted the democratization of securities and negotiated hard with the authorities to allow the recommencement of investment trust sales as we believed it would help steer the country towards economic recovery. To this end, we set up investment consultation booths in department stores and offered courses for women to learn about savings and investment. Our employees thought of new ideas that led to concrete results. As such, adapting to change and taking on new challenges is a part of our DNA.

In our business we don't deal with tangible products. Our clients buy financial products based on the values and individual qualities of each of our people. Our people therefore constantly work to improve themselves, enhancing trust among clients and growing with them.

We currently have employees from over 70 nationalities, each of whom strives to take on new challenges and grow as a professional, while providing the best solutions to our clients by collaborating across divisions and regions.



Staying relevant by helping solve social and environmental issues

Our Founder's Principles have acted as a compass to guide our work and contribute to economic and social development. As our operating environment changes, we need to distil what needs to be passed

on to future generations from what needs to change. With this in mind, we have drawn up a corporate philosophy and are internally discussing how to share this with our stakeholders.

Nomura Group Corporate Philosophy

Mission

Contributing to Society

We help to enrich society through our expertise in capital markets

Vision

Trusted Partner

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

Values

Entrepreneurial Leadership

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

Teamwork

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

Integrity

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

To remain relevant to society and ensure consistent growth, we must listen to our diverse group of stakeholders and increasingly contribute to resolving issues that society faces. It is also essential that we recognize the importance of environmental, social and governance (ESG) aspects to ensure sustainable growth of the corporate sector. In my efforts to raise the satisfaction levels of clients, shareholders and employees since I took over as CEO five years ago, I have always emphasized the

importance of the ESG framework to the way we do business.

Looking ahead, we are entering an era in which conventional wisdom will be increasingly challenged and the financial services industry will change considerably. No matter what the future holds, we must expand our focus with an eye on helping solve social and environmental issues to continue to be relevant to society. Nomura aims to help create a better future for everyone.



**Tetsu Ozaki**  
Group COO

## Working toward 2020 Management Vision

With three years remaining to realize management's Vision C&C for the fiscal year ending March 2020, Nomura is fulfilling various initiatives and programs that are aligned with the vision and the Road to 2020.

As technology continues to evolve and the political and economic landscape around the globe reaches a historic turning point, we anticipate the business models of financial institutions will change more rapidly than ever before. Under these circumstances, we continue to challenge ourselves and pursue our philosophy of "placing clients at the heart of everything we do." Over the last five years, we have dedicated ourselves to accomplishing the two main strategic goals of "business model transformation in Japan" and "improvement of profitability of our international businesses." With these goals at our core, we believe we are poised to steadily progress toward our management goal for 2020 of EPS of ¥100.

The environment in the previous fiscal year was characterized by an undercurrent of historic changes marked by the referendum in the U.K. over Brexit and the U.S. presidential election – two events made us remember that we live in an age of uncertainty. Notwithstanding, Nomura achieved EPS of ¥65.65, the record-high level since the financial crisis in 2008.

### Performance and initiatives in each business

Below is an explanation of each division's performance in FY2016/17 and new initiatives planned for the next three years to help us progress toward our March 2020 goals.

The Retail Division struggled in a difficult market environment and grappled with attracting new assets for the purpose of long-term investment. In the first quarter, revenue hit a low but began rising toward the end of the

## Management target (EPS\*) and its progress

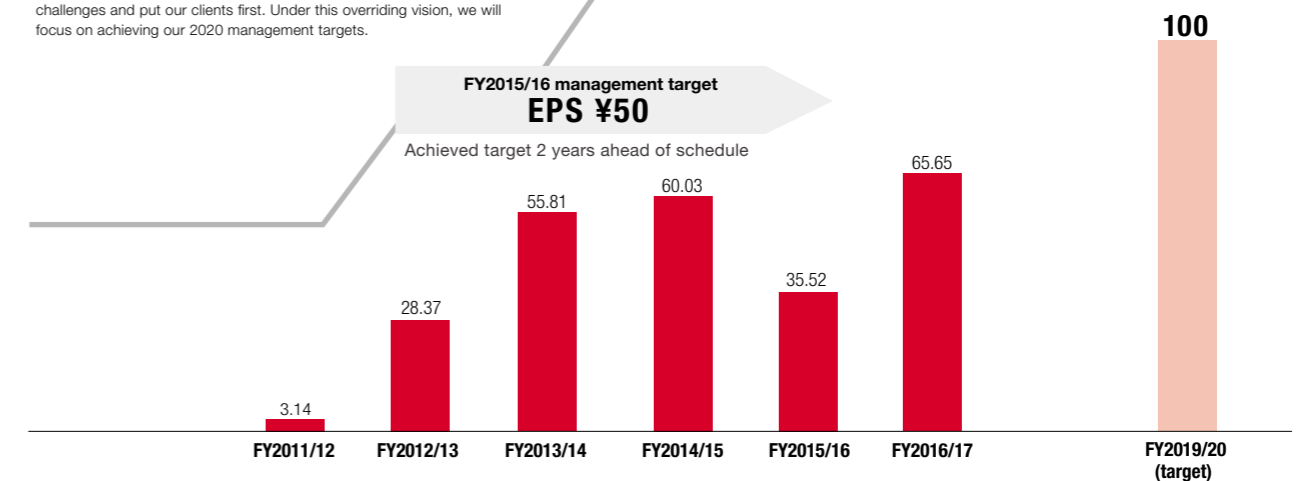
### "Vision C&C"

The business environment surrounding Nomura is expected to change even more dramatically than in the past. We see this as the perfect chance to take decisive action and change the way we operate. We have expressed this as "Vision C&C," where "C&C" represents a chance to change. The letter "C" also demonstrates our willingness to always take on new challenges and put our clients first. Under this overriding vision, we will focus on achieving our 2020 management targets.

### Long-term management vision for 2020 "Vision C&C"

#### Two Challenges

- Transforming business model in Japan
- Improving profitability of international business



fiscal year on the back of a market recovery. In addition, while negative interest rate policy in Japan made investing unprecedentedly challenging, we still managed to grow our investment solutions business for financial institution clients and the Division successfully grew its business succession and asset management platform for the owners of small to medium-sized enterprises.

We remain focused on achieving ¥150 trillion of clients assets by 2020, one of our key performance indicators (KPIs). To facilitate this asset growth, the structure of the Retail Division has been changed to allow more frequent and more effective touch points with clients. Also, as part of the structural change, heads of retail branches across Japan have been given the discretion to make more business decisions to remain flexible and stay closer to clients.

At the same time, within Retail, efforts to promote financial innovation through the introduction of FinTech, etc., will be accelerated. ⇒ For details, please refer to "Special Feature 2: Leveraging of New Technologies" on page 30.

The Asset Management Division successfully brought assets under management (AuM) to a record high as of March 2017. The increase in AuM can be attributed to an expansion of our ETF business, as we were able to offer a wide range of products to meet investors' needs, while

also expanding market share. In addition, as a result of mandates won from institutional investors both in Japan and abroad, funds flowed into high-performing high-yield products. And finally, markets appreciated globally during the year, positively impacting AuM. Even amid a declining return environment, the Division was able to prudently manage the costs associated with each asset class to achieve the highest income before income taxes since the fiscal year ended March 2002.

As we head toward March 2020, we aim to maintain and expand our market share, while also contributing to the development and growth of Japan's asset management industry. As part of our efforts to achieve ¥55 trillion of AuM by 2020, one of our KPIs, we will also further expand our investment advisory business overseas by deepening our collaboration with American Century Investments.

The most important theme for the Retail Division and the Asset Management Division is to help address Japan's national challenge of expanding risk assets and increasing the flow of money from cash to securities and other investments. With regard to the recently reconfirmed "Customer-Oriented Business Conduct," both divisions are aiming to resolve any issues and improve performance by retaining the de facto standards

Message from Group COO

of a leading company.

As a result of the strategic review of businesses in EMEA and the Americas conducted in April 2016, the Wholesale Division succeeded in increasing revenues and greatly lowering the breakeven point overseas. Although revenue was slow in Japan due to rigid interest rates and a lack of momentum in the equity market, our enhanced risk culture (⇒ for details, please refer to “Risk Management” on page 64) helped us successfully navigate major events overseas, such as the decision of Brexit and the start of the Trump Administration. Through the year, we were able to improve productivity both in Global Markets and Investment Banking and we have come to the point where we can acknowledge our success in “improving profitability of our international business.”

In Global Markets, we successfully broadened our client base and diversified revenue streams as we continued to win clients’ trust, especially in businesses

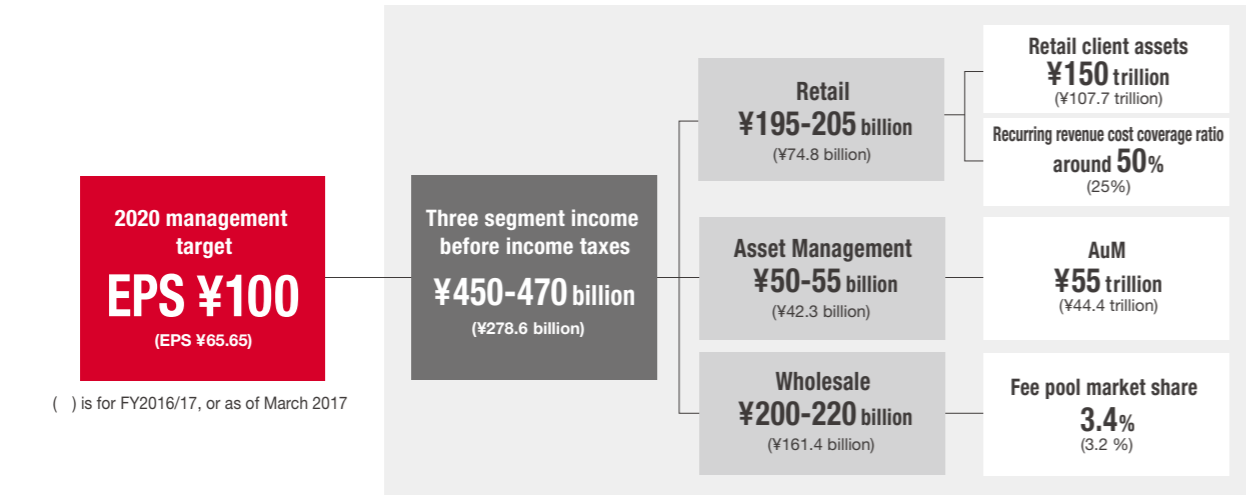
such as Rates and Emerging Markets, including currencies. In Investment Banking, in addition to winning cross-border M&A mandates and ancillary transactions, we deepened collaboration with Global Markets to strengthen our origination and distribution structure, which resulted in a significant improvement of productivity, especially in the Americas.

As we move toward March 2020, we will continue to expand our Origination and Emerging Market businesses to meet clients’ needs by deepening the collaboration between Global Markets and Investment Banking. Also, we will continue to focus on cross-border businesses by promoting and developing relationships across regions. Lastly, we will continue to balance prudent risk management and efficient resource allocation to establish a more stable business model that is not easily influenced by market fluctuations.

declining birthrate, Japan is confronting the challenge of improving productivity and resolving a generational divide. As Japanese society undergoes rapid changes, it is also pursuing a new growth model. Through the implementation of Nomura Work Style Innovation, Nomura will endeavor to provide more effective services in a more efficient manner. In other words, we will enable our clients to make the most

of Nomura’s strengths while, at the same time, working on measures to improve productivity, including Company-wide cost controls. We expect Nomura’s business efforts will complement broader initiatives across Japan that are intended to promote financial innovation, attract a greater number of participants, and ultimately revitalize the country’s financial markets.

Key performance indicators (KPIs) to achieve 2020 management target\*



\* FY2019/20 market assumptions: Nikkei 225 at ¥25,000; USD/JPY rate ¥115; Effective tax rate for Japanese corporates below 30%; Global fee pool annual growth rate of 1%

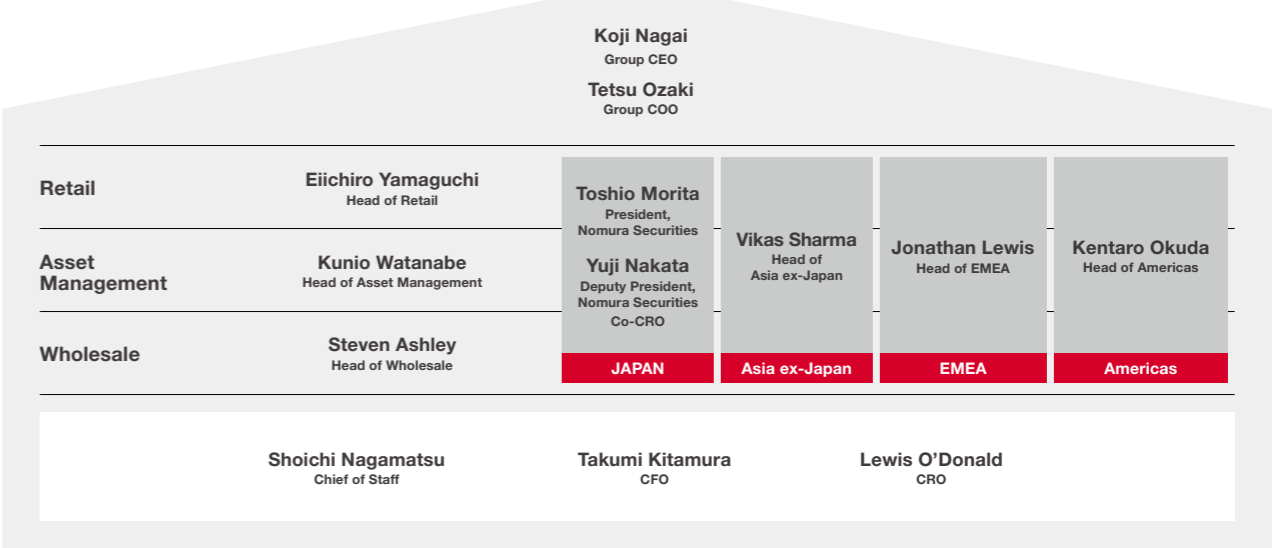
Our matrix management structure

In the fiscal year ended March 2017, Nomura’s matrix-based management structure was strengthened to enable each region to resolve challenges and achieve its previously defined goals. With Brexit in the background, the EMEA region is now at a turning point that will determine whether we are going to be chosen

by clients. The Americas region has entered a critical stage that will determine whether we can establish a structure that allows us to address growing needs for cross-border businesses, while also retaining enhanced productivity. And across Asia, we will accelerate our offering of cross-divisional services to build Nomura’s franchise in emerging countries, including China.

Against the backdrop of an aging population and a

Matrix management structure



From the left: Vikas Sharma, Head of Asia ex-Japan; Kunio Watanabe, Head of Asset Management; Steven Ashley, Head of Wholesale; Tetsu Ozaki, Group COO; Koji Nagai, Group CEO; Shoichi Nagamatsu, Chief of Staff; Toshio Morita, President, Nomura Securities; Eiichiro Yamaguchi, Head of Retail (front row); Jonathan Lewis, Head of EMEA; Kentaro Okuda, Head of Americas

## Message from CFO



**Takumi Kitamura**  
Chief Financial Officer

### Controlling costs to achieve the long-term management vision for 2020

In FY2016/17, we succeeded in nearly doubling income before income taxes, on revenues that were roughly unchanged from the prior year.

The international regions have been a long-lasting challenge for Nomura. In the spring of 2016, we performed a strategic review of the Wholesale business in EMEA and the Americas, exited some businesses, and scaled back others in order to reallocate resources in the areas where Nomura has competitive advantages. In FY2016/17, all international regions returned to profitability and generated close to 30% of the Company's total income before income taxes, primarily due to the difficult decisions made overseas. The international business contributed to our success in maintaining stable firm-wide revenues and dramatically lowering costs, which resulted in a significant improvement in profitability. In fact, net income attributable to our shareholders came to ¥239.6 billion, the second

highest level since we introduced US GAAP in 2001.

Our expanded client base and thorough risk management culture have contributed to a more stable revenue stream. We are, however, not insulated from the impact of uncertain financial markets and, in order to continue to improve profitability, we must maintain stringent cost controls. For example, personnel expenses represent close to 50% of our total cost base and, to closely manage these costs, we will continue to emphasize the concept of "Pay for Performance." In addition, we are able to control our IT and occupancy costs through the use of Cloud technology and a thorough review of office space usage. At the same time, we will be conducting an overhaul of all costs, including our centralized, firm-wide purchasing system, and introducing new technologies that will improve business process efficiency. These initiatives will allow the Finance to support the Company's initiative to "grow in a sustainable manner, no matter what the external environment."

### Execute a flexible capital policy while considering the needs of various stakeholders

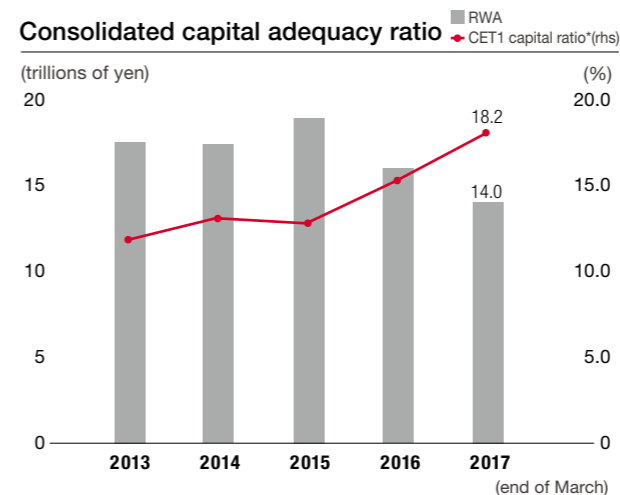
As a global financial institution, various capital adequacy regulations, including those laid out by the Basel Committee on Banking Supervision, impact the way we conduct business. As of March 2017, our Common Equity Tier 1 (CET 1) ratio was 18.2%, up significantly from 11.9% four years ago, as a result of our efforts to accumulate Tier 1 capital and reduce risk-weighted assets, while actively conducting shareholder returns.

While we intend to retain a CET 1 ratio of 11% or more in the medium term, we are currently retaining an excess in anticipation of potentially tighter regulations and their uncertain impact on Nomura.

Nomura has a broad range of stakeholders including clients, shareholders, creditors and regulators. In FY2016/17, we held more than 300 one-on-one meetings with equity investors and sell-side analysts,

and maintained an open dialogue with other stakeholders to share information about Nomura and obtain feedback about our business and capital planning policies. While the opinions of different stakeholders vary and sometimes conflict with one another, my mission as CFO is to balance the desires of each stakeholder to identify the best course of action for Nomura.

In our shareholder return policy, we have adopted a dividend payout ratio of 30%, based on half-year performance. Therefore, after we pay 30% of profits to shareholders in the form of a dividend, we theoretically add the remaining 70% to our capital base. Looking ahead, we will pay close attention to the market environment and the impact of regulatory changes to appropriately allocate our capital surplus to business investment, share buyback, etc. In addition, we will regularly review the capital allocated to each business to continue to improve capital efficiency.



\* CET 1 capital ratio is defined as Tier 1 capital minus Additional Tier 1 capital divided by risk-weighted assets.

### Dialogue with stakeholders in FY2016/17

Conference	No.
Conference call following results announcements	4
Presentations on strategies	2
One-on-one meetings (incl. small meetings)	No.
With analysts and institutional investors	302
With debt investors	67
With credit rating agencies	42
Individual investors	No.
No. of individual shareholders (March 2017)	374,769
No. of attendees at 113th General Shareholders Meeting	545

Special Features:  
Transforming business model in Japan

Initiatives to enhance consulting service

Business model transformation to better respond to each client's needs

The Retail Division has been transforming its business model to grow its business by enhancing client trust and satisfaction and becoming a financial institution many people turn to. The transformation will enable Nomura to address clients' more diversified needs and the challenges they face against a backdrop of an aging population, a low birthrate and consistently low interest rates. For example, Japan's senior generation is currently confronted with protecting their own assets and passing them on to the next generation. In addition, the owners of small- to medium-sized enterprises must plan and execute strategies for business succession, and regional financial institutions are faced with selecting investment strategies appropriate in a low interest rate environment. In order to effectively respond to these challenges, we are shifting our business model to one focused on individual consulting services and need-based solutions from one centered on product offerings.

Changing the performance management and HR system

Our first priority has been to educate our people about the benefits of the business model transformation. We have also revised our performance management and HR systems to better reflect our long-term goals for the business.

To tailor investment solutions for each client, we have started offering a wider variety of products such as discretionary investment products, insurance and real estate offerings that complement more traditional financial products. In addition, in April 2015, we also enhanced the inheritance related services that the business is able to offer to our clients.

	FY2012/13	FY2013/14	FY2014/15	FY2015/16	FY2016/17	Toward 2020
Organization and HR changes	Business model transformation: Aim to grow our business by enhancing client trust and satisfaction to become a financial institution many people turn to					
	Change employee mindset					April 2017 Established Policy on Customer-Oriented Business Conduct
Service and product enhancement	April 2013 Changes to performance management system • Emphasize client asset growth and client relations • Reward on results for full term of appointment					April 2017 • Organizational change: Abolished regional head • Place stronger emphasis on improvements in client satisfaction as part of employee performance management
	July 2012 Sales staff started using mobile tablets for client consultations	Steady growth in product and business offering • Discretionary investments • Insurance • Real estate • SME M&A			April 2015 • Nomura Trust & Banking enters estate planning business • Established Nomura Institute of Estate Planning	January 2018 Integrate and increase online services (Nomura online services)  October 2016 Launched a joint research project with Keio University on financial gerontology

Retail Division's consulting services: On the front lines

By putting Nomura's all-around capabilities to use, we are able to address each client's unique concerns, ensuring we become their go-to partner for all aspects of their financial plans.

Q. What kind of things do you consider when you talk with clients?

I look to grasp precisely, quickly, and thoroughly what the client is really concerned about and I try to picture his or her concerns in the form of a pie chart. For example, if you are a company owner your main business may take up about 70%-80% of your attention, leaving a small amount of time to focus on business succession and inheritance issues. In these instances, financial planning or asset management, which is the main focus of securities companies' activities, are often surprisingly low on the list.

Q. What can you do for a client who is tackling issues with their principal business?

A client's business concerns may vary from time to time; e.g. its principal business, potential expansion of overseas business, employee training, succession plan issues, etc. If it comes to principal business, I can provide information tailored to the client's needs by liaising with and leveraging resources across Nomura's core business divisions. If a client is interested in growing their business overseas, we can provide introductions to local partners through Nomura's global network and office locations overseas. In addition, if a client is interested in improving employee training, I can at least speak about Nomura's approach to human resources. By listening and responding carefully to each concern, I believe Nomura can become a go-to partner for all aspects of a client's wealth, including financial matters.

Q. Can you give a specific example?

There was one company owner who had been managing his financial assets through Nomura. As I got to know the client better, it became clear to me that he was having trouble finding someone to rely on for assistance managing his family's total assets and aiding gifting and inheritance planning. Before we began working together, he had engaged with several financial institutions to address certain portions of his financial plan, but altogether, the works were incomplete. I, together with a tax accountant who was familiar with inheritance tax matters, visited him, and reviewed his complete estate plan and discussed his inheritance goals. We drafted a total solution that included



Shosaku Tobioka  
Financial Consulting Section  
Niigata Branch  
Nomura Securities Co., Ltd.

a restructuring of his asset management company and various inheritance-related measures. Since all of them were very important for the entire family, I also met with his children to explain the details of the plan and their parents' overall intentions. After much discussion, and only after the entire family was comfortable with Nomura's proposal, we implemented the restructuring and estate plan.

Q. What are your ambitions now?

Nomura has a wide range of networks, specialized knowledge, product lineups and infrastructure, including a tablet terminal that provides access to the company's internal knowledge, even on the go. We, however, are not making full use of our potential. When I joined Nomura, my boss told me that client satisfaction was of utmost importance. I truly believe the effectiveness of my work can be measured by the gratitude and thanks that I receive from my clients. It is my personal and professional goal to enhance my skill set so that I can continue to act as a partner and ultimately please each of my clients.

## Special Features:

# Leveraging new technologies

## Enhanced services through online services and contact centers in Japan

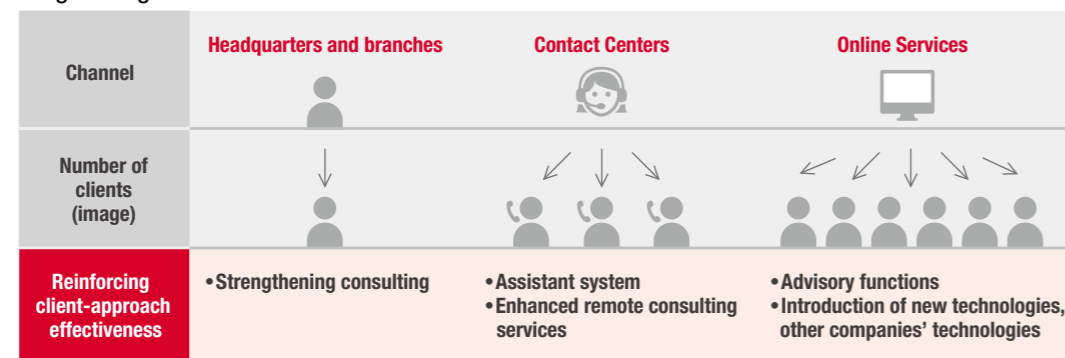
### Appealing to a broad client base

The Retail Division offers products and services tailored to client needs, either by working together at Nomura branches or through our online services and contact centers. As Japan's conventional social security system has been reaching its limits in tandem with its aging population and declining birthrate, the need to prepare for old age has been growing. Nomura has been supporting the shift from savings to asset formation through interactive seminars and virtual communications.

We would also reinforce our business purpose other than face-to-face services. Our contact centers currently focus mainly on recurring

transactions like order entry, deposits and withdrawals, and also provide direction for new clients. Looking ahead, we are keen on adding advisory functions and improving client access, eliminating the need to visit a branch office. Our online services currently include Nomura Home Trade, which is available to clients who have an account at our headquarters or one of our branches, and Nomura Net & Call, which specializes in online-based and telephone-based services. Beginning in January 2018, we plan to combine those two services to optimize their complementary strengths, and ultimately enhance to the status of "digital advisers."

Image through to 2020



### Strengthening services

#### Nomura Securities

In November 2016, we launched our first robo-advisor, "Nomura Goal-Based," to provide clients with online financial advice. In addition to proposing optimal investment solutions, it offers "Investor Style Diagnostics" and "Investment Goal Setting," which allow clients to set investment goals while considering their risk tolerance and overall financial objectives.



"Nomura Goal-Based"

#### Nomura Asset Management

In April 2016, we launched our asset management robo advisor "Funds Robo," and in March 2017 we released our "moneby" smartphone app. This "moneby" is equipped with a game function that predicts the movement of the Nikkei Average and Dow Jones, and a function called "school" which helps people learn about investing.



"Funds Robo"



Smartphone application "moneby"

## Promote FinTech initiatives by collaborating globally, and utilizing third-party expertise and technology

### Promotion of accelerator programs and new business development in Japan and India

#### Nomura Accelerator Program

### VOYAGER



Together with Nomura Research Institute and Nomura Real Estate Holdings, we identified five themes that address important social issues. We then invited and selected qualified start-ups to work together with us to commercialize various new businesses initiatives.

Five recruitment themes
Creating services to enrich the lives of seniors
Improving the reliability of financial information using technology
Proposing new approaches to owning, giving, and bestowing assets in step with changing lifestyles
Creating strong ties with consumer companies
Creating living environments that meet diversified lifestyles

#### New business development

#### Establishment of N-Village, a subsidiary

In April 2017, we established N-Village as a subsidiary focused on new business development and open innovation. N-Village aims to transform the way Nomura works with its clients by creating new services and promoting existing businesses. In addition, N-Village will engage and partner with start-ups to support their business expansion.

#### Expand accelerator program to India

We started a similar accelerator program in India in order to expand into Asia.

#### Establishment of Nomura Innovation Center in India

We established the Nomura Innovation Center (NICE) in India as an "innovation laboratory" that evaluates and applies new ideas and technologies to Nomura's core businesses. NICE is a component of our effort to promote innovation globally.

### Example of use of artificial intelligence in public-private partnerships

In 2015, Nomura Securities created the Nomura AI Business Confidence Index, which was developed through the AI-based analysis of economic and financial data provided by the government and Bank of Japan. We are now working to reproduce the Ministry

of Economy, Trade and Industry's Industrial Production Index in order to promptly disclose its results. Through direct collaboration with Ministry of Economy, Trade and Industry, this initiative has enhanced the efficiency and accuracy of such indices.

### Other initiatives

#### Blockchains

We are participating in the R3 consortium, a research and development initiative for blockchain and decentralized account technologies that support financial institutions. In addition, we are also participating in the Japan Exchange Group's blockchain verification project to support the practical use of blockchains across the financial services industry.

#### RPA

Robotic Process Automation (RPA) is used to automate work processes that until now have been handled only by humans. Nomura is currently using RPA to improve overall work efficiency and productivity, a project we expect will reduce costs and improve processes across our businesses.

## Special Features:

## Promoting financial and economics education in Japan

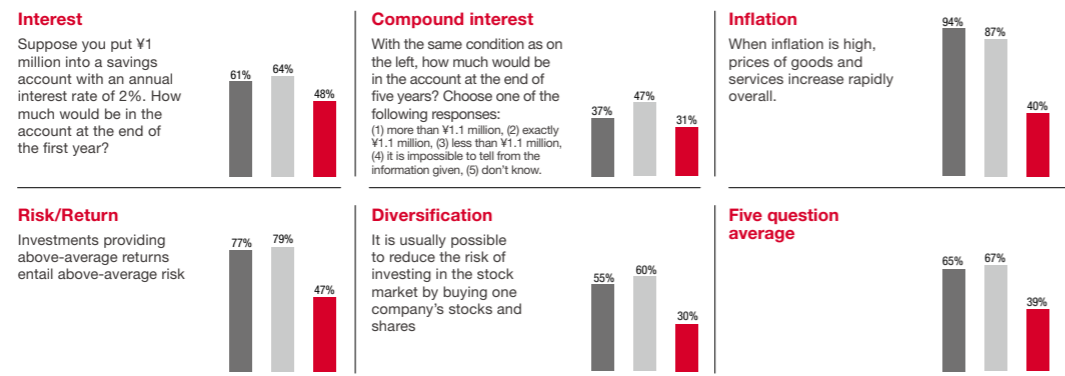
## Supporting the shift in asset-building from savings to investment

## Asset-building taking new shape to meet rapid changes in the structure of society

Japan is at a point where approaches to asset-building are changing dramatically against a backdrop of an aging population, declining birthrate, and people living longer lives. People need to make their own efforts to build assets, and financial and economics education, particularly for young people, has become a vital issue. Financial and economics knowledge is important not only for appropriate asset-building but also for developing sound capital markets from a long-term perspective.

Nomura Group has long been engaged in financial

and economics education initiatives for young people in Japan. We initiated educational and awareness activities for university students in 2001, and today we are focusing on providing educational programs for all generations, ranging from elementary and junior high school students, to university students and adults. We are continuing to contribute to the creation of a truly thriving society by offering a diverse range of economics and securities education opportunities for children, who hold the future in their hands—and for all who wish to gain financial knowledge.

Comprehension of financial terms  
financial literacy: International comparison

Source: UK and Germany: from OECD International Network on Financial Education pilot study undertaken in 14 countries in 2010-11, Measuring Financial Literacy. (Questionnaire used in face-to-face and telephone interviews)  
Japan: Nomura Research Institute (NRI), door-to-door survey of 10,000 consumers "Third Questionnaire Survey of 10,000 Japanese Consumers – Financial Edition" (number of respondents: 10,070) aged 18-79 across Japan in August – September 2016

## Providing a wide range of tools for different purposes and audiences

We have been providing financial and economics education across different generations since the 1990s. Our programs and educational materials are designed to meet the needs in all areas set forth in "financial

literacy as a life skill" within the broader "Financial Literacy Map" in a report by the Study Group on Financial Education established by the Financial Services Agency in April 2013.

## Financial and economics education programs offered by Nomura Group

	Elementary school students	Junior high school students	High school students	University students	Instructors
Aim	Become familiar with "Money"	Let's Learn about the Meaning of Investment	Let's Learn about "The Future" and "Money"	Let's Learn about "Living Economics Activities" from a Practical Perspective!	Practical Financial and Economics Education
Course	Manabou Classroom for elementary schools (for learning about foreign exchange and stocks)	Investor Experience: "What Is Investing?" NOMURA Business Challenge: Teaching junior high and high school students about entrepreneurship	Let's Learn about Life Planning: "A Talk on Your Future and Money"	Sponsored Lecture: "The Role of Capital Markets and Securities Investments"	Seminars for instructors
Learning about stocks through games	Courses for children and parents to learn about investment based on animated cartoons				
Study materials (free distribution)	"The Economics Classroom" "Social System and the Role of Money" textbook	An introduction to the economy: "The T-Shirt Shop"	"STOCK FANTASY"	Sponsored Lecture: (reference library) "Investment Basics" "Japan's Capital Markets"	Textbook: "Social System and the Role of Money" (Instructors Manual)
Publications	"Nyanta and the Great Adventure of Money"	Team challenge! Learning from Stock Investment: Nikkei Stock League "The Compendium of Securities Companies"			
Co-sponsored programs		The Nikkei Stock League stock education contest			
		Sponsorship of "Nikkei Investing in the Future" contest			
Online	man@bow economics learning website				

## Expanding efforts in education to improve financial literacy

Nomura Group's financial and economics education programs have been approved as official programs of the Olympic and Paralympic Games Tokyo 2020 in the field of economics and technology. In FY2016/17, we held financial courses at 104 universities throughout Japan. We also offered programs in which parents and children could participate together, and on the theme of entrepreneurship, which drew high demand from high schools. Tapping the experience of staff in our network of

offices in 47 prefectures nationwide, our branches have been working hand-in-hand with people in local communities to send Nomura Group employees to serve as visiting lecturers to schools throughout Japan. Through contact with employees who are professionals in finance, we hope children will deepen their understanding of finance and the economy. We also hope that they will make use of this knowledge as they build their future careers.

## Implementation status of programs (as of March 31, 2017)

	Year first offered	No. of schools/participants, etc.	Total number of participants
Nikkei Stock League	2000	No. of teams: 26,118	103,528
Financial courses for universities	2001	No. of schools: 1,758	228,200
Financial courses for the general public	2003	No. of times: 7,850	391,650
Visiting classes (elementary, junior, senior high schools, universities, teachers)	2008	No. of classes: 1,066	43,787

Total number of participants  
767,165

## Donations of teaching materials (as of March 31, 2017)

	Year first offered	FY2016/17	Cumulative total
Teaching materials for elementary schools ("The Economics Classroom," "Social System and the Role of Money")	2008	No. of schools: 378	4,048
		No. of copies: 25,503	308,111
Teaching materials for junior high schools ("The T-shirt Shop")	2006	No. of schools: 56	4,778
		No. of copies: 4,664	452,660

Total:  
761,000  
copies



To ensure the effective implementation of programs, we have been offering visiting classes in cooperation with local education coordinators. We have also been providing support by sending employees as lecturers to study groups organized by student bodies.



**Courses for children together with their parents**  
In FY2016/17, we developed a program for parents and children together featuring an animated movie, and held the program at 15 branches.



As part of our post-disaster reconstruction support, we have been sending employees as visiting teachers for middle school students in disaster-affected areas. In Kumamoto Prefecture, employees visiting middle schools had students speak about their future dreams.



## Special partnership program

The Nikkei Stock League is a competition-based stock education program for junior high school, high school and university students. Nomura Group has served as a special sponsor since the contest began in 2000. Each year, almost 100 of our employees participate as members of the report review panel.

## Special Features:

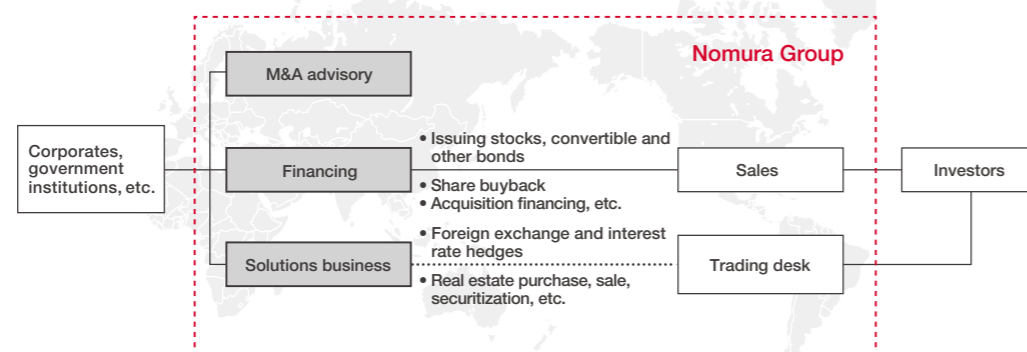
# Supporting the growth of private and public sectors through our business

## Connecting “issuers needing funds” and “investors providing funds”

Today's economic climate is changing at a startling speed, as evidenced by the evolution of technology and change of consumer behavior. All corporations, including financial institutions, are faced with the challenge of responding to these changes and adapting to the new environment. Often times, corporations are able to forge ahead on their own,

but other times it is necessary to utilize capital markets to undertake business reorganizations, mergers, investments or financing to remain competitive. In this situation, Nomura acts in its capacity as Asia's global investment bank and aims to provide various solutions that respond to each company's individual needs.

**Nomura's strength is providing comprehensive solutions matched to client needs.**



**Business foundation and track record necessary to provide optimal solutions.**

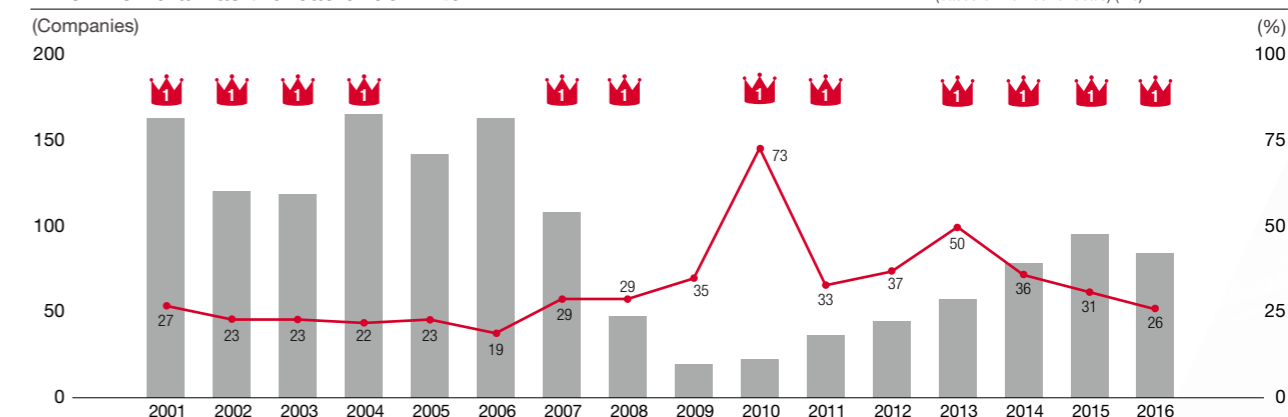
Investment Banking	<b>Thomson Reuters</b> Deal Watch Awards 2016 - Overall “House of the Year - Nomura Securities” Deal Watch Awards 2016 - Equity “Equity House of the Year - Nomura Securities”	<b>Asiamoney</b> Best Domestic Bank Awards 2016 “Best Domestic Equity House in Japan”
	<b>Euromoney</b> FX Survey 2016 No. 18 in overall ranking (No. 1 among Japanese financial institutions for 7 consecutive years)	<b>Coalition</b> 2016 APAC Investment Banking League Table Tied for No. 3 (Up from No. 8 in 2015)
Trading		
Sales	<b>Institutional Investor</b> All-Japan Sales Team Ranking No. 2 overall Japan's Top Corporate Access Provider Ranking No. 1 overall	<b>J.D. Power</b> 2012–2016 Japan Investor Satisfaction Study Full-Service Securities Segment “No. 1 in investor satisfaction for 5 consecutive years”

## Support for new market entrants

The Nomura Group provides support for its clients by connecting investors with new issuers with high growth potential. By helping private companies list on public exchanges, and by providing them with ongoing support

for future business growth, Nomura aspires to support the health of the Japanese economy and invigorate capital markets while also, in some cases, aiding the resolution of various social issues.

### Number of new listings in Japan and the percentage of these for which Nomura was the lead underwriter



## Newly listed company stories

### HEALIOS K.K.

(Listed on the TSE Mothers market on June 16, 2015)



The mission of HEALIOS K.K. is “to be the change in an ever evolving world through enrichment of living.” Guided by this mission, Healios develops its business by utilizing its IPS cell and other stem cell technologies to deliver treatments and hope to patients suffering from intractable diseases. Healios was established in February 2011 with the aim of realizing practical application of treatments for age-related macular degeneration that entail transplanting retinal pigment epithelium cells derived from allogeneic iPSC. In addition to alliances with leading Japanese companies, Healios has procured approximately ¥7.7 billion in capital by its listing on the Tokyo Stock Exchange Mothers in June 2015. The company is moving forward with development projects in Japan and overseas with the aim of establishing treatment methods that work to fully cure illnesses with a focus on diseases that are rising with the aging of the population and other diseases that are currently without a viable treatment.



At the Cell Processing Center

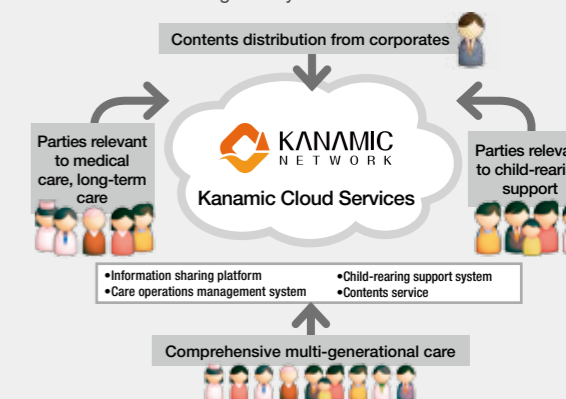
### Kanamic Network Co., Ltd.

(Listed on the TSE Mothers market on September 14, 2016)



Kanamic Network provides information solutions across the medical care, long-term care, and child-rearing industries. Ultimately, their goal is to support comprehensive regional care through cloud-based services. The company's main business focus is currently its information sharing platform Kanamic Cloud Services. For example, Kanamic's cloud services can play an important role by sharing information about a medical patient with all interested parties, including doctors, care managers, etc. In addition, parents can use the cloud-based platform to receive regular updates about their child from the child-rearing facility or the individual caregiver.

Through the listing, the company hopes to fund its ambition of becoming the top cloud service provider in the medical care, long-term care and child-rearing sectors and to ultimately help to build a safe and thriving society.



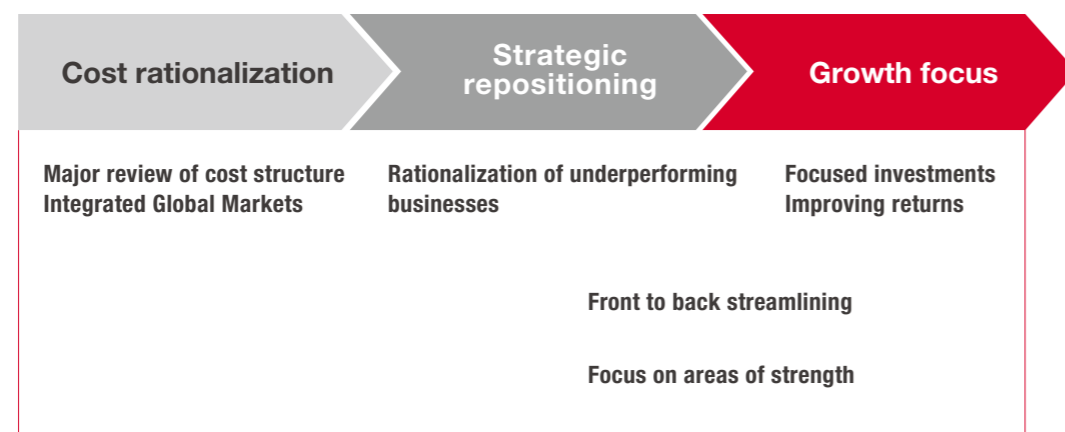
## Special Features:

# Strengthening international businesses

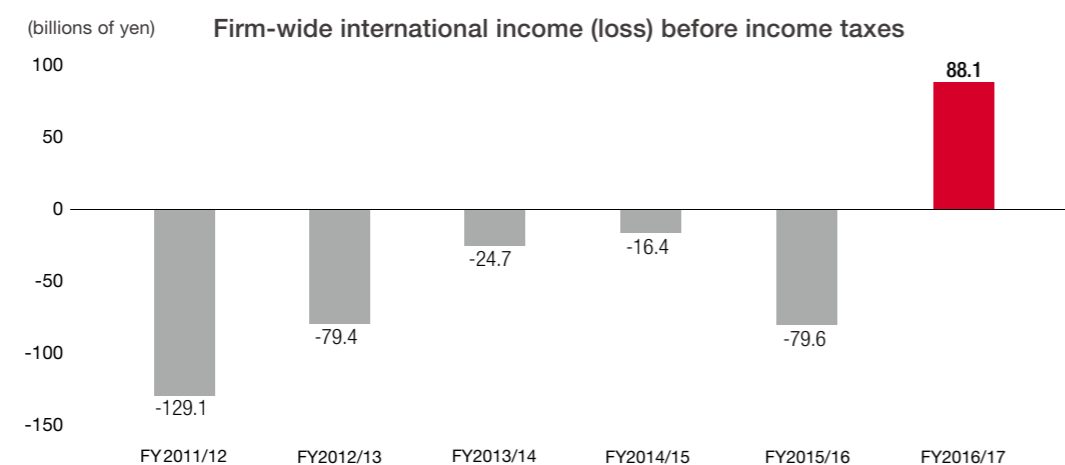
## Initiatives towards improving international profitability

Achieving sustainable profitability in our international platform has been a key priority for Nomura. A number of strategic initiatives have been implemented in the Wholesale Division over the years to structurally lower our cost base and realign our overseas platform around the areas of our strength. As a result, our firm-wide international

operations returned to profitability and the business portfolio is well positioned for growth opportunities going forward. In order to ensure the sustainability of our performance, we will pursue revenue growth while continuing to shift towards a flexible cost structure leveraging industry best practices and synergies within the Nomura Group.



**Firm-wide international profitability improved following to a series of initiatives**



## Paving the way for future growth in Asia

### Thailand

### Initiatives of Capital Nomura Securities



CNS booth at an event for individual investors sponsored by the Stock Exchange of Thailand

Capital Nomura Securities Public Company Ltd. (CNS) is a securities company based in Bangkok, Thailand, that engages in both Retail and Wholesale businesses. It was established in May 1970, became a founding member of the Stock Exchange of Thailand in 1975, and was then listed on the exchange in 1988.

As of December 31, 2016, CNS had 17 offices across Thailand and employed approximately 580 people. CNS has grown into one of Thailand's leading securities companies by increasing trading volumes by private and institutional investors, underwriting volumes of initial public offerings and investment trust sales.

Nomura Holdings held a minority stake in CNS until 2014 when it increased its stake to 85.78% through a tender offer bid and subsequently converted CNS to a consolidated subsidiary. CNS continues to focus on both its Retail and Wholesale businesses to capitalize on the rising number of listed companies and the growing population of investors across Thailand. In addition, as Thailand faces an aging population, CNS will also expand operations by moving away from the conventional, brokerage-centric business model to a consulting-based business model.

### Philippines

### Initiatives of BDO Nomura Securities



Party commemorating start of general operations on October 24, 2016

In 2016, Nomura and Banco de Oro Unibank, Inc. (BDO Unibank), the Philippines, largest commercial bank, established BDO Nomura Securities, Inc. (BDO Nomura), an online securities company and a means for Nomura to develop a Retail business in the Philippines. In October 2016, BDO Nomura commenced operations targeting major domestic clients of BDO Unibank. It also began transacting with local Philippine stock exchanges to fill orders received from Nomura's global clientele.

The economic growth rate in the Philippines was 6.8% in 2016, one of the highest among principal Asian countries, second only to India. High economic growth, coupled with the exceptionally low average age of 23, leaves the country ripe for future business growth. Despite the country's socio-economic landscape, average daily trading volumes across all stock exchanges were only ¥17 billion (US\$153 million) in 2016, and roughly half of the transactions were placed by overseas investors, which is most likely a function of the nation's low financial literacy rate.

The population of the Philippines is expected to exceed that of Japan within the next decade. BDO Nomura intends to grow with the population as it leverages the experience and insight it has gained in Japan, Asia's largest retail market. Ultimately, BDO Nomura's goal is to increase the risk capital and stimulate the growth and development of capital markets across the Philippines.

## Business segments

## Retail

Retail Division provides a broad range of financial products and services through its head office and its nation-wide network of 158 branches, as well as Nomura Net & Call (online-based platform and call centers), to individual and corporate clients. Nomura also develops its Wealth Management Business in Japan and Asia ex-Japan.

Income before income taxes:  
**¥74.8** billion

Retail client assets:  
**¥107.7** trillion

Number of branches:  
**158**



- Individual investors
- Regional government agencies
- Regional financial institutions
- Corporates
- Educational institutions
- Other legal entities



- Sales of financial products
- M&A advisory
- Real estate (agency services)
- Inheritance and business succession services

## Asset Management

Asset Management Division operates globally, with Nomura Asset Management playing a central role. Investment trusts business offers a wide lineup of products through a broad range of channels. Investment advisory business provides high-quality products and asset management services to a broad spectrum of institutional investors.

Income before income taxes:  
**¥42.3** billion

Assets under management:  
**¥44.4** trillion

Share of ETFs in Japan:  
**45** %

Source: The Investment Trusts Association, Japan



- Individual investors
- Domestic and overseas pension funds
- Governments and central banks
- Institutional investors, etc.



- Development of financial products and asset management
- Direct sales of services to some investors

## Wholesale

Wholesale Division consists of two businesses: Global Markets providing financial products and solutions and secondary market liquidity, and Investment Banking offering capital-raising transactions and advisory services.

It provides diverse services to a broad range of clients including corporates, government entities and financial institutions in Japan and overseas.

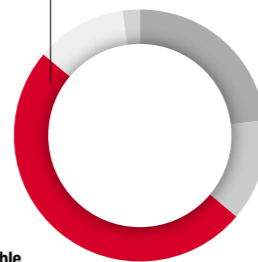
Income before income taxes:  
**¥161.4** billion

Countries possessing the Primary Dealer qualification

World's major markets  
**15** countries

Japan ECM League Table  
**1** st / Share **22.0** %

(April 2016 to March 2017) Source: Thomson Reuters



- Financial institutions
- Institutional investors
- Corporates
- Governments and government entities



- Underwriting of bonds and stocks
- M&A advisory
- Syndication of financial products, proposal for investment
- Provision of liquidity, high-level execution

\*1 Income before income taxes is for FY2016/17, and the remaining figures are as of March 31, 2017, unless otherwise defined.

## Overview of regions

One of the Nomura's strengths is its global business platform. By collaborating closely across businesses and regions, we are able to provide optimal solutions to meet the needs of our clients.

Asia ex-Japan\*<sup>2</sup>  
**6,619** people

We define Asia, including Japan, as our home market. It is in Asia ex-Japan however, where high economic growth is expected. We are well poised to capitalize on this growth as our business, led by our Wholesale and Asset Management Divisions, operates in 12 countries across the region. In addition, we also have an overseas Retail business in Asia ex-Japan.

Japan  
**16,227** people

Japan has been the home base of the Nomura Group for 91 years since it was established in 1925. The Group provides a full range of financial services to a broad range of clients through its Retail, Asset Management and Wholesale Divisions.

Asia and Oceania  
**¥23.7** billion

Japan  
**¥234.7** billion

Europe  
**¥14.4** billion

The Americas  
**¥50.0** billion

Europe  
**3,026** people

Europe is the world's second-largest financial market, after the Americas. In this region, the Wholesale Division is focusing on businesses of strength, including Macro (Rates, Foreign Exchange), M&A advisory and solutions, while also controlling costs to improve profitability.

The Americas  
**2,314** people

The Americas is the largest financial market in the world and a key strategic region for Nomura. The Wholesale Division is looking to grow its market share by allocating management resources to areas where we have a competitive edge.

In addition, the Asset Management Division has been diversifying its investor base while increasing assets under management, mainly in high-yield bond products, through new investor mandates and assets appreciation.

\*1 Income before income taxes is for FY2016/17, and the remaining figures are as of March 31, 2017

\*2 Includes Powai office in India



Strengths, Challenges, Actions

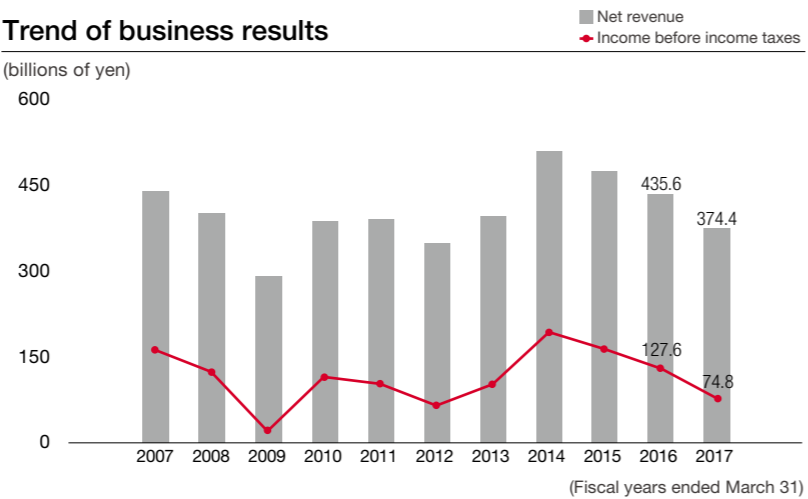
Strengths	<ul style="list-style-type: none"><li>• Largest branch network and client base across Japan's securities sector</li><li>• Ability to prepare and deliver best-in-class investment advice</li><li>• Sophisticated consulting services</li><li>• Leverage capabilities across the Nomura Group to offer clients differentiated services</li></ul>
Challenges	<ul style="list-style-type: none"><li>• Approaching clients' core assets, in addition to investment assets</li><li>• Earnings structure exposed to market environment</li><li>• Building relationships with family members of elderly clients</li><li>• Increasing new, younger clients</li></ul>
Actions	<ul style="list-style-type: none"><li>• Training consultants whom clients could completely trust</li><li>• Building stable earnings structure by increasing recurring revenues</li><li>• Enhancing products and services aimed at elderly clients and their younger family members</li><li>• Enhancing content targeted at younger people (websites, seminars, robo advisor services, etc.)</li></ul>

Review of FY2016/17

During the first half of the fiscal year, client activity declined amid an uncertain market environment. Following the US presidential election in November 2016 however, trading of equities and bonds recovered as the yen depreciated and stock prices rose. Notwithstanding the improvement in the second half, full-year net revenue was ¥374.4 billion and income before income taxes was ¥74.8 billion, both marking year-on-year declines.

Against this backdrop, the Retail Division continued to expand its consulting services and pursue its ambition to counsel each client about their individual concerns and requirements, with a goal of providing optimal investment solutions. Supported by this effort, discretionary investment client assets expanded, helping stabilize earnings. Assets under custody also increased over the year, approaching a record high.

Trend of business results



Strategy (Actions to create value)

The Retail Division has been working to transform its business model as it aims to grow the business by enhancing client trust and satisfaction and becoming a financial institution people turn to. The key performance indicators (KPIs) we are targeting as we head towards FY2019/20 are income before income taxes of ¥195-205 billion, client assets of ¥150 trillion, and a recurring revenue cost coverage ratio of 50%<sup>\*1</sup>. In the last fiscal year, we made major organization changes across Retail to enhance our efforts to raise client trust and satisfaction and to ultimately achieve our KPIs.

We continue to promote various initiatives that will offer higher-value consulting services to clients. For example, we have been reinforcing our inheritance and business succession planning capabilities. Specifically, The Nomura Trust and Banking Co., Ltd. launched testamentary trust and estate management and Nomura Institute of Estate Planning<sup>\*2</sup> established an estate planning research center. The research center is staffed with certified tax accountants that strengthen the network for research and information exchange relating to estate planning and business succession.

We are targeting a wide range of investors focused on accumulating assets. In addition to the Nippon Individual Savings Account (NISA) program, individual-type defined contribution pension plans (iDeCo)

expanded its eligibility to a wider range of nations in January 2017, and monthly investment-type NISA plan will start from January 2018. Through diverse channels, we are explaining the benefits of the expanded systems to clients, when appropriate.

We are also pursuing initiatives designed to enhance client convenience. In February 2017, we launched our new money transfer service. This enables the immediate transfer of funds from clients' bank accounts to their securities accounts with Nomura after making a request via telephone or through Nomura Home Trade.

In January 2018, we intend to rebrand our online services as Nomura Online Service, which will integrate Nomura Home Trade and Nomura Net & Call and will aim to further improve customer satisfaction of our online services.

In addition to the programs mentioned, we continue to emphasize the importance of customer satisfaction and are maintaining ongoing annual customer satisfaction surveys of sales representatives.

<sup>\*1</sup> Recurring revenue divided by total Retail expenses. Recurring revenue refers to revenue received from ongoing services related to client assets such as investment trust administration fees.

<sup>\*2</sup> A wholly owned subsidiary of Nomura Holdings established in April 2015 to undertake research and disseminate information on estate planning and business succession issues.



Morning Pitch is an event aimed at creating business tie-ups between venture companies and large enterprises held every Thursday from 7am at the Shinjuku Nomura Building Branch of Nomura Securities. The program began in 2013 on a proposal put forward by Tohmatsu Venture Support and Nomura Securities employees as a way of accelerating the emergence of new companies that will drive the Japanese economy. To date, more than 900 venture companies have made presentations and participated in always lively question and answer sessions.

Topics

## Asset Management Division



## Strengths, Challenges, Actions

## Strengths

- Sophisticated in-house research and investment expertise, combined with a multi-manager fund management system, enables us to offer a wider range of investment products and solutions than we can handle through in-house management alone
- The ability to offer persuasive solutions to meet diverse customer needs by combining a wide range of investment products and services
- Dynamic product development and a sales structure able to offer products globally

## Challenges

- Intensifying competition and structural changes in the asset management industry in Japan and overseas
- Growing social demands with respect to fiduciary duty
- Attracting individual investors as they reach the asset accumulation threshold

## Actions

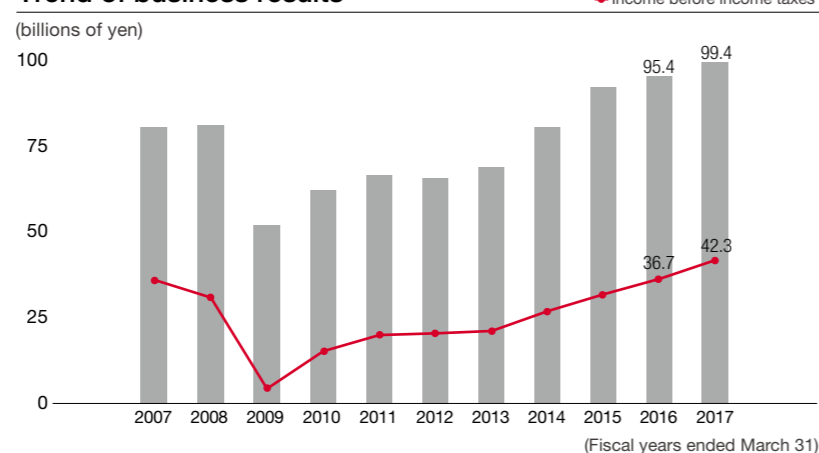
- Expand our investment capabilities to access more business opportunities globally
- Further strengthen business collaboration with American Century Investments (ACI) to leverage mutually complementary sales regions and products
- Deepen commitment to client-first business operations through efforts such as establishing the conflict of interest management policy
- Hold seminars to improve financial literacy and support wealth and asset building, information campaigns related to provision of smartphone apps, etc.
- Expand lineup of products in which individual investors reaching the asset accumulation threshold find it easy to invest

## Review of FY2016/17

In the Asset Management Division, net fund inflows during the year amounted to ¥2.2 trillion supported by efforts to offer clients a broad range of products to address diverse investment needs. Assets under management at the year-end amounted to a record-high ¥44.4 trillion. For the year, net revenue was ¥99.4 billion and income before income taxes was ¥42.3 billion, both up sharply from the year before.

As part of the strategic partnership with ACI, Nomura completed the purchase of a 41% economic interest in ACI in May 2016. The alliance gained traction with such developments as the November 2016 launch of the U.S. Value Strategy Fund, managed by ACI, for retail investors in Japan.

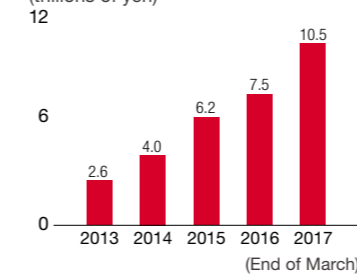
## Trend of business results



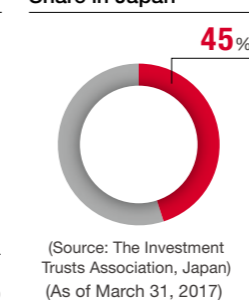
## Strategy (Actions to create value)

We are working to ensure the highest level of client satisfaction and earn the implicit trust of our clients based on the three pillars of “maximizing value,” “advanced expertise,” and “confidence and responsibility.”

The global asset management industry is expected to see sustained expansion. At the same time, the industry structure is changing and becoming more dynamic amid moves by major Japanese financial institutions to reinforce their asset management businesses, and due to ongoing mergers between global asset management companies. In addition, competitors have been developing various investment techniques and the use of ETFs and other passive investment approaches has been gaining momentum.

Nomura Asset Management ETFs  
assets under management  
(trillions of yen)

## Share in Japan



In this environment, the Asset Management Division aims by FY2019/20 to raise income before income taxes to ¥50-55 billion and increase assets under management to ¥55 trillion through expanding investment trust and

investment advisory businesses in Japan and overseas. While looking to further improve the performance of existing investment strategies, we are actively working on stewardship activities and developing investment strategies that make effective use of pilot funds to enhance value-creation effectiveness. To respond promptly and more effectively to client needs, we are also broadening our solutions lineup and strengthening cooperation between sales and investment management departments. Furthermore, we are working to boost competitiveness by securing and nurturing talented staff with high-level expertise across different business fields. We are focusing on improving work efficiency from a global and company-wide standpoint.

We are steadily making headway in our collaboration with our strategic partner ACI. Leveraging ACI's strong presence in the US mutual fund market and Nomura's strengths in Japan and Asia, we are beginning to reap good results through the mutual supply of products to clients as we continue to expand our business.

The Asset Management Division will always operate with professionalism as an investment manager entrusted with clients' assets. We intend to contribute to our clients' wealth and asset building through the sustainable value creation of investee companies, which we hope can be part of future growth cycles.



## What can we do, as an asset management company, to realize a virtuous cycle through investment?

The role of investment in society is to create future growth cycles by circulating money. To align this cycle in a positive direction, we are engaged in stewardship activities. As an asset management company, we seek to encourage sound corporate management through constructive dialogue with the companies in which we invest while exercising voting rights to maximize investment returns. We also conduct wide-ranging activities to explain the role and appeal of investment to individual investors through seminars and press advertisements.

## Topics

## Wholesale Division



## Strengths, Challenges, Actions

## Strengths

- Top-in-class industry presence in Asia-Pacific region, particularly in Japan, and strengthening international platform
- Global client base across more than 30 countries
- Leading facilitator of cross-border transactions worldwide

## Challenges

- Generating higher return under tighter regulatory environment
- Relatively high sensitivity to market fluctuation
- Changes in market structure and competitor dynamics

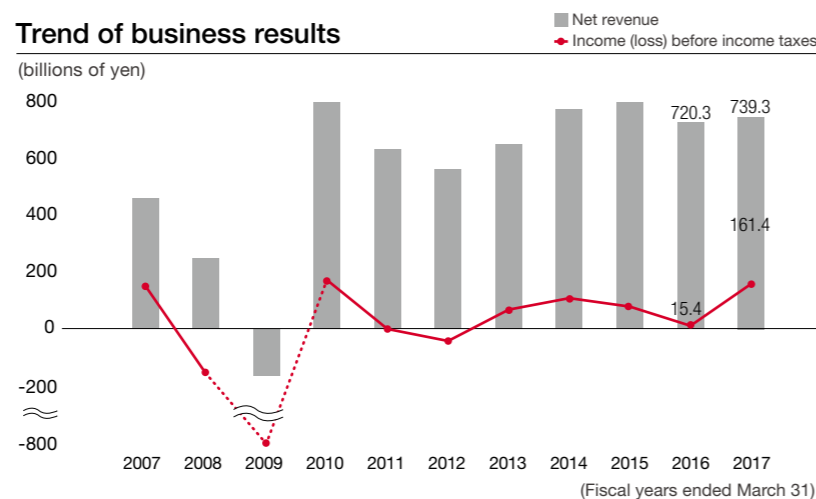
## Actions

- Continue to align our portfolio to evolving market conditions and client needs
- Reinforce risk culture and discipline
- Deliver growth through value-added service to clients and selective investment in growth areas

## Review of FY2016/17

Since the second half of 2015, global markets have experienced extreme volatility and a significant decline in liquidity, triggered by heightened uncertainty in the global economy. With the assumption that this market environment would continue, and under tighter regulatory environment, Wholesale took decisive action to make strategic changes in EMEA and the Americas and lowered its breakeven point. As a result, full year net revenue was ¥739.3 billion and income before income taxes jumped to ¥161.4 billion. We succeeded in increasing our net revenue within this difficult market environment, while also significantly lowering our cost base. In particular, Fixed Income revenue jumped on strong client flows.

## Trend of business results



## Strategy (Actions to create value)

At Nomura Wholesale Division, our focus has been to position the business to deliver sustainable performance across market cycles, and contribute ¥200 – ¥220 billion to the firm's income before income taxes by FY2019/20.

To that end, we undertook strategic repositioning of the international business portfolio in April 2016, to shift away from structurally disadvantaged businesses, and to focus our management resources to areas of strength including Global Macro, Emerging Markets, M&A and Solutions, etc.

At the same time, the breakeven point for our business has been lowered through structural cost reductions through initiatives such as the streamlining of our "front to back" infrastructure, and synergies from stronger collaboration between Global Markets and Investment Banking under an integrated Wholesale structure.

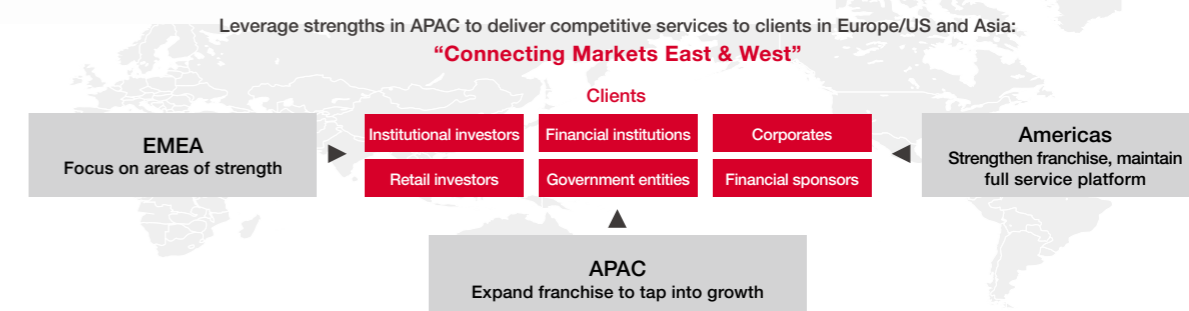
As a result of these initiatives, and continued resilience in our home market in Asia-Pacific, the

Wholesale business made a remarkable recovery during FY2016/17. Going forward, the key priorities are to build on this robust foundation through the following items.

- Reinforce our client franchise, particularly in international regions, to ensure long-term sustainable performance
- Invest in medium-term growth drivers, including Advisory and Origination, Emerging Markets, and Structured Products & Solutions
- Increase optimal utilization of financial resources to serve client needs seamlessly across the Wholesale portfolio

In responding to the various needs of our clients, we will continue to maintain a resilient risk culture as well as flexible resource allocation, collaborating effectively between Global Markets and Investment Banking.

## Global business expansion of Wholesale Division



## Provide liquidity to market

Nomura Wholesale aims to make markets across asset classes and market cycles for clients. We are active participants across primary and secondary markets, as reflected in ~6% market share in U.S. Treasuries and ~13% in JGBs. We also actively help corporates raise funding and were ranked No. 1 in the Japan ECM underwriting league table in FY2016/17 with a 22.0% market share as well as a No. 1 ranking in the Japan IPO league table in FY2016/17 with 27.3% market share.

Wholesale exercises robust risk discipline while providing liquidity and deploying our financial resources to meet client needs. There has been relentless and ongoing focus on strengthening our risk framework, and improving return on financial resources by seamless allocation across all areas of the Wholesale business portfolio.

# Corporate Governance

## Fundamental Approach

Nomura Holdings recognizes that the enhancement of corporate governance is one of the most important issues in terms of achieving management's goals of bolstering corporate value by deepening society's trust in the firm and increasing the satisfaction of clients and other stakeholders. We are working to make the Group's decision-making process speedy and efficient, while also striving to ensure effective oversight of management and management transparency through the enhancement of corporate governance.

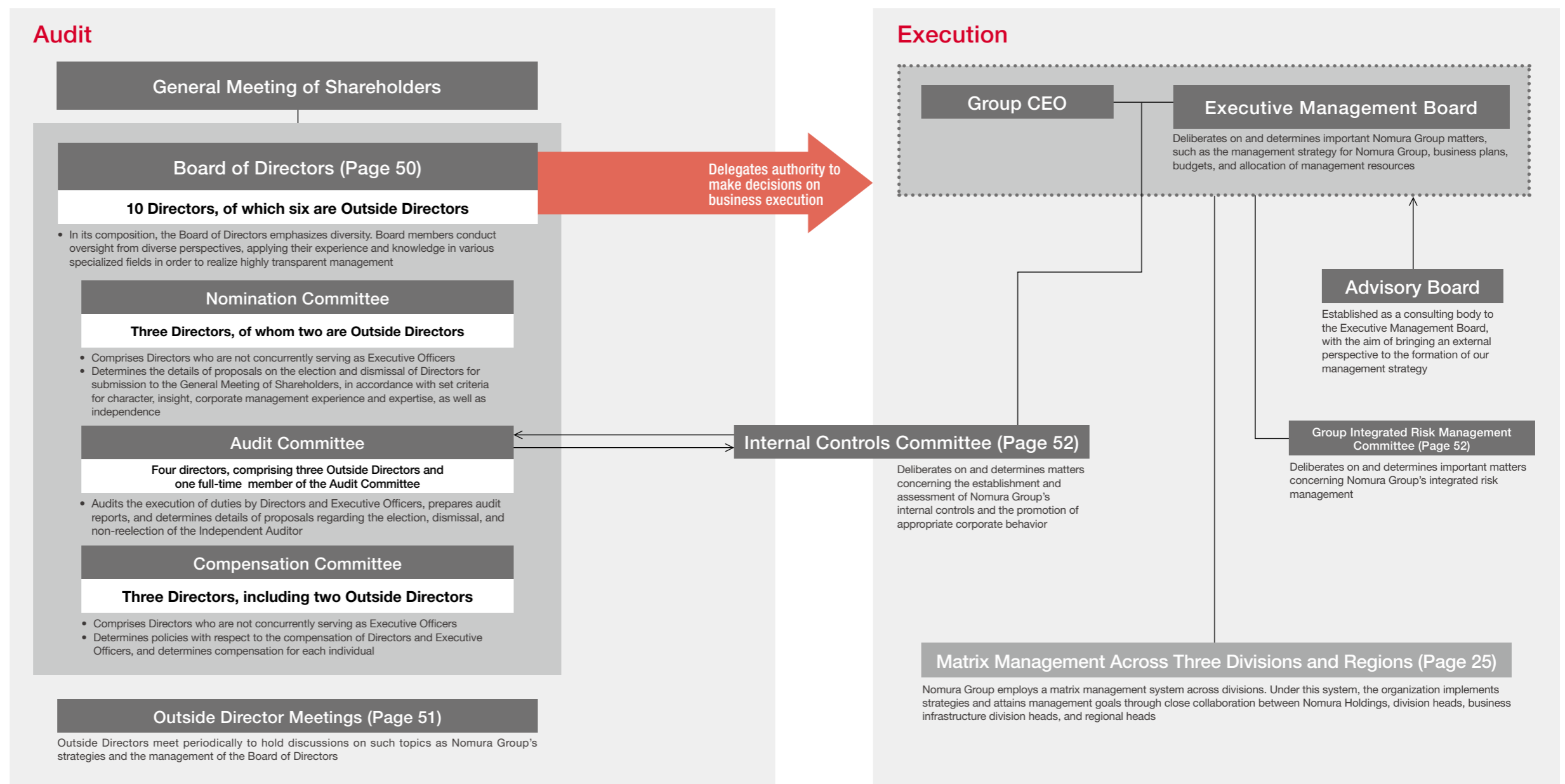
## Corporate governance system and features

- Strengthening oversight through the separation of management oversight and business execution
- Rapid decision-making through the delegation of business execution authority

Nomura Holdings has adopted a "Company with Three Board Committees" structure. Though this structure, we aim to strengthen the oversight function by separating management oversight and business execution. We also aim to ensure prompt decision-making by having the Board of Directors delegate authority for business

execution to a large extent to Executive Officers.

In addition, we have put in place three board committees (the Nomination Committee, the Audit Committee, and the Compensation Committee), all comprising a majority of Outside Directors, in order to further improve transparency.



Measures to reinforce governance

- Adoption of the “Company with Three Board Committees” structure
- Establishment of the Advisory Board

In 2001, when we adopted a holding company structure and listed on the New York Stock Exchange (NYSE), we introduced Outside Directors and established an Internal Controls Committee, a Compensation Committee (the majority of the members of which are Outside Directors), and an Advisory Board of distinguished persons from outside the Company.

We have also diversified the Board of Directors in terms of the backgrounds of members and made efforts to improve management transparency by such means as further improving our information disclosure system.

In 2003, we further strengthened and increased the

transparency of our oversight function and expedited Nomura Group’s management process by adopting the “Company with Committees, etc.” structure (now the “Company with Three Board Committees” structure), a governance structure under which management oversight and business execution functions are clearly separated.

The Company’s corporate governance system is very similar to the corporate governance standard stipulated in the NYSE’s Corporate Governance Guide for listed companies and we judge that it is the optimal institutional design for us at this point in time.

Addressing Japan’s Corporate Governance Code

- Implementation of all principles of Japan’s Corporate Governance Code

With the application of Japan’s Corporate Governance Code to publicly listed companies beginning in June 2015, Nomura Holdings has been undertaking various

initiatives to reinforce corporate governance. As a result, we have at this point adopted all of the principles of the Code.

Establishing Corporate Governance Guidelines

- Structure for transparent/fair and timely/decisive decision-making

In November 2015, the Board of Directors of Nomura Holdings, recognizing the perspectives of various stakeholders beginning with shareholders and clients, established Nomura Holdings Corporate Governance Guidelines, with the aim of defining and contributing to the realization of a framework of effective corporate governance as a structure for transparent/fair and timely/decisive decision-making. The Corporate Governance Guidelines stipulates the frameworks for strengthening corporate governance, including the composition of the Board of Directors, the outline for the

“Company with Three Board Committees” structure, with a Nomination Committee, a Compensation Committee, and an Audit Committee, promoting dialogue with shareholders, and fulfilling our social responsibility.

Please visit our website to view the full text of the Corporate Governance Guidelines and the Corporate Governance Report, which discloses the status of our measures to address Japan’s Corporate Governance Code.



Nomura Holdings Corporate Governance Guidelines  
[http://www.nomuraholdings.com/company/cg/data/cg\\_guideline.pdf](http://www.nomuraholdings.com/company/cg/data/cg_guideline.pdf)

Nomura’s initiatives to bolster corporate governance

1994	Company with Board of Auditors	Appointed one Outside Statutory Auditor
1998		Established the whistle-blowing system “Compliance Hotline”
2001	Established the Compensation Committee (voluntary)	Appointed two Outside Directors Adopted a holding company structure and changed the Company’s name to Nomura Holdings, Inc. (1) Strengthen corporate governance and ensure transparency (2) Election of two Outside Directors and two Outside Statutory Auditors (3) Established the Internal Controls Committee (4) Established the Executive Compensation Committee (one Representative Director and two Outside Directors) Listed on the New York Stock Exchange (NYSE)
2003	Company with Committees, etc Established the Nomination, Audit and Compensation Committees	Adopted a “Company with Committees, etc.” structure Passed resolution on the Internal Controls System
2004		Formulated the Code of Ethics of Nomura Group
2006	Company with Committees	Passed resolution on amending the Internal Controls System Began making pledges to abide by the Code of Ethics of Nomura Group
2010		Diversification of the composition of Directors (appointed two non-Japanese Directors and one female Director) Outside Directors became the majority of Directors
2012		Appointed an Outside Director who does not serve concurrently at Nomura Holdings to Nomura Securities Co., Ltd.
2013		Passed a resolution on amending the Internal Controls System Published the Independence Criteria for Outside Directors of Nomura Holdings, Inc.
2015	Company with Three Board Committees	Passed a resolution on amending the Internal Controls System Appointed an Outside Director from outside the Nomura Group to Nomura Asset Management Co., Ltd. Established the Nomura Holdings Corporate Governance Guidelines Established August 3 as Nomura Founding Principles and Corporate Ethics Day Started evaluation of the Board of Directors meetings
2016		Established “office of Non-Executive Directors and Audit Committee” as an organization to support Directors’ execution of duties by ensuring full provision of information to Outside Directors and so forth. Passed a resolution on amending the Internal Controls System


Board of Directors

- **Outside Directors comprise a majority of the Board of Directors including independent Outside Directors**
- **Emphasis on diversity within the Board of Directors to conduct oversight from diverse perspectives**

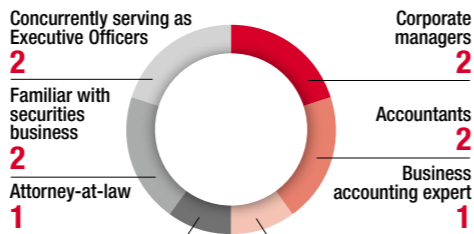
Nomura Holdings has made management oversight the main role of the Board of Directors. Based on oversight with an emphasis on an external perspectives, we aspire to have highly transparent management, through such means as structuring the Board of Directors with a majority of Outside Directors. Currently, six of the 10 members of the Board are Outside Directors. Our Board of Directors consists of members with diverse backgrounds in terms of nationality, gender, professional experience, and other attributes. By utilizing their extensive experience in their respective fields, such as finance, corporate management, and law, the Directors assist with the determination of important management matters and oversee business execution.

We have established Independence Criteria for Outside Directors within the Nomination Committee to

ensure the independence of Outside Directors from Nomura Group. As none of the six Outside Directors of Nomura Holdings fall under the categories for which independence is considered suspect, we have reported that each of the Outside Directors is an independent Director in our submission to the Tokyo Stock Exchange.

 Independence Criteria for Outside Directors  
<http://www.nomuraholdings.com/company/cg/data/criteria.pdf>

Composition of the Board of Directors (as of July 1, 2017)



Support system for Directors

- **Establishment of system to support directors in their duties**

The Company has established an Office of Non-Executive Directors and Audit Committee to support the work of the Audit Committee and the Board of Directors. The office acts as the secretariat of the Audit Committee and supports Directors in the performance of their duties by such means as regularly providing information on management to Outside Directors.

In connection with meetings of the Board of Directors, the Company, by using occasions such as briefings prior

to Meetings of the Board of Directors, continuously provides updates to Outside Directors regarding important matters of the Company, including business content, business plans, financial status, and governance structures such as the internal controls system.

In addition, an Outside Director may request an explanation or report and/or request materials from Executive Officers and employees as necessary. An Outside Director may consult legal, accounting, or other outside experts at the Company's expense, as necessary.

Management status of the Board of Directors

Separate from Board of Directors meetings, meetings comprising only Outside Directors are held, where matters such as the strategy of Nomura Group and

the management of the Board of Directors are discussed to help strengthen the oversight function.

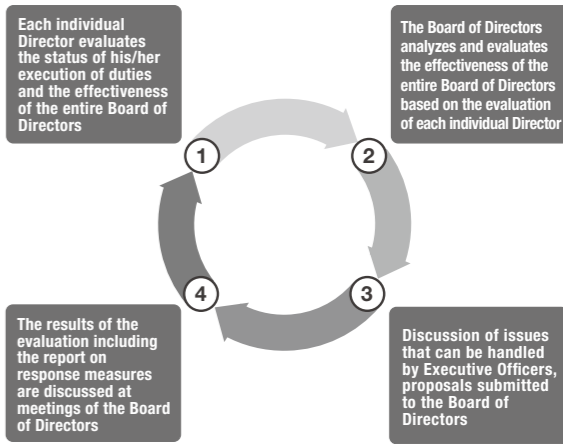
Number of meetings of Board of Directors	11 (from April 1, 2016 to March 31, 2017)	
Outline of discussions	<ul style="list-style-type: none"><li>• Items relating to quarterly earnings results</li><li>• Decisions on interim and full-year dividends</li><li>• Statutory matters such as the appointment of Executive Officers</li></ul>	<ul style="list-style-type: none"><li>• Reports on business conditions in each division and region and on business execution</li><li>• Analysis and discussion related to management strategy based on the PDCA cycle</li><li>• Reports related to such matters as risks and compliance Officers</li></ul>



Regularly held meetings attended only by Outside Directors

Evaluation of the effectiveness of Board of Directors meetings

Since FY2015/16, the Company has conducted evaluations of the effectiveness of the Board of Directors. We assess the effectiveness of the Board of Directors in terms of such matters as its management, the quality and quantity of information provided, and the content of discussions. We are working to further strengthen the oversight function, including through discussions at the Board of Directors meetings based on the results of assessments.



Evaluation method	Questionnaires are submitted to the Directors, and discussions are held by the Board of Directors based on questionnaire results	
Matters evaluated	<ul style="list-style-type: none"><li>• Composition and management of the Board of Directors</li><li>• Provision of information to the Board of Directors</li><li>• The involvement of the Board of Directors in management targets and management strategy</li><li>• The Board of Directors' management oversight function</li></ul>	<ul style="list-style-type: none"><li>• The three Board committees (Nomination, Audit, and Compensation)</li><li>• Monitoring of the status of dialogue with stakeholders</li><li>• Meetings of Outside Directors, etc.</li></ul>
Addressing the results	We have established the Office of Non-Executive Directors and Audit Committee to support the duties of the Audit Committee and Directors, and have otherwise enhanced the organizational platform for providing information to Directors, along with further improving the management of the Board of Directors.	

Business execution by Executive Officers

- Agile business execution through the broad delegation of decision-making authority to Executive Officers

The Board of Directors has broadly delegated decision-making authority for business execution to Executive Officers to ensure that they can execute business with speed and efficiency. Furthermore, among the matters of business delegated to the Executive Officers by resolutions adopted by the Board of Directors, certain important matters must be deliberated and decided by specific management bodies within the Company, including the Executive Management Board, the Group Integrated Risk Management Committee, and the

Internal Controls Committee. These management bodies report to the Board of Directors on the status of their deliberations at least once every three months.

In order to further bolster our business execution framework for financial business that is becoming increasingly sophisticated and specialized, we utilize a system whereby the Executive Officers delegate a part of their authority for business execution decisions to Senior Managing Directors, whose role is to focus on individual businesses and operations.

Internal Controls

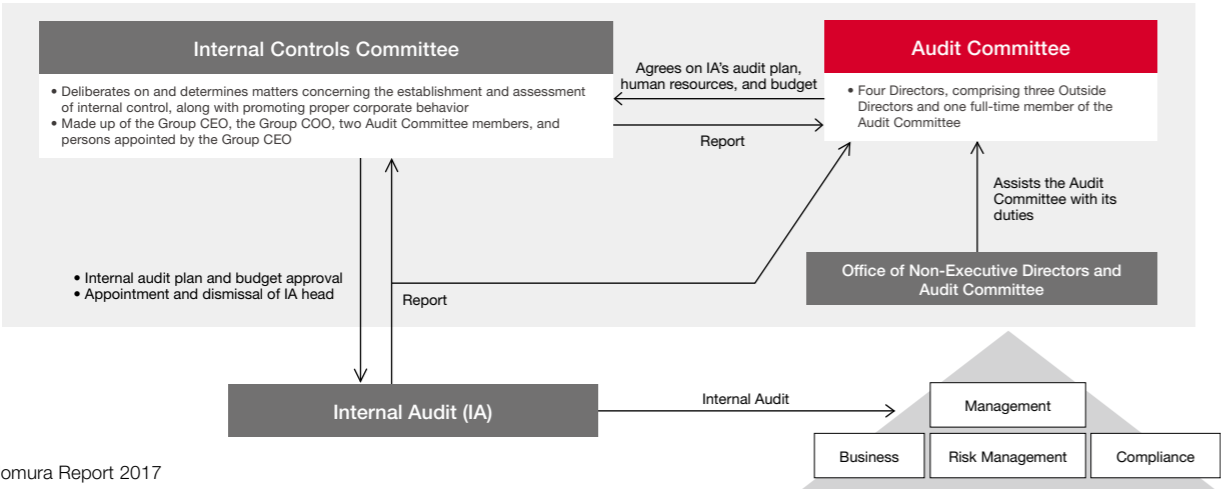
- Established internal audit departments, independent from business execution, in the Company and in key subsidiaries

We are committed to strengthening and improving our internal controls system to promote proper corporate behavior throughout Nomura Group, with the aim of ensuring management transparency and efficiency, complying with laws and regulations, controlling risks, ensuring the reliability of business and financial reports, and promoting the timely and appropriate disclosure of information. Furthermore, in order to manage business risk, to implement risk management through the risk management and compliance functions, and to ensure effective and adequate internal controls, the Group Internal Audit Department, which is independent from the business execution function, and other similar audit sections established in key subsidiaries, conduct internal

audits of the Company and its subsidiaries, in addition to the audits carried out by the Audit Committee. (⇒Please see page 65 regarding risk management through the so-called “Three Lines of Defense” approach.) The implementation status of internal audits is also reported to the Board of Directors and the Audit Committee.

In addition, to strengthen the independence of the internal audit sections from the business execution function, implementation plans and the formulation of the budget of the Internal Audit Division, as well as the election and dismissal of the Head of the Internal Audit Division require the consent of the Audit Committee. Audit Committee members may recommend changes to the implementation plan and other matters to Executive Officers.

Internal Controls System



Compensation for Directors and Executive Officers

As Nomura has adopted the “Company with Three Board Committees” structure, the Compensation Committee has established the Compensation Policy of Nomura Group and the Compensation Policy for Directors and Executive Officers of Nomura Holdings, Inc.

Compensation Policy of Nomura Group

To enable us to achieve sustainable growth, realize a long-term increase in shareholder value, deliver added value to our clients, compete in the global market, and enhance our reputation, our compensation policy is based on the following aims.

1. Align compensation with Nomura’s values and strategies
2. Reflect company, division, and individual performance
3. Establish appropriate performance measurement with a focus on risk
4. Align compensation with company earnings and shareholder interests
5. Establish appropriate compensation systems
6. Ensure robust governance and control processes

Compensation Policy for Directors and Executive Officers of Nomura Holdings, Inc.

The compensation of Directors and Executive Officers comprises base salary, yearly cash bonuses and long-term incentive plans, and is determined by the Compensation Committee based on this policy. A portion of compensation may be deferred or paid in the form of equity-linked awards. Equity-linked awards have vesting periods to ensure that the medium- to long-term interests of Directors and Executive Officers are closely aligned with those of shareholders.

Compensation paid to Directors and Executive Officers

Position	Number of People*1	Basic Compensation*2,3 (millions of yen)	Bonus (millions of yen)	Deferred Compensation*4 (millions of yen)	Total Amount Paid (millions of yen)
Directors (Outside directors)	9 (6)	315 (146)	94 (-)	88 (-)	497 (146)
Executive Officers	6	430	379	288	1,098
Total	15	745	473	376	1,595

\*1 There were 9 Directors and 6 Executive Officers as of March 31, 2017. The number of people and compensation to Directors who were concurrently serving as Executive Officers is included in the section for Executive Officers.

\*2 Basic compensation of 745 million yen includes other compensation (commuter pass allowance) of 690 thousand yen.

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

\*4 For deferred compensation (such as stock options) granted during and prior to the fiscal year ended March 31, 2017, the amount recognized as expense in the fiscal year ended March 31, 2017, are shown here.

\*5 Subsidiaries of the Company paid 47 million yen to Outside Directors as compensation etc. for their directorship at those subsidiaries for the year ended March 31, 2017.

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

# I will continue to strive to contribute to the enhancement of Nomura's competitiveness and the creation of value by offering advice as well as acting as a check

### Please discuss the merits and challenges with respect to Nomura's corporate governance.

In 2003, Nomura became one of the first companies in Japan to adopt the "Company with Three Board Committees" structure. Today, a majority of the Board of Directors is comprised of independent Outside Directors, and the Company has a clear separation of supervisory and business execution functions.

In one year since I was appointed Outside Director, I have come to clearly understand that Nomura's corporate governance structure is in no way superficial, and that the nomination, audit, and remuneration committees, all of which comprise a majority of Outside Directors, function extremely well. I think this stems from a strong awareness on the part of senior management. Every year, August 3 is designated as Nomura Founding Principles and Corporate Ethics Day, and this day is used to renew awareness of the lessons learned from past mistakes. I, too, watched the video prepared by the Company and took an oath. I sense a strong determination to achieve sustained growth based on the principle of putting the customer first as found in the ten principles set out by our founder Tokushichi Nomura, while making sure to prevent a "business above all else" culture from taking hold.

After assuming my post, I visited the Kyoto and Osaka branches, along with offices in New York, London, Hong Kong, Singapore, and Powai. I interviewed executives and held group discussions with mid-level employees, and what struck me was how much traction top management's philosophy has gained among the staff in all of the different regions.

One of the roles of an Outside Director is to give counsel on whether any particular business is consistent with Nomura's excellent principles. I am happy to report that Nomura's senior executives take such external opinions very seriously, and the effectiveness of governance has steadily improved.

### Please discuss the specific roles and activities of the Audit Committee.

In terms of how we operate, the Audit Committee has adopted a new approach since 2016, under which Outside Directors who are not Audit Committee members are invited to attend monthly meetings. At Audit Committee meetings, we invite leaders such as the Group CEO, Group COO, division heads, and heads of subsidiaries to join us, and we spend about an hour talking with them. This gives us access to the thinking of the executive side. The aim here is to eliminate disparities in the amount of information available to each Director, to the maximum extent possible.

In FY2016/17, the Audit Committee debated four main topics and reported back to the Board of Directors. The first matter was about creating something that would make it easier for employees to understand top management's thinking, in order to ensure an even healthier corporate culture. Secondly, we discussed enhancing Nomura's corporate value by ensuring a balance between earnings in Nomura's core businesses, while at the same time adhering to the customer-first principle. Thirdly, we talked about monitoring the specific strategies of different departments to ensure that efforts are aligned towards realizing Nomura Group's overall management strategies. Finally, with respect to internal control, we looked to build a strong platform to bolster management control, and both expand the earnings base and generate higher earnings than before through appropriate risk-taking. In our dealings with the authorities and our independent auditors, we focused on establishing relationships of trust with an element of "tension" that prizes extensive communications but also welcomes healthy pressure.

In such ways, the Audit Committee has been going a little beyond simple oversight, as we have been monitoring business activities and giving advice targeting additional growth for Nomura.

We also hold meetings limited to Outside Directors four times in FY2016/17. At about two of these meetings, we invite the Group CEO, Group COO, or other executives, and spend considerable time discussing detailed strategies, the medium-term management plan, and other matters.

## Noriaki Shimazaki

Outside Director, Chairman of the Audit Committee;  
Advisor of the IFRS Foundation Asia-Oceania Office;  
Former Executive Vice President of  
Sumitomo Corporation



### What is needed to raise Nomura's presence overseas?

Nomura Group has declared its aim to be "Asia's global investment bank," but I think it is one of the few companies taking up the challenge of globalization. Above all, the key to success is people. The quality of Nomura's people abroad, both in terms of abilities and awareness, is higher than I had imagined. This is true not only for people in management positions, but it applies to people throughout the organization, including sales staff and the people working in such areas as IT, human resources, general services, and business support centers. The staff in Tokyo who work in cooperation with these people overseas are also outstanding. Nomura's head office is becoming an increasingly international place. Surely we can raise our presence overseas by further strengthening systems to better enable our diverse human resources to demonstrate their individuality and abilities to the fullest extent.

Nomura Group has adopted a matrix system of management across divisions and regions, under which appropriate authority is delegated to division and regional heads in order to enhance expertise in each area. I think we need to look to more precisely define assignments and further clarify responsibilities so that this management approach does not become overly complicated, and I believe that close cooperation centered on each division and regional head will enhance competitiveness overseas. It is also important to integrate operations in Japan and Asia, and to bring the know-how and expertise that Japan possesses to the rest of Asia.

### What needs to be done in order to enhance Nomura's corporate value?

I see two main themes crucial to achieving Nomura Group's long-term management vision targeting the fiscal year ending March 2020: reforming the business model in Japan and further improving profitability overseas. We must work to build a foundation for sustainable growth regardless of the business environment. Progress here requires top management to clearly delineate strategies and give a clear sense of direction. At the same time, it is important to make sure that people throughout the group gain a firm understanding of these strategies and the overall direction that Nomura Group is heading in.

In addition, I think it is vital to listen to the opinions of our people on the ground regarding these strategies in order to factor their views into new strategies and tactical approaches. Moreover, we also need to aim higher on the back of repeated PDCA (plan, do, check, action) cycles.

It is also important to learn from best practices. While studying U.S. and European investment banks, Japanese megabanks, and others that have succeeded in steadily expanding earnings in Japan and overseas, thereby increasing corporate value, Nomura needs to create its own, unique value. Outside Directors have a role to play in overseeing executive officers and providing advice that supports corporate strategies and growth. As an Outside Director and Chairman of the Audit Committee, I will continue to strive to contribute to the enhancement of Nomura's competitiveness and the creation of value by offering advice as well as acting as a check.



### Kan Trakulhoon

Advisory Board Member

Director and Chairman of the Management Advisory Committee of the Siam Cement Group (SCG). Former President and CEO of SCG, one of Thailand's most reputable industrial conglomerates established in 1913. Chairman of the Management Advisory Committee from 2016. He was recently awarded the 2014 Deming Distinguished Service Award for Dissemination and Promotion (Overseas).

#### What is your philosophy for steering organizations as a member of top management?

Adaptability and responsiveness are among the most important qualities and, as such, they must be ingrained in the organizational culture in order to compete globally. Employees need to be highly flexible and always welcome change. People are the most crucial resource, and management must commit to protecting and providing for the true betterment of its employees in order to inspire loyalty, integrity, and sustainable development.

A number of companies laid off staff during the Asian currency crisis of 1997. The Siam Cement Group (SCG), for example, incurred large losses and reduced its equity holdings. During this challenging time, however, we did not lay off any personnel, and instead continued to hire 200 young recruits each year. We believed that to contribute to society, young people needed employment in order to avert structural problems with the “population pyramid.”

A company must also provide suitable engagement programs for its employees, including training and development, a good succession plan process, regular review of employee talent, employee surveys, and CSR activities, among other things. Leaders at every level must be good role models in terms of fairness, ethics, and commitment to sustainable development, demonstrating their abilities through their roles and responsibilities. Furthermore, leaders must also provide their subordinates with challenging jobs and thoughtful mentoring so that they can develop and achieve their fullest potential. For instance, every year I committed several hundred hours to teaching a number of classes to employees of all levels—from new hires

to top management.

Employee surveys are helpful for acquiring insights on trends, such as why young people tend to leave their companies. We found that the largest proportion of young people—40%—does so to further their education. We established networks and programs to support and maintain contact with employees who leave to study abroad and encourage them to return after graduation. We also learned that the younger generation has a strong volunteer spirit, and with this in mind, we introduced many CSR programs, even during orientation training, that bring real benefits to communities and the environment. Taking part in activities that give back to society gives employees a sense of pride, both personal and with regard to their company. Since people are Nomura's most important asset, Nomura should implement such CSR programs for its employees, especially for the younger generation.

Finally, I believe in the power and value of diversity. For example, SCG has more than 17,000 employees working outside Thailand, with diversity in religion, culture, and gender, who now represent about 32% of our total workforce and collaborate together as one. I believe that Nomura can gain immensely from such diversity in the workforce. I have been to Japan more than 170 times and have noticed that Japanese women in the workforce are very intelligent, but they remain underutilized. With Japan's aging population and shrinking workforce, Nomura has an opportunity to leverage the country's talented female workforce by developing policies that promote career advancement for women. I see great potential, especially for companies in the financial sector, like Nomura, to

## I believe that with corporate values that reflect innovation and sustainability, Nomura can become not only Asia's global investment bank but also a global leader by its 100th anniversary

benefit from the employment of women in more challenging roles. Nomura could brand itself as “the leading workplace for women.”

#### Nomura aims to contribute to the development of Asian capital markets. How do you view Nomura's potential to support growth in Asia?

I think Nomura has tremendous potential to support growth in Asia and establish a dominant position as Asia's global investment bank. Currently, even within Asia, regions vary in terms of the degree of development and customer needs, and Nomura can leverage its diverse experience in developed markets such as Japan, North America, and Europe to capitalize on trends in various Asian markets.

We have discussed at length our strategies for investment in China. Certainly, investment in China is a must that cannot be avoided. Finding a partner is extremely important, however, and finding a good partner will require a lot of effort. The internationalization strategy for the Chinese yuan also presents Nomura with business opportunities. Hong Kong is already a financial hub. Singapore is becoming very strong and indeed may have already surpassed Hong Kong. Also, Taiwan is striving to become a financial hub, and I see a lot of potential in investing more in Taiwan.

I think the key for Nomura to achieve its goals in Asia will lie in the research capabilities of the aforementioned countries and may thus require selective synergistic collaboration with local banks. Finding a partner for such collaboration, however, remains a crucial part of the process.

#### To meet the aforementioned expectations as we head toward our 100th anniversary in 2025 and beyond, what do you think will be important in order for Nomura to increase its corporate value and grow sustainably?

Nomura is approaching its 100th anniversary, and I would like to see the Company branded as an innovative and

sustainable organization. I agree with Nomura's vision to be Asia's global investment bank, but I would also like for Nomura to include innovation and sustainability as elements of its overall vision. As such, Nomura's branding must reflect its personality from the perspectives of innovation and sustainability. I believe that Nomura can consistently provide creative and novel product offerings that please customers while being a good global corporate citizen. In addition, I recommend developing the right CSR programs to engage Nomura's employees and local communities, which in turn will strengthen Nomura's brand.

In order to survive future competition, a company must draw on its internal strengths, which derive from its corporate culture. After spending two years on the Nomura Advisory Board, it is evident that Nomura has a well-rounded perspective, a dynamic culture, and a management team with a forward-looking approach, exemplified by a diverse board comprising 50% foreign and outside directors.

Nomura is quite advanced compared to its Japanese competitors, but there is still room for improvement. I believe that with corporate values that reflect innovation and sustainability, Nomura can become not only Asia's global investment bank but also a global leader by its 100th anniversary.

#### How should the Nomura management team make the best use of the Advisory Board?

After two years of working together with Nomura's management, I feel that we are much more open toward each other and I find that our discussions are very smooth and fluid in every session. It is important as well to have free and open discussion, as I believe this makes the best use of the Advisory Board. Occasionally, the Advisory Board may base its comments on previous experiences that may no longer be applicable in certain situations. Thus, I urge the management team to have frank, open discussion with the Advisory Board without worrying about differences of opinion or anyone losing face over a particular matter.



**Shoichi Nagamatsu**  
Chief of Staff

## Enhancing Nomura's Value

I believe it is vital for Nomura Group to create a higher level of value if we are to achieve our long-term management vision targeting FY2019/20, and continue to grow both towards and beyond our 100th anniversary in 2025. We are thus undertaking a significant shift in management with the aim of realizing our vision for the future.

### Amassing of individual strengths to achieve sustainable growth

The Financial Services Agency of Japan published the “Principles for Customer-Oriented Business Conduct” in March 2017. This document contains principles for seven areas, including pursuing the best interests of customers and appropriately managing conflicts of interest. These principles are congruent with Nomura Group's approach, as striving to be an organization that customers choose has always been our top priority based on the principle of putting the customer first—one of the ten principles set out by our founder.

Increasing Nomura Group's value based on our philosophy of “placing our clients at the heart of everything we do”

requires us to build upon the strengths of individuals. It is important that each individual determine what they personally should do to contribute to organization-wide optimization. For this reason, every employee must see himself as a key player in pursuing the targets set forth by senior management, recognizing and faithfully carrying out their mission toward accomplishing these targets. It is also critical that supervisors provide appropriate guidance to employees in their reporting line, helping them to identify their particular objectives. Everyone should be constantly asking themselves what they want Nomura Group to become and what they can do to raise the Group's value. Without such individual reflection, sustainable growth will remain beyond our reach. Bringing together the thoughts of each and every employee is a source of strength for Nomura Group.

### Pursuing change while maintaining important values

As we work to make Nomura Group more competitive, it is crucial that we maintain our desire to never lose. If people do not hold onto a strong aversion to losing, they will stop

caring deeply about their work and become accustomed to losing. Conversely, a commitment to victory requires maximum effort. This is rightfully based on the premise that individuals are compliant with laws and having a clear notion of right and wrong based on their ethics. It is vital that everyone feel a strong passion to contribute to the team effort of raising the brand value of Nomura Group so that we can be victorious in all areas, including staying at the top of the league tables.

Moreover, we must never stray from our established principles and mindset regarding customers and how to work with them. There are, however, areas in which we should actively pursue change, such as in our processes for doing business with customers. The ideal approach, the one that is best for customers, changes with the times. A customer-oriented business is one that stays in tune with the times by transforming all of its systems as necessary to maximize the benefits for customers. I am confident that Nomura Group will create even more value if we all remain highly receptive to changing social issues and client needs, always seeking solutions.

### Corporate governance supporting our missions

Enhancing corporate governance is one of the most important matters when it comes to helping employees fulfill their missions to achieve goals.

Nomura committed two scandals in the late 1990s, and these regrettable experiences made us realize that we must never again lose the trust of society. Based on this recognition, we established the Advisory Board in 2001 to incorporate input from people outside Nomura Group. This move represented a large step forward in the enhancement of our corporate governance system.

Later, in 2003, we transitioned to the Company with Committees, etc., system described in the Companies Act of Japan (currently the Company with Three Board Committees) in order to further clarify the separation of the management oversight function from the business execution function and increase transparency. This change made it possible for Outside Directors to engage in discussions from the standpoint of management oversight. We have achieved a more stable corporate governance system which incorporates active discussions and the various perspectives of both domestic and overseas Outside Directors. The Advisory Board, which had comprised business managers of Japanese companies, was transformed in 2015, when we appointed four renowned experts from Asia and reinforced our governance system toward our aim to establish ourselves as “Asia's global investment bank.”

Today, Nomura Holdings' Nomination Committee, Compensation Committee and the Board of Directors are comprised of a majority of Outside Directors. Accordingly, authority regarding senior management personnel matters rests with the Board of Directors, which represents a truly advanced system among Japanese companies. In 2015, a Outside Directors Meeting was established, and at these meetings, attended solely by Outside Directors, deliberations on specific strategies, medium-term management plans, and other matters are held, with the Group CEO and Group COO invited to join meetings as necessary. This is one example of how our Board of Directors does more than just carry out management oversight. In 2016, we began looking for ways to reduce disparities in the information held by different Directors. One measure to this end was having Outside Directors who are not members of the Audit Committee attend meetings between the Audit Committee and Company officers. In this manner, we are constantly tweaking our corporate governance system to make it even more effective.

Moreover, the Chairman of the Audit Committee adds his own prominent finance and accounting experience and insights to form his views on the global situation and issues faced in Japan and overseas, and we receive the frank and advanced opinions of the Chairman. The Chairman has also adopted other unprecedented approaches to enhancing corporate governance, including actively engaging with accounting audit firms to ensure that highly competent individuals are assigned to the Company's account so they can provide the Company with incredibly viable advice.

Furthermore, Outside Directors inspect overseas sites and visit domestic branches to obtain input from frontline employees that can be incorporated into management. This active involvement by Outside Directors is another distinctive characteristic of Nomura's corporate governance.

### Increasing Nomura's Value


Having a diverse group of personnel is important in order for Nomura to provide financial solutions to customers all over the world. Currently, more than 70 nationalities are represented within Nomura Group, and diversity has become deeply rooted in the organization. Looking ahead, we should step up efforts to increase diversity at the management level by promoting female employees to management positions and creating frameworks for utilizing, in management, the skills and experience of employees that have worked overseas. Finally, to raise Nomura's value going forward, we will communicate even more closely with people from both inside and outside Nomura Group and in Japan and overseas, and actively implement changes where they are needed.

Directors of Nomura Holdings (As of July 1, 2017)


Nomura Holdings has adopted a company with three board committees structure, under which the management oversight and business execution functions are separate from one another. This system allows the Board of Directors to delegate considerable authority for the execution of business to Executive Officers, thereby enabling expedited decision-making. Directors are experts in fields such as finance,

corporate management and law, and draw upon their extensive experience and insights to oversee management from many different perspectives. Also, the establishment of three (Nomination, Audit, and Compensation) committees, each comprised of a majority of Outside Directors, allows for enhanced management supervision and increased transparency.


\* In 2001, the Company changed its name to Nomura Holdings, Inc.

	<b>Nobuyuki Koga</b> Chairman of the Board of Directors, Chairman of the Nomination Committee, Chairman of the Compensation Committee		
	Apr. 1974	Joined the Company	(concurrently Director and Executive Officer and President of Nomura Securities Co., Ltd.)
	Jun. 1995	Director of the Company	
	Apr. 1999	Managing Director of the Company	Apr. 2008
	Jun. 2000	Director and Deputy President of the Company	Director and Representative Executive Officer of the Company (concurrently Director and Chairman of Nomura Securities Co., Ltd.)
	Oct. 2001	Director and Deputy President of the Company (concurrently Director and Deputy President of Nomura Securities Co., Ltd.)	Jun. 2008
	Apr. 2003	Director and President of the Company (concurrently Director and President of Nomura Securities Co., Ltd.)	Jun. 2011


Mr. Koga, who has held a number of significant positions, including Director and President of Nomura Holdings and Director and President of Nomura Securities, and currently holds the positions of Vice Chairman of Nippon Keidanren (Japan Business Federation) and Vice Chairman of the Japan Securities Dealers Association, is well-versed not only in the business of Nomura Group but also in the practices in the securities industry and, as Chairman, contributes to the smooth operation of the Board of Directors.

	<b>Takao Kusakari</b> Outside Director, Member of the Nomination Committee, Member of the Compensation Committee, Special Advisor of NYK Line		
	Apr. 1964	Joined Nippon Yusen Kabushiki Kaisha (NYK Line)	Apr. 2009
	Aug.1999	President of NYK Line	Jun. 2010
	Apr. 2002	President, Corporate Officer of NYK Line	Jun. 2011
	Apr. 2004	Chairman, Corporate Officer of NYK Line	Apr. 2015
	Apr. 2006	Chairman, Chairman Corporate Officer of NYK Line	Special Advisor of NYK Line (Current)


Mr. Kusakari has held a number of significant positions, including President of NYK Line and Vice Chairman of Nippon Keidanren (Japan Business Federation), and his achievements and insights have been evaluated highly both within and outside of the Company. Applying his extensive experience with respect to management, Mr. Kusakari contributes to the Company as an Outside Director.

	<b>Hiroshi Kimura</b> Outside Director, Member of the Nomination Committee, Member of the Compensation Committee, Advisor of Japan Tobacco Inc.		
	Apr. 1976	Joined Japan Tobacco and Salt Public Corporation (currently, Japan Tobacco Inc.)	Jun. 2006
	Jun. 1999	Director of Japan Tobacco Inc.	Jun. 2012
	Jun. 2001	Resigned as Director of Japan Tobacco Inc.	Jun. 2014
	Jun. 2005	Director of Japan Tobacco Inc.	Jun. 2015
			Jul. 2016


Mr. Kimura has held a number of significant positions, including President, CEO and Representative Director of Japan Tobacco Inc., and his achievements and insights have been evaluated highly both within and outside of the Company. Applying his extensive experience with respect to management, Mr. Kimura contributes to the Company as an Outside Director.

	<b>Noriaki Shimazaki</b> Outside Director, Chairman of the Audit Committee, Advisor of the IFRS Foundation Asia-Oceania Office, Former Executive Vice President of Sumitomo Corporation		
	Apr. 1969	Joined Sumitomo Corporation	Jan. 2009
	Jun. 1998	Director of Sumitomo Corporation	Jul. 2009
	Apr. 2002	Representative Director and Managing Director of Sumitomo Corporation	Jun. 2011
	Jan. 2003	Member of the Business Accounting Council of the Financial Services Agency	
	Apr. 2004	Representative Director and Senior Managing Executive Officer of Sumitomo Corporation	Sep. 2013
	Apr. 2005	Representative Director and Executive Vice President of Sumitomo Corporation	Jun. 2016

Mr. Shimazaki has held a number of significant positions, including Representative Director and Executive Vice President of Sumitomo Corporation, and his achievements and insights have been evaluated highly both within and outside of the Company. Applying his abundant experience in corporate management and high degree of expertise with regard to international accounting systems making him the equivalent of a Sarbanes-Oxley Act of 2002 financial expert, he contributes to the Company as an Outside Director.

	<b>Toshinori Kanemoto</b> Outside Director, Member of the Audit Committee, Of-Counsel, City-Yuwa Partners		
	Apr. 1968	Joined National Police Agency	Aug.2000
	Apr. 1992	Kumamoto Prefecture Police Headquarters, Director-General	Apr. 2001
	Aug.1995	Director General of the International Affairs Department, National Police Agency	Jan. 2007
	Oct. 1996	President of ICPO-INTERPOL	Feb. 2007
			Jun. 2011
			Outside Director of the Company (Current)

Mr. Kanemoto has held a number of significant positions, including President of ICPO-INTERPOL, and his achievements and insights have been evaluated highly both within and outside of the Company. Applying his high level of expertise and extensive experience as a currently active attorney, Mr. Kanemoto contributes to the Company as an Outside Director.

	<b>Mari Sono</b> Outside Director, Member of the Audit Committee		
	Oct. 1976	Joined NISSHIN Audit Corporation (currently Ernst & Young ShinNihon LLC)	Oct. 2002
	Mar. 1979	Registered as Certified Public Accountant	
	Nov. 1988	Partner of CENTURY Audit Corporation (currently Ernst & Young ShinNihon LLC)	
	Nov. 1990	Member of "Certified Public Accountant Examination System Subcommittee," Certified Public Accountant Examination and Investigation Board, Ministry of Finance	Apr. 2005
	Apr. 1992	Member of "Business Accounting Council," Ministry of Finance	Jul. 2008
	Dec. 1994	Senior Partner of CENTURY Audit Corporation	Aug.2012

Ms. Sono has many years of experience as a Certified Public Accountant and has served as a member of the Securities and Exchange Surveillance Commission. Her experience and insight are highly regarded both inside and outside the Company. She has been applying her extensive experience and high degree of expertise and independence to contribute as an Outside Director to determining important managerial matters and overseeing the business execution of the Company.

	<b>Hisato Miyashita</b> Director, Member of the Audit Committee (Full-time member)		
	Jul. 1987	Joined the Company	
	Jun. 1993	Joined Union Bank of Switzerland (currently, UBS)	
	Aug.1996	Joined Bankers Trust Asia Securities Ltd.	Apr. 2013
	Apr. 1998	Joined Credit Suisse First Boston Securities (Japan) Limited	
	Dec.1999	Joined Nikko Citigroup Limited (currently Citigroup Global Markets Japan Inc.)	Apr. 2015
	Mar. 2005	Executive Officer of Nikko Citigroup Limited, Internal Control Supervisory Manager	
	Jul. 2009	Management Director of Group Compliance Department of the Company	
	Apr. 2012	Senior Managing Director of the Company, Head of Wholesale Compliance	Apr. 2016
	Jun. 2012	Senior Managing Director of the Company, Group	Jun. 2016

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. As a full-time member of the Audit Committee, he contributes to enhancing the effectiveness of audits by the Audit Committee.

	<b>Michael Lim Choo San</b> Outside Director, Former Executive Chairman of PricewaterhouseCoopers, Singapore		
	Aug. 1972	Joined Price Waterhouse, Singapore	Jun. 2011
	Jan. 1992	Managing Partner of Price Waterhouse, Singapore	Nov. 2011
	Oct. 1998	Member of the Singapore Public Service Commission (Current)	
	Jul. 1999	Executive Chairman of PricewaterhouseCoopers, Singapore	Apr. 2013
	Sep.2002	Chairman of the Land Transport Authority of Singapore	Sep. 2016
	Sep.2004	Independent Director of Olam International Limited	

Mr. Lim has held a number of significant positions, including Executive Chairman of PricewaterhouseCoopers, Singapore and was also awarded with national honors by the Government of Singapore three times. His achievements and insights have been evaluated highly both within and outside the Company. Applying his global and extensive experience and his high degree of expertise with respect to international accounting systems, Mr. Lim contributes to the Company as an Outside Director.

Directors who are concurrently serving as Executive Officers

	<b>Koji Nagai</b> Director, Representative Executive Officer, President and Group CEO		
	Apr. 1981	Joined the Company	
	Apr. 2003	Director of Nomura Securities Co., Ltd.	Aug. 2012
	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.	Jun. 2013
	Apr. 2009	Executive Managing Director and Executive Vice President of Nomura Securities Co., Ltd.	

Mr. Nagai has held a number of significant positions, including Director and President of Nomura Securities Co., Ltd. By having Mr. Nagai, who serves as Representative Executive Officer and Group CEO of the Company, serve as Director, the Board of Directors is able to easily understand the business execution status and general status of the Company, and he contributes to the effectiveness of the oversight function of the Board.


	<b>Tetsu Ozaki</b> Director, Representative Executive Officer, Deputy President and Group COO		
	Apr. 1982	Joined the Company	Apr. 2016
	Apr. 2004	Senior Managing Director of the Company (concurrently Senior Managing Director of Nomura Securities Co., Ltd.)	
	Apr. 2008	Executive Managing Director of Nomura Securities Co., Ltd.	Jun. 2016
	Oct. 2008	Senior Corporate Managing Director of Nomura Securities Co., Ltd.	
	Aug.2012	Deputy President of Nomura Securities Co., Ltd.	Apr. 2017

Mr. Ozaki has held a number of significant positions including CEO of the Wholesale Division (Executive Managing Director) of the Company and Deputy President of Nomura Securities Co., Ltd. By having Mr. Ozaki, who serves as Representative Executive Officer and Group COO, serve concurrently as a Director, the Board of Directors is able to easily understand the business execution status and general status of the Company, and he contributes to more effective oversight by the Board.

## Outside Directors of major subsidiaries in Japan

(Nomura Securities Co., Ltd. / Nomura Asset Management Co., Ltd.)

### Nomura Securities Co., Ltd.

	<b>Toshiaki Hiwatari</b> Outside Director, Advisor Attorney of TMI Associates, Former Superintending Prosecutor			
	Apr. 1970	Public Prosecutor	Jul. 2008	Prosecutor General
	Jun. 1997	Public Prosecutor, the Supreme Public Prosecutor's Office	Sep. 2010	Registered as Attorney-at-Law (Dai-ichi Tokyo Bar Association);
	Aug. 2002	Detective Superintendent, Ministry of Justice		Advisor Attorney of TMI Associates (Current)
	Jun. 2004	Administrative Vice-Minister of the Ministry of Justice	Oct. 2012	Outside Director of Nomura Securities Co., Ltd. (Current)
Dec. 2006 Superintending Prosecutor, Tokyo High Public Prosecutor's Office				
Mr. Hiwatari has held a number of significant positions, including Vice-Minister of Justice at the Ministry of Justice and Prosecutor General, and his achievements and insights are highly regarded both within and outside the Company. Applying his advanced expertise and extensive experience as a currently active attorney, Mr. Hiwatari contributes to Nomura Securities as an Outside Director.				

	<b>Motoki Ozaki</b> Outside Director, Former Chairman of the Board of Directors of Kao Corporation			
	Apr. 1972	Joined Kao Corporation (formerly Kao Soap Co., Ltd.)	Jun. 2004	Representative Director, President and Chief Executive Officer of Kao Corporation
	Apr. 2000	President, Prestige Cosmetics of Kao Corporation	Jun. 2012	President and Representative Director of Kao Foundation for Arts and Sciences (Current)
	Apr. 2002	President, Global Fabric and Home Care of Kao Corporation		Outside Director of Nomura Securities Co., Ltd. (Current)
	Jun. 2002	Board of Director, Executive Officer of Kao Corporation	Jun. 2015	
Mr. Ozaki has held a number of significant positions, including Representative Director, President and Chief Executive Officer of Kao Corporation, and his achievements and insights are highly regarded both within and outside the Company. Applying his extensive management experience, Mr. Ozaki contributes to Nomura Securities as an Outside Director.				

### Nomura Asset Management Co., Ltd.

	<b>Rikio Nagahama</b> Outside Director, Board Chairperson of NPO Triton Arts Network			
	Apr. 1967	Joined Dai-ichi Life Insurance Company	Jan. 2008	Representative Director and President, DIAM Co., Ltd. (currently, Asset Management One Co., Ltd.)
	Apr. 2003	Representative Director and Executive Vice President, Dai-ichi Life Insurance Company	Jun. 2009	Councilor of DIAM Co., Ltd.
	Jun. 2004	Representative Director and President, DLIBJ Asset Management Co., Ltd.	Jun. 2010	Board Chairperson of NPO Triton Arts Network (Current)
			Jun. 2015	Outside Director of Nomura Asset Management Co., Ltd. (Current)
Mr. Nagahama has held a number of significant positions, including Representative Director and President of DIAM Co., Ltd., and his achievements and insights are highly regarded both within and outside the Company. Applying his extensive experience managing asset management companies, Mr. Nagahama contributes to Nomura Asset Management Co., Ltd. as an Outside Director.				

	<b>Akiko Kimura</b> Outside Director, Of-Counsel, Attorney-at-Law, Anderson Mōri & Tomotsune			
	Apr. 1973	Registered as Attorney-at-Law (Dai-ichi Tokyo Bar Association) and joined Nishimura Komatsu & Tomotsune (currently Anderson Mōri & Tomotsune)	Jun. 2012	Outside Corporate Auditor of Fuji Electric Co., Ltd. (Current)
			Apr. 2013	Member of the Certified Public Accountants and Auditing Oversight Board (Current)
	Jan. 1977	Partner, Nishimura Komatsu & Tomotsune	Jun. 2014	Outside Corporate Auditor, Daiichi Sankyo Co, Ltd. (Current)
	Jan. 2011	Of-Counsel, Anderson Mōri & Tomotsune (Current)	Jun. 2015	Outside Director, Nomura Asset Management Co., Ltd. (Current)
Ms. Kimura has held a number of significant positions, including a long career as an attorney at Anderson Mōri & Tomotsune working in the field of finance and other areas, and her achievements and insights are highly regarded both within and outside the Company. Applying her high level of expertise and extensive experience in law, Ms. Kimura contributes to Nomura Asset Management Co., Ltd. as an Outside Director.				

## Executive Officers and Senior Managing Directors of Nomura Holdings

(As of July 1, 2017)

### Executive Officers

	Representative Executive Officer, President and Group CEO	Koji Nagai
	Representative Executive Officer, Deputy President and Group COO	Tetsu Ozaki
	Representative Executive Officer, Deputy President and Chief of Staff	Shoichi Nagamatsu
	Executive Managing Director	Toshio Morita
	Executive Managing Director, Head of Asset Management	Kunio Watanabe
	Executive Managing Director, Chief Financial Officer	Takumi Kitamura
	Executive Managing Director, Head of Group Entity Structure and Co-CRO	Yuji Nakata

### Senior Managing Directors

<b>Retail</b>	Head of Retail	Eiichiro Yamaguchi
<b>Wholesale</b>	Head of Wholesale and Global Markets (based in London)	Steven Ashley
	Co-Head of Wholesale and Head of Investment Banking	Minoru Shinohara
	Co-Head of Global Markets and Head of Global Markets, EMEA (based in Tokyo)	Yutaka Nakajima
	Global Markets, Global Head of Equities	Norikazu Akedo
	Co-Head of Global Markets, EMEA (based in London)	Hideo Kitano
	Head of Global Markets, Asia ex-Japan (based in Singapore)	Rig Karkhanis
<b>Corporate</b>	Chief Risk Officer (CRO) (based in London)	Lewis O'Donald
	Chief Information Officer (CIO)	Kaoru Numata
	Deputy Chief of Staff and Group Chief Administrative Officer (CAO)	Paul Spanswick
	Head of Group Compliance and Operations	Tomoyuki Teraguchi
	Chief Legal Officer (CLO)	Yasushi Takayama
	Deputy Chief of Staff and Group Strategy	Satoshi Arai
	Innovations	Yo Akatsuka
	Group Corporate Communications, Corporate Citizenship and Tokyo 2020 Olympic and Paralympic	Hajime Ikeda
	Global Head of Human Resources	Kenji Kimura
	Human Resources	Yuji Hibino
	Head of General Services	Rikiya Nonomura
<b>Banking</b>	Banking	Chie Toriumi
<b>Americas</b>	Executive Chairman, Americas (based in New York)	David Findlay
	Head of Americas (based in New York)	Kentaro Okuda
	Co-Head of Americas (based in New York)	Tsutomu Takemura
<b>EMEA</b>	Executive Chairman, EMEA (based in London)	Yasuo Kashiwagi
	Head of EMEA (based in London)	Jonathan Lewis
<b>Asia ex-Japan</b>	Executive Chairman, Asia ex-Japan; Head of China Committee; Asia Strategy (based in Hong Kong/Singapore)	Toshiyasu Iiyama
	Head of Asia ex-Japan (based in Singapore/Hong Kong)	Vikas Sharma
<b>Internal Audit</b>	Group Internal Audit	Shoji Ogawa

# Risk Management

## Fundamental Approach

Nomura Group has established processes to accurately identify risks arising from all types of operations and trading, and is working to bolster risk evaluation and the risk management framework.

## Risk management policy

Our business activities are exposed to various risks including market risk, credit risk, operational risk, and liquidity risk. Properly managing these risks is one of management's top priorities.

In order to maintain capital adequacy and achieve its business plans under any type of economic environment, Nomura Group has defined the types and maximum levels of risk that the firm is willing to take, as documented in the Risk Appetite Statement.

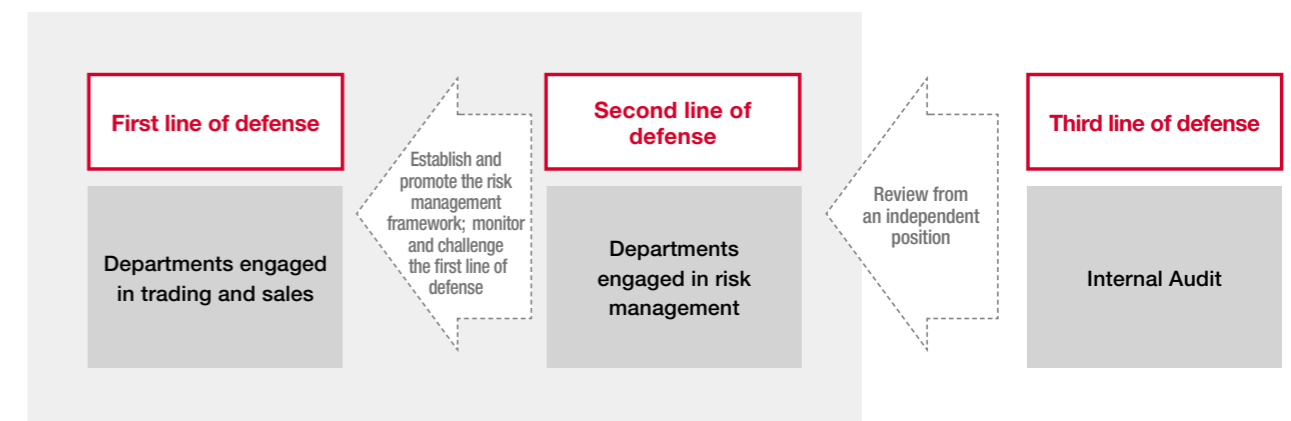
## Risk culture

Fostering a sound risk culture is essential for Nomura Group to maintain its social credibility and sustain its business activities.

At Nomura Group, all employees, irrespective of their function or geographic location, must understand their specific responsibilities related to risk management, and actively work to manage risks. We aim to embed this risk culture throughout the firm through various training courses, as well as company rules and regulations.

## The three lines of defense in risk management

Nomura Group has adopted the following layered structure on the grounds that all employees are accountable for proactively managing risk.



First line of defense	Second line of defense	Third line of defense
Departments engaged in trading and sales	Departments engaged in risk management	Internal Audit
<p>As the first line of defense, departments engaged in sales and trading manage the risks associated with their own business activities.</p> <p>For example, trading departments do business within predetermined risk limits, and proactively identify and address any issues they find.</p>	<p>Departments engaged in risk management establish frameworks to manage each type of risk, and support risk management measures taken by sales and trading departments, which are the First Line of Defense.</p> <p>Risk management departments independently monitor risks, and keep trading and sales departments in check as needed.</p>	<p>Internal Audit reviews and provides consulting from an independent, objective position, with the aim of adding value by improving the organization's operations and frameworks, including risk management.</p>

Risk management framework

Nomura Group has established a risk management framework based on risk profiles, as shown in the table below. We have also adopted a multi-faceted risk evaluation process to avoid risks that may be damaging to our reputation.

Risk management oversight is carried out by the

committees comprising members of senior management. The Group Integrated Risk Management Committee (GIRMC) and Global Risk Management Committee (GRMC), for example, deliberate and decide on risk management issues material to the firm.

Key Risk Types	Description	Related Divisions		
		Retail	Asset Management	Wholesale
Market risk	Risk of losses arising from fluctuations in values of financial assets and debt (including off balance sheet items) due to fluctuations in market risk factors (including interest rates, foreign exchange rates, and securities prices)		○	○
Credit risk	Risk of losses arising from the inability of an obligor or counterparty to fulfill their obligations under the terms of a previously agreed contract as the result of default, bankruptcy, or legal proceedings	○		○
Operational risk	Risk of losses arising from inadequate or failed internal processes, people, and systems or from external events	○	○	○
Liquidity risk	Risk of losses arising from a potential lack of access to funds or higher cost of funding than normal levels due to a deterioration in Nomura's creditworthiness or deterioration in market conditions			○

Adapting to the globalization of risk

We have observed the impact of the financial crisis in Europe and the US on the world economy. We have also witnessed economic developments in Asia influencing global energy prices. In terms of risk management, we must increasingly address risk on a global level.

Nomura Group has Risk Management Departments in five regions and seven countries. In addition to managing risks particular to their individual region, these Risk Management Departments work in close cooperation across the globe to ascertain and lessen the impact that risks may have on other regions.



Stress testing

Nomura Group conducts stress testing to address risks that may spread globally, and to identify risks that are difficult to recognize with statistical methods alone, as well as to prepare for unprecedented risk events.

Stress testing uses stress scenarios to assess the impact on our business and financial soundness should those adverse events occur. These scenarios may include severe deterioration in the economic environment, geopolitical conflicts, and natural disasters.

Examples of stress scenarios



Assessment of capital adequacy under the scenario that a serious economic situation that occurred in the past happens again (Example: Financial crisis)



Assessment of the impact on Nomura's earnings of extreme economic conditions that could occur in the future (Example: Economic collapse in a particular country or region)



Assessment of the impact on Nomura's portfolio of political events in Japan or overseas (Example: UK referendum on leaving EU)

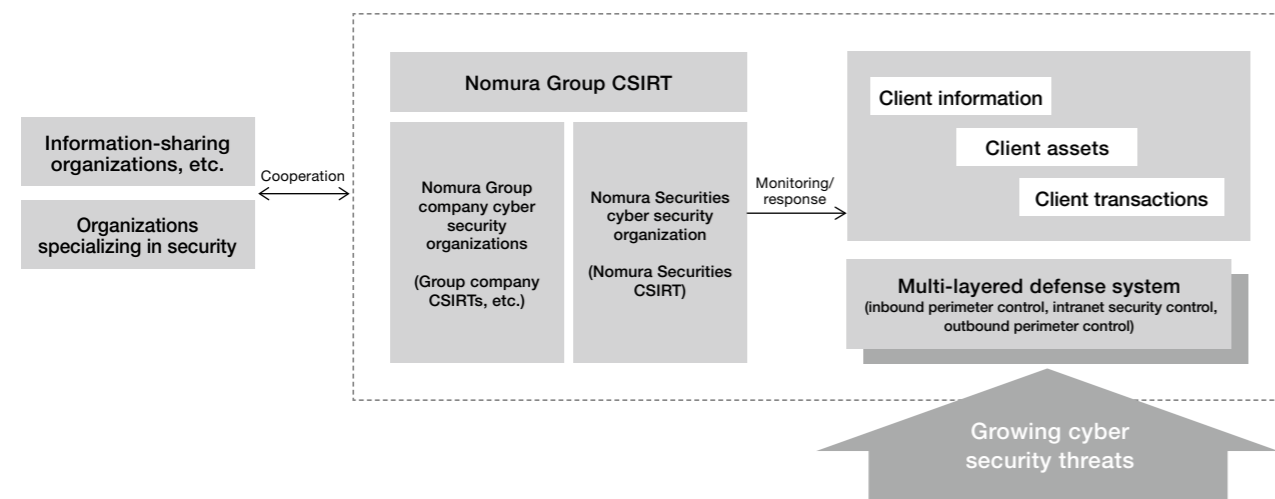


Assessment of the impact on Nomura's earnings of a large-scale natural disaster (Example: earthquake directly under the Tokyo metropolitan area)

## Cyber security measures

Nomura Group has for some time been undertaking various security measures to protect systems against cyber-attacks. However, in light of the growing cyber security threat worldwide, we recognize that our current countermeasures may be insufficient.

Faced with this growing cyber security threat, Nomura Group is working continuously to strengthen its cyber security platform to ensure that clients' information and assets are secure, and to enable clients to conduct transactions with peace of mind.



### Countermeasures

Recognizing the importance of cyber security amid increasingly sophisticated and cunning cyber-attacks, we established CSIRTs with the aim of further improving our response capability. We are promoting measures to enhance cyber security centering on the way the organization operates, system security measures, executive and employee training, and cooperation with external organizations.

With respect to the organization, we participate in drills to protect against cyber-attacks, and have outside cyber security experts evaluate the effectiveness of our cyber security measures. In addition, when we obtain information on dangerous vulnerabilities or detect cyber security events, the CSIRT leads the response effort to analyze the cause, minimize damage, and quickly restore systems.

### Organizational Structure

Nomura Group, along with Nomura Securities and other Group companies, has established an organizational structure, centered on the Nomura Group Computer Security Incident Response Team (CSIRT), to work together to deal with events stemming from cyber-attacks and to minimize the damage they may cause.

In terms of system security measures, we have put in place a multi-layered defense system, which includes multiple detection and defense mechanisms against unauthorized access and malicious programs such as computer viruses. We review these countermeasures as appropriate to deal with new threats.

As a human-level response, the Group has prepared the Nomura Group Information Security Policy and regularly conducts relevant training for all executives and employees in order to raise awareness among executives and employees.

Nomura Group has established information collecting and sharing systems relating to cyber attacks and attack methods through information-sharing organizations such as Financial ISAC Japan and Nippon CSIRT Association.

## Missions of business continuity

The impacts of earthquakes, typhoons, and other natural disasters as well as the threats of terrorism and other malicious acts are increasing in Japan and around the world. In light of this situation, Nomura Group has established a global business continuity management structure and is continuously enhancing its program through implementations of numerous measures and awareness programs.

### Business continuity structure

Nomura Group has established the Crisis Management Committee, which is comprised of officers responsible for crisis management from Group companies worldwide, to prepare for major natural and manmade disasters. With this committee in place, we have developed a business continuity and crisis management structure to cover aforementioned disasters globally.

Should a major office be rendered unable to continue its operations due to disasters, we have set up backup offices allowing us to continue our operations from these alternate locations. Similarly, we have built redundancy into our datacenters so that, in the event of a datacenter outage, critical data

and applications will be protected in a backup datacenter located in a different location. Additionally, we have reinforced our infrastructures, for example, such as installing the power generators. Accordingly, these infrastructures can be used in the event of a single building failure or a wide area disaster, such as a Tokyo Inland Earthquake, to avoid systemic risks and continue or quickly recover high-priority operations that are crucial to the lives of our clients. Similar measures and infrastructure have also been placed at our major overseas offices.

The Office of Crisis Management Committee regularly conducts employee safety confirmation drills, disaster prevention drills, and business continuity drills in Japan to ensure that we are able to respond immediately during the crisis situation. For overseas offices, these activities are carried out by the Business Continuity Management Team. Through these efforts, we are working to foster greater awareness of crisis management and strengthen our ability to respond to emergencies. These structures and measures are stipulated in Nomura Group Crisis Management Regulations.

### Activities of crisis and business continuity management

- 1 Strengthening structure for business continuity**
  - Establishment and reinforcement of backup offices • Establishment of datacenter redundancy
  - Identification of critical resources • Enhancement of emergency communication equipment
- 2 Drills and training**
  - Emergency Command Center activation drills • Employee safety confirmation drills • Drills based on business continuity plan
  - Initial response drills simulating Tokyo Inland Earthquake • Nankai Trough earthquake response training at branch offices
- 3 Strengthening collaboration between Group companies in Japan and overseas**
  - Enhancing information sharing between domestic Group companies
  - Enhancing information sharing among overseas Group companies
- 4 Enhancing business continuity plan**
  - Review and revision of business continuity plan
  - Review and revision of business continuity plan for datacenter outage scenario
  - Review and revision of business continuity plan for Tokyo Inland Earthquake scenario
- 5 Others**
  - Stockpiling of water, food, and other emergency supplies at headquarters, branch offices, and backup offices



Risk Management  
<http://www.nomuraholdings.com/company/risk/index.html>

# Compliance

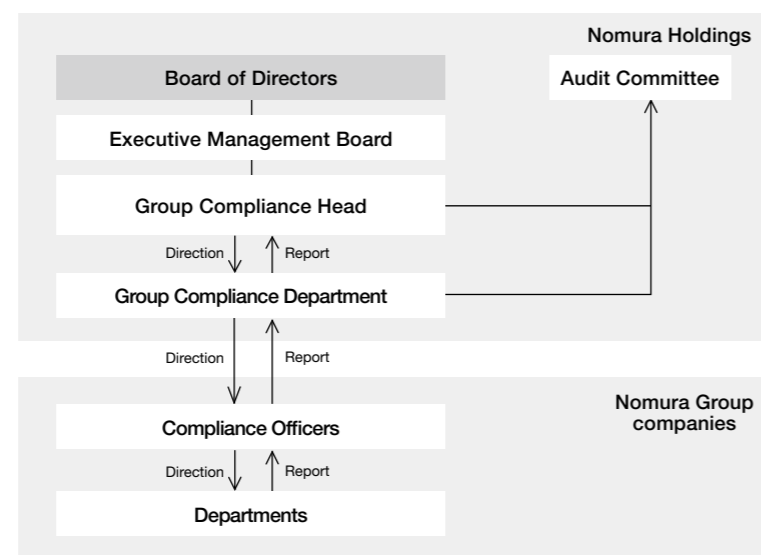
## Fundamental Approach

Compliance is a top management priority for Nomura Group, and the Code of Ethics of Nomura Group defines our fundamental policy on compliance. The management and employees of the Group pledge to abide by the rules stated in this code once each year. Also, we have established Nomura Founding Principles and Corporate Ethics Day as a day for management and employees annually to reaffirm our corporate culture and corporate ethics, underpinned by Our Founder's Principles.

## Compliance framework

We have appointed a Group Compliance Head to oversee compliance for the Group as a whole along with a Group Compliance Department that provides support. In addition, Compliance Officers have been assigned to each Group company to strengthen our internal controls in response to global business development, and to develop and maintain the respective compliance structures of each Group company, including overseas offices.

In addition to Group-wide initiatives, Nomura Securities has established a Compliance Program as a detailed action plan, and put into place a compliance framework based on this program.



## Legal compliance measures

- Maintenance of compliance framework and enhancement of management systems
- Compliance Hotline
- Carrying out compliance training

In all Group companies and departments, Nomura Group complies with applicable laws and regulations and endeavors to prevent the

occurrence of activities that may be construed as illegal by establishing effective control measures. In the event that such issues arise, they are reported in full to management-level officers without delay, and organizations and systems are structured to respond appropriately.

Nomura employees who have become aware of potential legal or regulatory violations are able to report their concerns to persons designated by Nomura Holdings, including Outside Directors, through the

Compliance Hotline (informants have the option of remaining anonymous). In FY2017, there were 42 calls received via the Compliance Hotline, and in all cases the status of related matters was confirmed and appropriate measures were taken.

Nomura Securities conducts comprehensive compliance training for all Executive Officers and employees on topics such as the prevention of money laundering and insider trading, firewall regulations, and guidelines for managing customer information.

## Offering high-quality financial services


Nomura Securities seeks to enhance the quality of financial products and services offered to customers through the following initiatives under the Guidelines for Supervision of Financial Instruments Business Operators, etc.

### Nomura Securities' Primary Initiative

- Appointing officers to oversee internal controls,

compliance, etc., and developing systems to ensure compliance and the appropriateness of operations

- Thoroughly screening account openings and conducting proper examinations when underwriting securities. For further information, please refer to our website.


 Nomura Securities' Primary Initiatives  
http://www.nomuraholdings.com/company/compliance/

## Ensuring fair financial business practices

- Prohibition of transactions with anti-social forces
- Prevention of bribery
- Management of conflicts of interest and prevention of insider trading

Nomura Group works to prohibit transactions with anti-social forces and to prevent money laundering. Nomura Group has established guidelines related to gifts and entertainment of public officials and private-

sector groups and disseminates the guidelines throughout the Company and works to ensure fair business practices to prevent bribery. We manage conflicts of interest and insider information on a global basis by concentrating the information in the Group Compliance Department.

 Fair Financial Business Practices  
http://www.nomuraholdings.com/company/compliance/


## Customer protection and information security

- Appropriate segregation of customer assets
- Effective protection of clients' personal information and other information assets of the Group

Under applicable laws and regulations, including the Financial Instruments and Exchange Act and the Personal Information Protection Act, Nomura Group works to properly protect customers' assets and information.

In accord with applicable laws and regulations, including the Financial Instruments and Exchange Act, Nomura Securities properly segregates the assets of its customers from the assets of Nomura Securities itself.

Nomura Group Information Security Policy is the basic document governing the effective protection of clients' personal information and other information assets. Customer-related personal information is handled under stringent standards set out in Nomura Group Privacy Policy and other information security related rules, and in full compliance with personal information-related laws and regulations. For further information, please refer to our website.

 Privacy Policy  
http://www.nomuraholdings.com/policy/privacy.html

# Investing in Our Employees

## Human Resources Strategy

### Fundamental Approach

Individuals from over 70 nationalities are currently employed in Nomura Group. This diverse group of people represents our greatest asset. Nomura Group provides equal opportunities and, under the Code of Ethics of Nomura Group, forbids discrimination based on nationality, ethnic origin, race, gender, age, religion, beliefs, social standing, gender preference, gender identity, disability or any other attribution, so that each and every employee can be active and successful in utilizing her or his capabilities and personal strengths.

### A Company in which diverse people can play a full role

Since its establishment, Nomura has prioritized the development of human resources, emphasis on teamwork, staying one step ahead, and global ambition. Since the time of our founder, Tokushichi Nomura, we have continued our efforts to secure and nurture human resources, recruiting personnel who are adept in foreign languages and actively employing new graduates of colleges and vocational schools to promote the modernization of the organization. Upon taking on employees from Lehman Brothers in 2008, we adopted a globally integrated approach to human resource management. In April 2013, in order to further promote personnel exchanges between divisions, we introduced a system of job classifications based on core work responsibilities, consisting of General Career Type A employees, Type B, and Type C. General Career Type A employees and Type B differ only in that the latter are not subject to relocation. The aim with both is for employees to develop careers as generalists based on a broad range of experience. General Career Type C employees are specialists who pursue advanced expertise as required in their particular business area, and work under a merit-based system. To the extent possible, we have standardized recruitment and training, particularly for younger employees. We look to develop their core skills and judge their individual aptitudes from an organization-wide perspective, and create a wide range of opportunities for them to develop their careers through transfers and other means, which allows the organization to better ensure that we have the right people in the right positions.

#### Overview of employment categories (Nomura Securities)

General Career	Type A and Type B	Pursue career development through broad experience without prerequisite of specific expertise. Type B is not subject to transfer with relocation
	Type C	Specialists located in specified regions required to demonstrate a high level of expertise in their business areas. They are evaluated in a "pay for performance" environment.
Specified Career	Financial advisors, Specialist employees and others	Work on specific area of business/operation Not subject to transfers as a general rule Financial advisors are sales professionals attached to specific regions

### Global human resources framework

Nomura Group employs a pool of professional personnel around the world who are capable of providing financial services that meet the diverse needs of clients, and whose career paths within the Group and values are unique. We strive to manage our personnel in a flexible and suitable manner so that each and every one of our employees can thrive as they contribute their skills to the workplace.

In addition to providing well-developed education and training programs to support our employees' self-led skill-building endeavors, we also evaluate the achievements and skills of each employee and deploy our personnel with an eye on the future career path of each individual.

In this manner, Nomura Group is able to maximize the skills of each employee and further enhance client services through personnel management that emphasizes diversity.

#### Global human resources framework



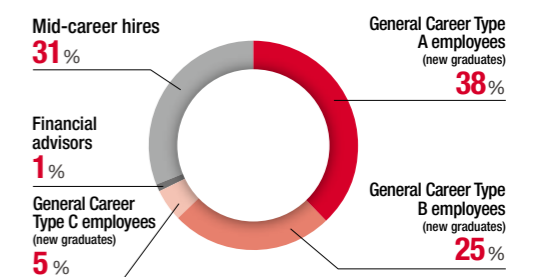
### Recruitment and hiring

Recognizing that people are our greatest asset, since our founding we have placed particular emphasis on recruitment. In our constant effort to secure the most talented people, we continue to follow a policy of recruiting people regardless of nationality, gender, and other attributes. In FY2015/16 we introduced a "career support system" for new graduate hires and we have broadened contact points with students by expanding our internship program and other measures. Since 2008, we have also been actively recruiting new graduates overseas.

In recent years, we have also been actively hiring mid-career professionals capable of contributing immediately, and about 1,000 people each year have been joining Nomura in Japan through this route. In addition, we have been rehiring employees who previously left Nomura, with the expectation they will hit the ground running. We have also adopted a personnel management approach that ensures that

people are placed in positions they are best suited for and that each employee can display their capabilities to the fullest. An example of this is our system under which employees can transfer from General Career Type A to Type B employees, Type A employees can switch to Type C employees, and Type C employees can apply for other positions using an internal job posting program.

#### Number of new hires



(Japan: Nomura Holdings, Nomura Securities FY2016/17)

## Employee development

In developing and growing our business globally, we believe that improving our personnel system is important in order to ensure that personnel with diverse career backgrounds and values can demonstrate their talents. Accordingly, we provide diverse education and training programs to help employees at all levels develop their careers.

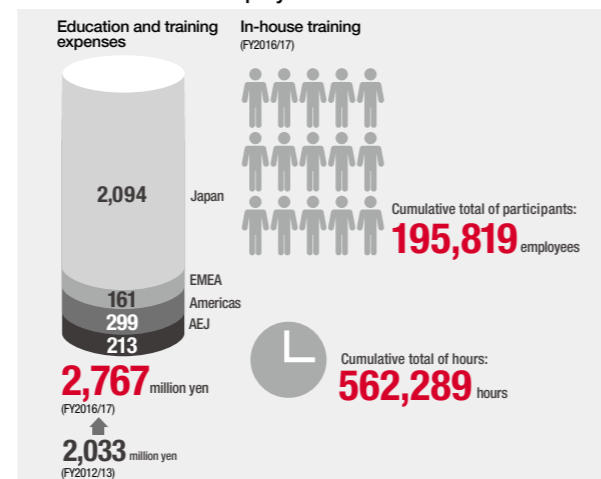
In Nomura Securities, each division appoints instructors to serve for one year to guide and train new hires and help them develop into talented and independent-minded employees. In the Retail Division, a (management-level) employee is appointed as a mentor to work with the instructor in nurturing sales staff. In order to make personnel development more visible, Nomura has established a competency framework, which sets out the behavioral requirements and skills needed, and announces them to individual employees. In the case of the Retail Division, this covers competency conditions and behavioral requirements, while in the Wholesale Division and the Corporate Division the aim is to raise performance levels. At the same time, discussions are held between employees and their supervisors with the aim of identifying areas needing development. With regard to Type C employees, who are highly skilled in a specific area, we have put in place a system that allows employees hired in Japan and those hired overseas to take courses with identical content.

In addition to training programs for new hires, our core

programs include group training programs based on years of service and job position, elective group training programs tailored to staff in the Wholesale and Corporate divisions, and on-the-job training. To support self-driven skills development, we have also established a self-study support system that includes a wide range of external training and correspondence courses helpful in enhancing business and management skills, including language courses.

Furthermore, in order to develop personnel capable of playing an active role globally, we have established study-abroad programs and overseas training programs where employees themselves determine where they go and what topics they study.

### Amount invested in employees



## Proper evaluation and compensation

To properly evaluate performance and further the development of personnel, the Group adopts an integrated personnel evaluation process and all employees in principle participate in this process. Employees set their goals at the beginning of each year, and these goals are aligned with the Group's strategy as well as competency and behavioral requirements. Employees then meet with their supervisors in the middle and at the end of the year to have frank discussions regarding goal attainment. This approach enables the Group to evaluate its personnel fairly and identify development opportunities suited to their capabilities and competencies. For personnel chosen from among those in managerial-level positions, depending on the business unit the Group also provides 360-degree evaluation based on feedback from their supervisors, fellow

employees, and persons under their supervision.

Every employee is provided, in principle once a year, with an opportunity to be interviewed by the Human Resources Department and directly communicate their thoughts about their career.

The Group has established its Compensation Policy for Group management and employees. This policy aims to promote the sustainable growth of the Group and continue increasing its global competitiveness and shareholder value over the long term. It also has the objective of contributing to the value-added the Group can offer its customers and realizing continued improvement in the Group's evaluation among its clients through securing, retaining, motivating, and nurturing outstanding employees.

 Nomura Group's Basic Compensation Policy  
<http://www.nomuraholdings.com/csr/employee/capability.html>

## Creating work environments that allow diverse personnel to thrive

### Promoting Work Style Reform and Health & Productivity Management

In July 2016, Nomura Group adopted the NOMURA Health & Productivity Declaration Statement as part of the Group's efforts led by the Group COO, acting as Chief Health Officer, to maintain and improve the health of employees.

In addition, Nomura has launched the "Nomura Work Style Innovation" initiative, which comprises "Work Style Reform" and "Health & Productivity Management." Under this policy, we have introduced a work-at-home system, established days off for employees to receive comprehensive medical checkups, and embraced the "Premium Friday" campaign.

### Diversity and Inclusion

Nomura Group believes that by having employees with diverse backgrounds and values respect one another and work together, the organization is better able to provide high value-added services and satisfy a wide variety of customer needs.

We have established the Nomura Group Diversity and Inclusion Committee, which is chaired by the Group COO. The committee is made up of division representatives who regularly discuss the promotion of diversity and inclusion. In March 2017, the committee conducted a diversity and inclusion survey targeting all Nomura Securities employees in order to ascertain their views on the subject as part of the committee's efforts to promote diversity and inclusion.

Nomura has three autonomously run employee networks\* that provide a range of information and hold

events related to diversity in the workplace. These networks also provide opportunities for interaction both internally and externally.

\* "Women in Nomura (WIN)" which focuses on women's career advancement  
 "Life & Family Network" (L&F), which is concerned with work-life management  
 "LGBT+", which promotes understanding of diverse value systems and multicultural values

### Supporting women's careers

In May 2015, Nomura Securities set a quantitative target of 550 female managers by 2020. In March 2016, an action plan was announced to help women thrive in the company. The action plan outlines initiatives to achieve quantitative targets, including support for female employees' career-building and support for balancing their careers with life events, among other measures to establish an employment environment in which female employees can thrive.

Initiatives to support women in improving their careers include a mentoring program for managers, a sponsorship program in which executive officers support management candidates, and training programs for management candidates, among other efforts.

### LGBT

At Nomura Securities, we have implemented measures to support lesbian, gay, bisexual and transgender (LGBT) and other sexual-minority employees through training for all staff, activities to increase the number of support allies, and by introducing a partnership system. In recognition of these efforts, in October 2016 we were given the highest Gold grade in the Pride Index, Japan's first evaluation of the LGBT-friendliness of work environments run by Work with Pride, a private group.

## External evaluations

- From Jun. 2007 Kurumin (Nomura Securities)
- From Oct. 2016 Tomonin (Nomura Securities)
- Jun. 2016 ERUBOSHI (Nomura Trust and Banking)
- Oct. 2016 Pride Index, Gold grade (Nomura Securities)
- Feb. 2017 White 500 Health and Productivity Enterprises (Nomura Holdings)
- Mar. 2017 Nadeshiko Brand (Nomura Holdings)



 Certifications on promoting women participation in workplace  
<http://www.nomuraholdings.com/csr/employee/di.html>

# Corporate Social Responsibility

## CSR Initiatives

### Fundamental Approach

Code of Ethics of Nomura Group  
<http://www.nomuraholdings.com/company/basic/ethics.html>

Nomura Group actively engages in initiatives to address social issues in order to fulfill its social responsibilities as a corporate citizen. The Group believes that promoting and managing corporate social responsibility (CSR) activities properly is an important factor in maintaining and increasing its corporate value. The basic policy concerning CSR is set out in the Code of Ethics of Nomura Group and its Basic Management Policy. Moreover, the Nomura Holdings Corporate Governance Guidelines formulated in November 2015 state that Nomura shall actively engage in CSR activities, including educational activities in economics and finance, in addition to contributing to expanding securities markets through daily business.

### Our Founder's Principles

Since its founding, Nomura Group has been committed to contributing to the development of society at all times. We believe CSR is an essential part of Nomura Group's commitment to implementing our Founder's Principles—principles that have been passed down since Tokushichi Nomura founded the company.

#### Our founder's principles are the cornerstone of our business activities

##### Ten principles set out by our founder

We remain committed to enriching society by delivering superior services and solutions to our clients that meet all their investment needs. This has been our unwavering spirit since our founding. It is our social mission and our raison d'être.

Our History & Founder's Principles  
<http://www.nomuraholdings.com/company/basic/>



Founder  
Tokushichi Nomura

- 1. Nomura's raison d'être**  
"Nomura's mission is to enrich the nation through the securities business. This is something we must absolutely see through."
- 2. Principle of putting the customer first**  
"We must place our customers' interests before our own."
- 3. Global ambition**  
"Nomura is destined to become an active player on the international stage."
- 4. Emphasis on rigorous research and analysis**  
"We have a duty to research scientifically the intrinsic nature of all securities."
- 5. Staying one step ahead**  
"Always strive to stay one step ahead. Standing still is retrogressive."
- 6. Entrepreneurial spirit**  
"If, as an entrepreneur, you can determine something to a 70% certitude, you must have the courage to take up the challenge even though some uncertainty remains."
- 7. Human resources**  
"Nomura underscores the fact that the development of human resources, acquisition of talented personnel and ability to match the right talent with the most appropriate position are more formidable assets than sheer capital strength."
- 8. Emphasis on team work**  
"It is the management's task to see that Nomura employees take responsibility and pride in their work and to form a unified team under the control of branch office managers."
- 9. Business development frame of mind**  
"We must have the courage to boldly follow the path of our convictions."
- 10. Customer service mindset**  
"If you conduct your work in a mechanical manner, believing simply that your role is over once the deal is done, there is no use in drawing on the strengths of those around you."

## CSR implementation process

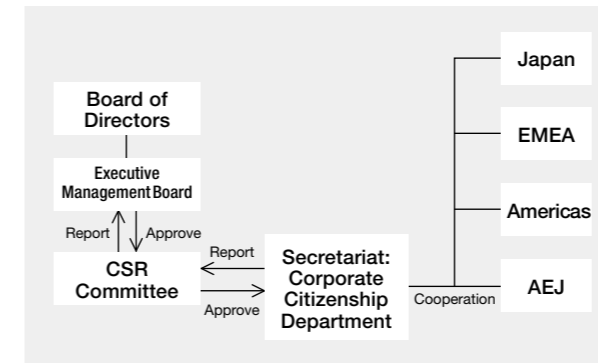
Identification of Material CSR Issues  
<http://www.nomuraholdings.com/csr/group/index.html>

### Framework for promoting CSR activities

The CSR Committee functions as the management-level decision-making entity for promoting Group-wide CSR programs. The committee comprises seven executive officers, including the chairperson appointed by the Group CEO. The responsibilities of

the committee include formulating policies for CSR initiatives as well as approving and monitoring the progress of these activities. The activities of the committee are reported to the Board of Directors and the Executive Management Board accordingly. During FY2016/17, the CSR Committee held one meeting.

### CSR framework



### Identification of material CSR issues and PDCA

In 2014, Nomura Group reassessed its material CSR issues through reflecting the opinions of third parties, hearings conducted across internal departments, and confirmation by the CSR Committee members. In the reassessment process, we first looked at external elements. We analyzed the GRI Guidelines (G4), the criteria for information disclosure on sustainability, such as those of the Sustainability Accounting Standard Board (SASB), and Japan's Stewardship Code. Turning to internal elements, we analyzed the Code of Ethics of

Nomura Group, our fundamental approach to CSR, and other matters. Based on such analysis, we identified the issues for the Group. Next, we assessed the "materiality to stakeholders" of the identified issues based on the evaluations of prominent SRI (socially responsible investment) bodies in Japan and overseas. We then assessed and prioritized the issues with regard to the "materiality to the Group" based on internal hearings and looking at the Group's Basic Management Policy. We formed a materiality matrix of the issues based on these two assessments to identify CSR issues of high importance to both stakeholders and the Group.

In FY2016/17, we also examined the relationship between our material CSR issues and SDGs\*. Going forward, through CSR activities incorporating stakeholders' perspectives, including SDGs, we will promote initiatives aimed at sustainable development and resolving social issues, as well as work to increase our corporate value over the long term.

\* SDGs: "Sustainable Development Goals" adopted at the United Nations Sustainable Development Summit in September 2015.



### Material CSR issues for the Nomura Group

Corporate governance	Measures to reinforce governance	P.48	
	CSR management	P.76	
Risk management	Enhancing and strengthening risk management systems	P.64	
	Ensuring financial soundness and transparency	P.66	
	Business resilience	P.69	
	Social and environmental risk management	P.66	
Compliance	Legal compliance and reporting of violations	P.71	 
	Ensuring fair financial business practices	P.71	
	Preventing bribery	P.71	
	Preventing money laundering	P.71	
Contributing to sound and sustainable capital markets	Offering high-quality financial services	P.71	   
	Products and services that address environmental and social issues	P.78	
	Customer protection and information security	P.71	
	Improving financial literacy	P.32	
Contributing to sustainable communities	Global CSR initiatives	P.80	 
	Communication with stakeholders	P.80	
Fostering human resources with a respect for diversity	Fostering human resources	P.74	  
	Diversity and inclusion	P.75	
	Employee-friendly work environments	P.75	
	Respecting human rights	P.75	

# Advancing Sustainable Finance

## Fundamental Approach

Nomura Group believes that the social mission of the financial services sector is to contribute to economic growth and sustainable social development by promoting the appropriate flow of funds in the capital markets through providing products and services that meet customers' needs. In addition, through dialogue with stakeholders, we offer financial services that help address various social and environmental issues around the world.

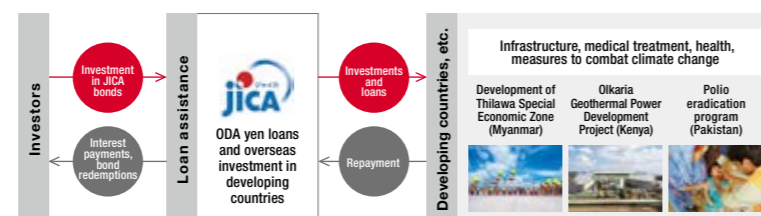
## Working to address social issues through financial services

In FY2016/17, Nomura Securities provided support for the first "Social Bond" issued by a domestic issuer, the Japan International Cooperation Agency (JICA), and the first "Green Bond" issued by a non-financial company in Japan, Nomura Research Institute (NRI), in the Japanese bond market as lead manager. We will continue to serve as a bridge between the needs of investors who want to contribute to society and the funding demands of projects aimed at solving social issues. In doing so, we aim to contribute towards the development of Japan's Green Bond and Social Bond markets.

### Social Bonds: JICA Bonds

In September 2016, Nomura Securities was lead manager for a ¥35 billion bond issuance by the Japan International Cooperation Agency (JICA). The proceeds are being used for such purposes as infrastructure projects in emerging and developing countries and measures to tackle climate change. JICA received a second opinion from the Japan Research Institute, Limited ("JRI") that the framework of JICA bonds is aligned with the features of Social Bonds as defined in the updated Green Bond Principles, 2016, where the proceeds will be exclusively used for social projects to address social issues.

In 2015, the United Nations set out its Sustainable Development Goals (SDGs). Within the Japanese government's SDGs Implementation Guiding Principles, "issuance of JICA bonds" is given as a specific example for the 17th of the SDG goals, "partnerships for the goals."



### Green Bond Issue: NRI Green Bond

Against the backdrop of expanding ESG (Environment, Social, Governance) investment, Green Bonds have been attracting international attention as one way of addressing environmental issues. In September 2016, Nomura Securities structured, underwrote, and sold the first yen-denominated Green Bond issue in Japan, by Nomura Research Institute (NRI). The bond proceeds were used to finance the acquisition of trust beneficiary rights for part of the Yokohama Nomura Building, which

has been certified as an environmentally friendly property, and occupancy work related to the building.

A Second Party Opinion certifying conformity with the Green Bond Principles has been obtained from Vigeo Eiris which provides ESG evaluation. In addition, the NRI Green Bond has received an R&I Green Bond Assessment of the highest grade, "GA1", from Rating and Investment Information, Inc.



Social Finance Products  
<http://www.nomuraholdings.com/csr/sustainable/products.html>

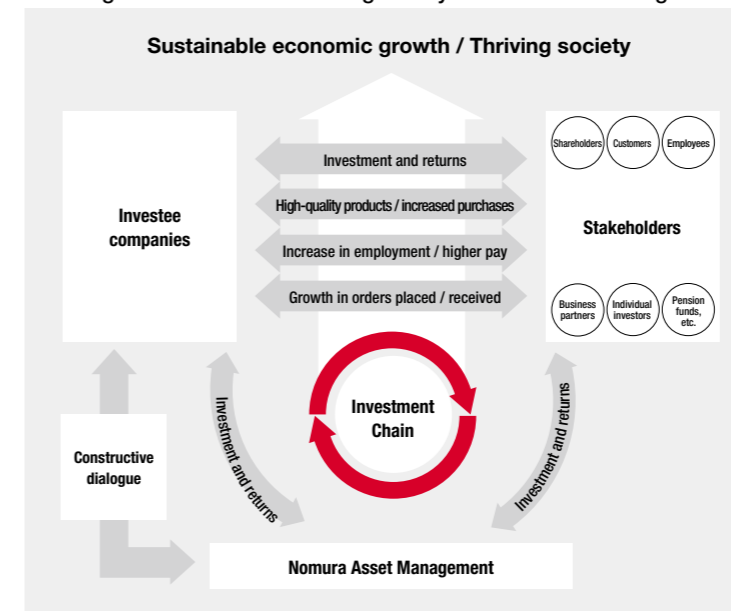
## Realizing a virtuous cycle through investment as a Responsible Institutional Investor

Financial Services Agency of Japan published the "Principles for Responsible Institutional Investors" ("Japan's Stewardship Code") in 2014. By actively undertaking stewardship activities through constructive dialogue with investee companies and proxy voting, Nomura Asset Management encourages sound corporate

management and seeks to maximize returns on investment.

Nomura Asset Management agrees with the purport of the Code and also undertakes investments taking ESG into consideration. We are supporting future growth cycles by boosting companies' ability to grow sustainability and by helping people build their assets.

### Realizing the Investment Chain targeted by Nomura Asset Management



Responsible Investment  
<http://global.nomura-am.co.jp/responsibility-investment/>

### Responsible Investment System

Nomura Asset Management established the Responsible Investment Department in April 2016. Through it, we aim to strengthen dialogue with investee companies relating to ESG, make investment decision-making more precise, and support sustainable corporate growth.



## Holding ESG seminars

In response to growing interest in ESG investment based on an evaluation of a company's efforts with respect to the environment, society, and governance at the time of investment, Nomura Securities has been holding a series

of ESG seminars for institutional investor clients on such themes as the environment, ESG developments in Europe, and the evaluation of Boards of Directors. More than 300 people attended these seminars in FY2016/17.

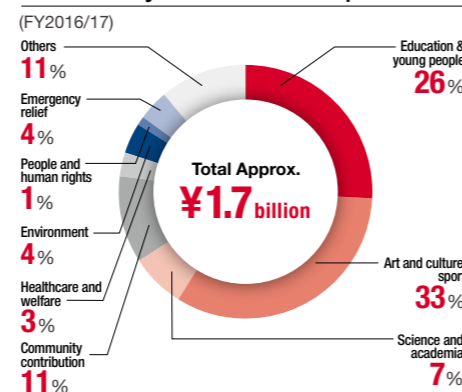
# Supporting Our Communities

## Contributing to Sustainable Communities

### Fundamental Approach

We are working to contribute to finding solutions to social and environmental issues by communicating with a wide range of stakeholders, from customers to shareholders, local communities, and employees on a continual basis. Nomura Holdings Corporate Governance Guidelines, formulated in November 2015, set out the principle that the Company shall endeavor to contribute to the development of society at all times and shall fulfill Nomura Group's social responsibilities as a corporate citizen by putting into practice Our Founder's Principles that have been inherited since the foundation of the Company.

### Community contribution expenditure



\* The total includes approximately ¥160 million from Nomura Foundation and ¥40 million from The Nomura Charitable Trust.

### Global CSR initiatives

In the regions around the world where Nomura Group conducts its business activities, we share the basic CSR theme of "For Future Generations" and carry out activities in line with regional needs while forming partnerships with NGOs and other entities. These activities are focused on nurturing future generations, including activities aimed at eradicating disparities for future generations.

### Communication with stakeholders

Nomura Group participates in initiatives in Japan and overseas that aim to contribute to society and the environment to fulfill its corporate social responsibility as a corporate citizen. Through dialogue and collaboration with stakeholders, we carefully examine the activities and information disclosure we undertake that are related to the economy, society, and environmental issues. We also review these activities and information disclosure, and report to the CSR Committee when needed.

### Dialogue with stakeholders (selected examples)

Themes	External Organization	Outline
Human rights, labor, environment, anti-corruption	United Nations (UN) Global Compact	Participation in Global Compact Network Japan
ESG	UN Principles for Responsible Investment	Participation in the Japan network
ESG	Principles for Financial Action for the 21st Century	Participation in working group on asset management, securities, and investment banking businesses
ESG	Climate Bonds Initiative	Participation as a partner in activities to promote green bonds
ESG	CSR Asia	Exchange of opinions on ESG issues in Asia
Environment	CDP	Promotion, as a signatory, of the climate change and water programs

Communication with Stakeholders  
http://www.nomuraholdings.com/csr/stakeholder/communication.html

Participation in Initiatives for Sustainability  
http://www.nomuraholdings.com/csr/stakeholder/initiatives.html



Signatory of:  
**PRI** Principles for Responsible Investment

### Inclusion in SRI indices

Nomura's CSR initiatives and ESG information disclosure practices have been widely recognized outside the Company. Nomura Holdings has been selected for inclusion in a number of SRI indexes, including the Dow Jones Sustainability Indices (DJSI World and DJSI Asia Pacific), the FTSE4Good Index,

and, as of January 2017, the Morningstar Socially Responsible Investment Index (MS-SRI). In October 2016, Nomura Holdings was selected as a component of the STOXX Global ESG Leaders Index for the second consecutive year.

External Assessment  
http://www.nomuraholdings.com/csr/evaluations/

#### Dow Jones Sustainability Indices

The world's first sustainability equity indices, Dow Jones & Company and RobecoSAM, jointly choose the companies to be included in these benchmarks



#### FTSE4Good Index

FTSE Russel, a subsidiary of the London Stock exchange, has created a socially responsible investment index by selecting excellent companies from around the world



#### STOXX Global ESG Leaders Index

STOXX Limited, a wholly owned subsidiary of Deutsche Borse Group, has established the global index for SRI represents companies that meet strict environmental, ESG criteria



#### MS-SRI

Morningstar, Inc. selected 150 companies that were assessed as having a high level of social awareness from among companies listed in Japan, and created Japan's first socially responsible investment index by indexing their stock prices



## Contributing to sustainable communities 2020 and beyond

## Proudly supporting Japan every step of the way.

## Support for the Olympic and Paralympic Games Tokyo 2020

Nomura Holdings is sponsoring the Olympic and Paralympic Games Tokyo 2020 (the Tokyo 2020 Games) as the exclusive Gold Partner in the Securities category. We see this as a perfect opportunity for Japan to showcase on the world stage its efforts to stimulate the Japanese economy and achieve sustainable growth by overcoming challenges such as low economic growth and an aging population with a low birth rate. Nomura Holdings is working not only to ensure the success of the Tokyo 2020 Games but also to stimulate the entire Japanese economy by applying its strengths and extensive experience in providing support to a wide range of companies through the capital markets. At the same time, in order to foster opportunities throughout society, Nomura Holdings is undertaking activities in support of the Tokyo 2020 Nationwide Participation Programme. Under this program, we are making a concerted effort to support post-disaster restoration work and promote educational programs to enhance financial and economic literacy. All Nomura employees are coming together to support sustainability in Japan in 2020 and beyond.



The Road to 2020  
<http://www.nomuraholdings.com/tokyo2020/>



## Participating in BE FREE Tokyo Bicycle Sharing Project

As a leading partner in this project, we are promoting bicycle sharing with the aims of contributing to the health of users, revitalizing the area, and enhancing the central Tokyo environment. We continue to tackle various economic, social, and environmental issues as part of our effort to support sustainable communities.



## Support for Para-Sports

Nomura Group is committed to supporting para-sports as an official partner of the Japanese Para-Sports Association. Nomura Group also supports the Japan Para-Volleyball Association as a special top partner. This association is working to increase the popularity of sitting volleyball, an official event of the Tokyo 2020 Paralympic Games. In FY2016/2017, Nomura Group supported para-sports by holding events for staff to experience sitting volleyball for themselves, holding national athletic meeting supporter group meetings, and preparing DVDs and pamphlets introducing the different events. We intend to continue to broaden the appeal of these sports, support training athletes, and encourage general awareness of para-sports.



## Post-earthquake restoration support: The Sakura Project

Since 2012, Nomura has been working hand in hand with local groups to make Tohanayama Hill in Yamamoto Town, Watari District, Miyagi Prefecture, a notable cherry blossom ("sakura") viewing spot. The Watari District suffered severe tsunami damage in the Great East Japan Earthquake. With the eleventh semi-annual event held in April 2017, we commemorated the steady growth of the newly planted trees by inviting local people and children to enjoy the blossoms and join with us in planting more saplings. Approximately 800 employees have participated in these activities to date.



## Global initiatives

## EMEA

The focus of the EMEA Community Affairs program is to support the success of future generations, and is divided into three main areas: Two-Year Charity Partnership, The Nomura Charitable Trust, and Employee Engagement. FY2016/17 saw the second year of the partnership with Rays of Sunshine, a charity that grants wishes for seriously ill children. Over US\$815,000 was raised for the charity, which included a range of fundraising activities—from challenges and quizzes to sports and cooking competitions. Employee volunteering is a key part of EMEA's Community Affairs program, with employees volunteering for initiatives such as school mentoring, work skills support, and schemes designed to raise the aspirations of future generations.



## Americas

Nomura Americas' CSR program aims to support future generations in our New York City community through mentorship, fundraising efforts, and awareness campaigns. Nomura works to improve the literacy of local students through the Read Ahead program. The firm also supports several New York City organizations that benefit communities in need, including the Anti-Violence Project to empower LGBTQ and HIV-affected individuals through education, counseling and advocacy, and Toys for Tots for less fortunate children. Fundraising campaigns are also held through the year to increase local awareness and contribute to medical research these non-profits, include the Memorial Sloan Kettering Cancer Center, Autism Speaks, and the National MS Society. Instinet continues to support local youth through its partnerships with Elevate and Operation Backpack.



## Powai, India

Nomura Powai's CSR initiatives focus on the key areas of education and healthcare. These include programs in remedial education, skills development, primary healthcare, and cancer treatment. Current efforts are directed toward creating collective impact by engaging with NGOs who have complementary capabilities to improve the overall welfare of a community. Powai CSR consistently adds value by building a robust employee engagement program and integrating it with its ongoing projects. The volunteering programs leverage core competencies and domain knowledge of our employees in building capacities of partner NGOs and their stakeholders. In FY2016/17, 2,802 employees put in 6,641 hours participating in 212 volunteering initiatives.



## AEJ

The Nomura CARES network was established by employee volunteers as the focal point for CSR initiatives in Asia ex-Japan. We have charity partnerships with local NGOs in Hong Kong, Singapore, and China that our employees support via various fundraising and volunteering events. In India, we comply with Section 135 of the Companies Act to allocate at least two percent of average net profit for CSR activities. We also support local CSR projects in Australia and Korea. Nomura CARES focuses on four main streams: local charity partnerships, environmental initiatives including annual beach cleanup events, donations to NGOs that our employees are actively involved with, and the Hong Kong Community Connections Program that Nomura helps to organize along with five other industry peers.



# Our Environment

## Environmental Initiatives

### Fundamental Approach

Nomura Group, recognizing its responsibilities as a corporate group that operates globally, is committed to helping address climate change issues through its business activities. At the same time, we are working to reduce the environmental impact of our own business activities themselves. The Code of Ethics of Nomura Group states, “Nomura Group is committed to acting in an environmentally responsible manner and should, therefore, approach environmental issues positively.” In addition, we are working on a global basis to tackle climate change issues based on recognized international criteria such as sustainable development goals (SDGs) and the Paris Agreement on Climate Change.

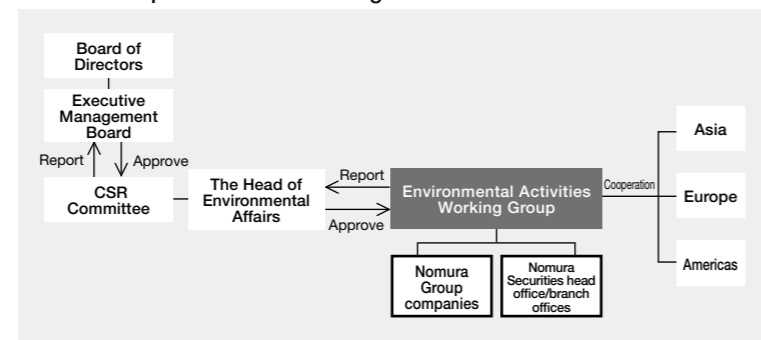
### Environmental management

In 2009, Nomura Group created both its Environmental Statement and Environmental Policy based on the Code of Ethics of Nomura Group. Centered on the Environmental Activities Working Group, the Group is proactively working to reduce the environmental impact of its business activities.

In Japan, we have established an environmental management system (EMS) and are implementing comprehensive environmental preservation activities to deal with environmental risks and issues.

Our offices around the world are also implementing environmental initiatives. For example, our London headquarters building obtained ISO 14001 certification in 2007 following an audit performed by a local accreditation body and has maintained its certification to the present. In addition, its energy management system received ISO 50001 certification in 2015.

#### Nomura Group environmental management framework



### Nomura Group environmental targets (Japan)

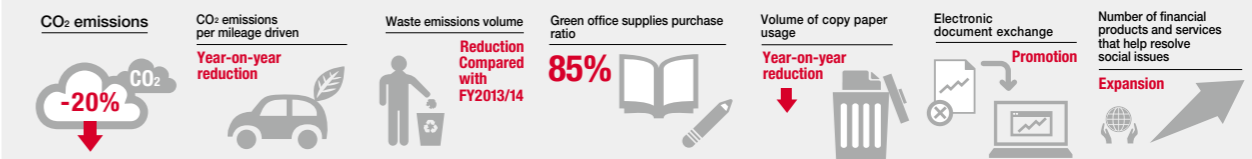
In Japan, the Group is working to conserve resources and energy as it seeks to attain its target to reduce CO<sub>2</sub> emissions per square meter in FY2030/31 by 20% or more from FY2009/10.

#### Nomura Group environmental objectives and progress (Japan)

	FY2016/17 targets	Assessments	FY2017/18 targets
Reduction of greenhouse gas emissions	Reduce domestic Nomura Group CO <sub>2</sub> emissions per square meter of floor space by 20% or more from FY2009/10	○ Reduction: 32.4%	Reduce domestic Nomura Group CO <sub>2</sub> emissions per square meter of floor space by 20% or more from FY2009/10
	Reduce the CO <sub>2</sub> emissions per mileage driven of leased vehicles of Nomura Securities from the previous year	○ Reduction: 2.4%	Reduce the CO <sub>2</sub> emissions per mileage driven of leased vehicles of Nomura Securities from the previous year
	Reduce the waste emissions volume at principal offices from FY2013/14	○ Reduction: 6.0%	Reduce the waste emissions volume at principal offices from FY2013/14
Effective use of resources	Have green products account for 85% of supplies request system items	○ Purchase ratio: 92.09%	Have green products account for 85% of supplies request system items
Reduction of paper usage	Reduce use of copy paper (as measured by the annual volume purchased) from the previous year	○ Reduction: 5.0%	Reduce use of copy paper (as measured by the annual volume purchased) from the previous year
	Encourage electronic document delivery service	○ Accounts accepting electronic document delivery: 1.38 million	Encourage electronic document delivery service
Contribution to environment through Nomura's main businesses	Increase the number of financial products and services that help resolve social issues	○ Pursued underwriting and sales of JICA Bonds and NRI Green Bond to promote "social contribution-type investments"	Increase the number of financial products and services that help resolve social issues

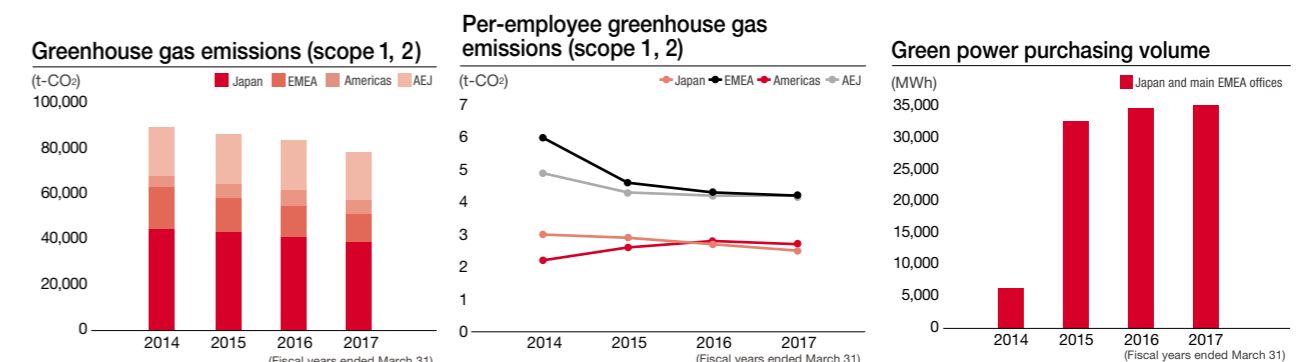
Note: For further information on environmental objectives, please visit: <http://www.nomuraholdings.com/csr/environment/management>

#### FY2017/18 targets



### Efforts to address climate change

Nomura Group is making efforts to improve disclosure of environmental information globally. In addition, we are working to lighten the impact of our activities on the environment through the purchase of green power.



\* For detailed environmental information please refer to Our Environment on page 93.

Corporate Information / Data

## Key Financial Data

(billions of yen)						
P/L	FY2011/12	FY2012/13	FY2013/14	FY2014/15	FY2015/16	FY2016/17
Net revenue	1,535.9	1,813.6	1,557.1	1,604.2	1,395.7	1,403.2
Income before income taxes	85.0	237.7	361.6	346.8	165.2	322.8
Net income*	11.6	107.2	213.6	224.8	131.6	239.6

\* Net income attributable to Nomura Holdings shareholders

Segment information		FY2011/12	FY2012/13	FY2013/14	FY2014/15	FY2015/16	(billions of yen) FY2016/17
Net revenue	Retail	350.3	397.9	511.9	476.5	435.6	374.4
	Asset Management	65.8	68.9	80.5	92.4	95.4	99.4
	Wholesale	555.0	644.9	765.1	789.9	720.3	739.3
	Subtotal	971.1	1,111.7	1,357.5	1,358.7	1,251.3	1,213.1
	Other	560.9	664.2	188.8	220.8	165.1	183.5
	Unrealized gain (loss) on investments in equity securities held for operating purposes	3.8	37.7	10.7	24.7	(20.7)	6.6
	Net revenue	1,535.9	1,813.6	1,557.1	1,604.2	1,395.7	1,403.2
Income (loss) before income taxes	Retail	63.1	100.6	192.0	161.8	127.6	74.8
	Asset Management	20.5	21.2	27.1	32.1	36.7	42.3
	Wholesale	(37.7)	71.7	111.8	82.2	15.4	161.4
	Subtotal	46.0	193.5	330.9	276.1	179.7	278.6
	Other	35.2	6.6	20.0	46.0	6.1	37.6
	Unrealized gain (loss) on investments in equity securities held for operating purposes	3.8	37.7	10.7	24.7	(20.7)	6.6
	Income before income taxes	85.0	237.7	361.6	346.8	165.2	322.8

							(billions of yen)
Geographic information*		FY2011/12	FY2012/13	FY2013/14	FY2014/15	FY2015/16	FY2016/17
Income (loss) before income taxes by region	Japan	214.1	317.2	386.3	363.2	244.8	234.7
	Americas	(24.6)	25.7	29.5	(27.6)	(32.0)	50.0
	Europe	(91.5)	(93.1)	(48.9)	(23.5)	(67.4)	14.4
	Asia and Oceania	(12.9)	(12.1)	(5.2)	34.6	19.8	23.7
	Subtotal	(129.1)	(79.4)	(24.7)	(16.4)	(79.6)	88.1
	Consolidated	85.0	237.7	361.6	346.8	165.2	322.8

\* Region information is based on US GAAP. Revenues and expenses are allocated based on the country of domicile of the legal entity providing the service. This information is not used for business management purposes.

ROE	FY2011/12	FY2012/13	FY2013/14	FY2014/15	FY2015/16	FY2016/17
ROE	0.6%	4.9%	8.9%	8.6%	4.9%	8.7%

(billions of yen)						
B/S	FY2011/12	FY2012/13	FY2013/14	FY2014/15	FY2015/16	FY2016/17
Total assets	35,697.3	37,942.4	43,520.3	41,783.2	41,090.2	42,852.1
Total Nomura Holdings shareholders' equity	2,107.2	2,294.4	2,513.7	2,707.8	2,700.2	2,789.9
Gross leverage (times)	16.9	16.5	17.3	15.4	15.2	15.4
Net leverage* (times)	10.4	10.4	10.4	9.3	9.6	8.6

\* Total assets minus securities purchased under agreements to resell and securities borrowed, divided by Nomura Holdings shareholders' equity.

(billions of yen)						
Funding and liquidity	March 31, 2012	March 31, 2013	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017
Liquidity portfolio*	5,427.7	5,883.5	6,127.2	6,064.0	5,947.1	4,970.3
Short-term unsecured debt	3,009.1	2,293.3	2,969.3	2,557.0	3,303.8	1,883.0
Long-term unsecured debt	6,373.0	6,457.3	6,218.6	6,509.4	6,593.6	5,918.9

\* Definition differs from financial disclosures reflecting Liquidity Management's view. Cash and cash deposits portion of liquidity portfolio excludes funds on deposit at exchanges and segregated client funds.

(yen)						
Per share data	FY2011/12	FY2012/13	FY2013/14	FY2014/15	FY2015/16	FY2016/17
Basic-net income attributable to Nomura Holdings shareholders per share (EPS)	3.18	29.04	57.57	61.66	36.53	67.29
Diluted-net income attributable to Nomura Holdings shareholders per share (EPS)	3.14	28.37	55.81	60.03	35.52	65.65
Nomura Holdings shareholders' equity per share (BPS)	575.20	618.27	676.15	752.40	748.32	790.70
Dividends per share (DPS)	6.0	8.0	17.0	19.0	13.0	20.0
Dividend payout ratio	188.7%	27.5%	29.5%	30.8%	35.6%	29.7%

Consolidated capital adequacy, etc.*1	March 31, 2012	March 31, 2013	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017
(billions of yen)						
Tier 1 capital	2,090.2	2,092.9	2,314.2	2,459.2	2,577.5	2,689.8
Tier 2 capital	319.6	359.2	401.5	361.2	323.1	109.6
Total capital	2,427.0	2,452.1	2,715.7	2,820.4	2,900.6	2,799.4
RWA	14,681.0	17,546.7	17,425.9	18,929.2	15,970.5	13,977.9
Tier 1 capital ratio	14.2%	11.9%	13.2%	12.9%	16.1%	19.2%
CET 1 capital ratio*2	14.2%	11.9%	13.2%	12.9%	15.4%	18.2%
Consolidated capital adequacy ratio	16.5%	13.9%	15.5%	14.8%	18.1%	20.0%
Consolidated leverage ratio*3	—	—	—	3.82%	4.28%	4.63%

(trillions of yen)						
HQLA*4	—	—	—	—	6.2	4.5
LCR*4	—	—	—	—	175.8%	180.0%

\*1 Figures for March 2012 were prepared under Basel 2.5 standards. Figures for March 2013 to March 2017 were prepared under Basel 3 standards.

\*2 CET 1 capital ratio is defined as Tier 1 capital minus minority interests divided by risk-weighted assets.

\*3 Tier 1 capital divided by exposure (sum of on-balance sheet exposures and off-balance sheet items).

\*4 Monthly average of 4Q.

Number of shares outstanding, share price, etc.	March 31, 2012	March 31, 2013	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017
Number of shares outstanding (thousands)	3,822,563	3,822,563	3,822,563	3,822,563	3,822,563	3,822,563
Share price (fiscal year-end) (yen)	366	577	662	706.2	502.9	691.9
Market capitalization (trillions of yen)*	1.4	2.2	2.5	2.7	1.9	2.6
PBR (times)*	0.64	0.93	0.98	0.94	0.67	0.88
PER (times)*	115.09	19.87	11.50	11.45	13.77	10.28

\* Figures based on the fiscal year-end share price.


# Eleven-Year Consolidated Financial Summary (US GAAP)

For the fiscal years beginning April 1 and ending March 31 of the following year

Note: This financial summary is prepared solely for convenience. Readers are recommended to refer to Form 20-F.

	FY2006/07	FY2007/08	FY2008/09	FY2009/10	FY2010/11	FY2011/12	FY2012/13	FY2013/14	FY2014/15	FY2015/16	FY2016/17
(Millions of yen)											
<b>Operating results</b>											
<b>Revenue:</b>											
Commission	¥ 337,458	¥ 404,659	¥ 306,803	¥ 395,083	¥ 405,463	¥ 347,135	¥ 359,069	¥ 473,121	¥ 453,401	¥ 431,959	¥ 327,129
Fees from investment banking	99,276	85,096	54,953	121,254	107,005	59,638	62,353	91,301	95,083	118,333	92,580
Asset management and portfolio service fees	145,977	189,712	140,166	132,249	143,939	144,251	141,029	168,683	203,387	229,006	216,479
Net gain (loss) on trading	290,008	61,720	(128,339)	417,424	336,503	272,557	367,979	476,356	531,337	354,031	475,587
Gain (loss) on private equity investments	47,590	76,505	(54,791)	11,906	19,292	25,098	8,053	11,392	5,502	13,761	1,371
Interest and dividends	981,344	796,540	331,356	235,310	346,103	435,890	394,007	416,350	436,766	440,050	441,036
Gain (loss) on investments in equity securities	(20,103)	(48,695)	(25,500)	6,042	(16,677)	4,005	38,686	15,156	29,410	(20,504)	7,708
Private equity entities product sales	100,126	—	—	—	—	—	—	—	—	—	—
Other	67,425	28,185	39,863	37,483	43,864	563,186	708,767	179,485	175,702	156,460	153,626
<b>Total revenue</b>	<b>2,049,101</b>	<b>1,593,722</b>	<b>664,511</b>	<b>1,356,751</b>	<b>1,385,492</b>	<b>1,851,760</b>	<b>2,079,943</b>	<b>1,831,844</b>	<b>1,930,588</b>	<b>1,723,096</b>	<b>1,715,516</b>
Interest expense	958,000	806,465	351,884	205,929	254,794	315,901	266,312	274,774	326,412	327,415	312,319
<b>Net revenue</b>	<b>1,091,101</b>	<b>787,257</b>	<b>312,627</b>	<b>1,150,822</b>	<b>1,130,698</b>	<b>1,535,859</b>	<b>1,813,631</b>	<b>1,557,070</b>	<b>1,604,176</b>	<b>1,395,681</b>	<b>1,403,197</b>
<b>Non-interest expenses:</b>											
Compensation and benefits	345,936	366,805	491,555	526,238	518,993	534,648	547,591	570,058	596,593	574,191	496,385
Commissions and floor brokerage	50,812	90,192	73,681	86,129	92,088	93,500	91,388	111,849	129,977	123,881	94,495
Information processing and communications	109,987	135,004	154,980	175,575	182,918	177,148	179,904	192,168	192,300	189,910	175,280
Occupancy and related depreciation	61,279	64,841	78,480	87,806	87,843	100,891	91,545	80,142	76,112	78,411	69,836
Business development expenses	38,106	38,135	31,638	27,333	30,153	48,488	49,010	38,485	35,230	35,892	35,111
Private equity entities cost of goods sold	57,184	—	—	—	—	—	—	—	—	—	—
Other	109,295	157,190	262,558	142,494	125,448	496,227	616,463	202,754	227,205	228,238	209,295
<b>Total non-interest expenses</b>	<b>772,599</b>	<b>852,167</b>	<b>1,092,892</b>	<b>1,045,575</b>	<b>1,037,443</b>	<b>1,450,902</b>	<b>1,575,901</b>	<b>1,195,456</b>	<b>1,257,417</b>	<b>1,230,523</b>	<b>1,080,402</b>
<b>Income (loss) before income taxes</b>	<b>318,502</b>	<b>(64,910)</b>	<b>(780,265)</b>	<b>105,247</b>	<b>93,255</b>	<b>84,957</b>	<b>237,730</b>	<b>361,614</b>	<b>346,759</b>	<b>165,158</b>	<b>322,795</b>
<b>Income tax expense (benefit)</b>	<b>145,930</b>	<b>3,259</b>	<b>(70,854)</b>	<b>37,161</b>	<b>61,330</b>	<b>58,903</b>	<b>132,039</b>	<b>145,165</b>	<b>120,780</b>	<b>22,596</b>	<b>80,229</b>
<b>Net income (loss)</b>	<b>172,572</b>	<b>(68,169)</b>	<b>(709,411)</b>	<b>68,086</b>	<b>31,925</b>	<b>26,054</b>	<b>105,691</b>	<b>216,449</b>	<b>225,979</b>	<b>142,562</b>	<b>242,566</b>
Less: Net income (loss) attributable to noncontrolling interests	(3,256)	(322)	(1,219)	288	3,264	14,471	(1,543)	2,858	1,194	11,012	2,949
<b>Net income (loss) attributable to NHI shareholders</b>	<b>¥ 175,828</b>	<b>¥ (67,847)</b>	<b>¥ (708,192)</b>	<b>¥ 67,798</b>	<b>¥ 28,661</b>	<b>¥ 11,583</b>	<b>¥ 107,234</b>	<b>¥ 213,591</b>	<b>¥ 224,785</b>	<b>¥ 131,550</b>	<b>¥ 239,617</b>
<b>Balance sheets (Period end)</b>											
<b>Cash and cash deposits</b>	<b>¥ 1,054,012</b>	<b>¥ 1,434,067</b>	<b>¥ 1,422,709</b>	<b>¥ 1,352,244</b>	<b>¥ 2,150,453</b>	<b>¥ 1,953,677</b>	<b>¥ 1,652,752</b>	<b>¥ 2,189,310</b>	<b>¥ 2,096,596</b>	<b>¥ 3,898,843</b>	<b>¥ 2,972,088</b>
<b>Loans and receivables</b>	<b>1,406,216</b>	<b>1,187,600</b>	<b>1,643,007</b>	<b>2,071,714</b>	<b>2,227,822</b>	<b>2,211,423</b>	<b>2,629,875</b>	<b>2,570,678</b>	<b>2,948,424</b>	<b>2,969,578</b>	<b>3,097,428</b>
<b>Collateralized agreements</b>	<b>17,838,227</b>	<b>10,391,367</b>	<b>8,412,618</b>	<b>12,467,213</b>	<b>15,156,318</b>	<b>13,742,646</b>	<b>14,115,257</b>	<b>17,347,001</b>	<b>16,719,520</b>	<b>15,077,660</b>	<b>18,729,825</b>
<b>Trading assets and private equity investments</b>	<b>13,094,552</b>	<b>10,278,188</b>	<b>11,672,612</b>	<b>14,700,282</b>	<b>15,241,931</b>	<b>14,123,594</b>	<b>17,124,349</b>	<b>18,714,314</b>	<b>17,308,848</b>	<b>16,410,002</b>	<b>15,192,364</b>
<b>Other assets</b>	<b>2,184,504</b>	<b>1,944,832</b>	<b>1,686,902</b>	<b>1,638,975</b>	<b>1,916,466</b>	<b>3,665,972</b>	<b>2,420,206</b>	<b>2,699,011</b>	<b>2,709,848</b>	<b>2,734,084</b>	<b>2,860,373</b>
<b>Total assets</b>	<b>¥35,577,511</b>	<b>¥25,236,054</b>	<b>¥24,837,848</b>	<b>¥32,230,428</b>	<b>¥36,692,990</b>	<b>¥35,697,312</b>	<b>¥37,942,439</b>	<b>¥43,520,314</b>	<b>¥41,783,236</b>	<b>¥41,090,167</b>	<b>¥42,852,078</b>
<b>Short-term borrowings</b>	<b>¥ 1,093,529</b>	<b>¥ 1,426,266</b>	<b>¥ 1,183,374</b>	<b>¥ 1,301,664</b>	<b>¥ 1,167,077</b>	<b>¥ 1,185,613</b>	<b>¥ 738,445</b>	<b>¥ 602,131</b>	<b>¥ 662,256</b>	<b>¥ 662,902</b>	<b>¥ 543,049</b>
<b>Payables and deposits</b>	<b>1,262,187</b>	<b>950,381</b>	<b>1,242,318</b>	<b>1,528,419</b>	<b>2,103,608</b>	<b>2,437,370</b>	<b>2,413,801</b>	<b>2,836,873</b>	<b>3,398,600</b>	<b>4,249,118</b>	<b>3,708,435</b>
<b>Collateralized financing</b>	<b>20,599,256</b>	<b>10,540,731</b>	<b>10,157,954</b>	<b>11,216,481</b>	<b>13,686,438</b>	<b>12,519,274</b>	<b>15,409,383</b>	<b>17,111,999</b>	<b>15,379,803</b>	<b>16,605,591</b>	<b>19,061,091</b>
<b>Trading liabilities</b>	<b>4,588,208</b>	<b>4,469,942</b>	<b>4,752,054</b>	<b>8,356,806</b>	<b>8,688,998</b>	<b>7,495,177</b>	<b>8,491,296</b>	<b>11,047,285</b>	<b>10,044,236</b>	<b>7,499,335</b>	<b>8,191,794</b>
<b>Other liabilities</b>	<b>808,482</b>	<b>623,206</b>	<b>467,574</b>	<b>494,983</b>	<b>552,316</b>	<b>1,165,901</b>	<b>978,163</b>	<b>1,141,750</b>	<b>1,217,099</b>	<b>1,200,647</b>	<b>1,308,510</b>
<b>Long-term borrowings</b>	<b>5,002,890</b>	<b>5,224,426</b>	<b>5,483,028</b>	<b>7,199,061</b>	<b>8,402,917</b>	<b>8,504,840</b>	<b>7,592,368</b>	<b>8,227,063</b>	<b>8,336,296</b>	<b>8,129,559</b>	<b>7,195,408</b>
<b>Total liabilities</b>	<b>33,354,552</b>	<b>23,234,952</b>	<b>23,286,302</b>	<b>30,097,414</b>	<b>34,601,354</b>	<b>33,308,175</b>	<b>35,623,456</b>	<b>40,967,101</b>	<b>39,038,290</b>	<b>38,347,152</b>	<b>40,008,287</b>
<b>Total NHI shareholders' equity</b>	<b>2,185,919</b>	<b>1,988,124</b>	<b>1,539,396</b>	<b>2,126,929</b>	<b>2,082,754</b>	<b>2,107,241</b>	<b>2,294,371</b>	<b>2,513,680</b>	<b>2,707,774</b>	<b>2,700,239</b>	<b>2,789,916</b>
<b>Noncontrolling interests</b>	<b>37,040</b>	<b>12,978</b>	<b>12,150</b>	<b>6,085</b>	<b>8,882</b>	<b>281,896</b>	<b>24,612</b>	<b>39,533</b>	<b>37,172</b>	<b>42,776</b>	<b>53,875</b>
<b>Total equity</b>	<b>2,222,959</b>	<b>2,001,102</b>	<b>1,551,546</b>	<b>2,133,014</b>	<b>2,091,636</b>	<b>2,389,137</b>	<b>2,318,983</b>	<b>2,553,213</b>	<b>2,744,946</b>	<b>2,743,015</b>	<b>2,843,791</b>
<b>Total liabilities and equity</b>	<b>¥35,577,511</b>	<b>¥25,236,054</b>	<b>¥24,837,848</b>	<b>¥32,230,428</b>	<b>¥36,692,990</b>	<b>¥35,697,312</b>	<b>¥37,942,439</b>	<b>¥43,520,314</b>	<b>¥41,783,236</b>	<b>¥41,090,167</b>	<b>¥42,852,078</b>
<b>Cash flows</b>											
<b>Net cash provided by (used in) operating activities</b>	<b>¥ (1,627,156)</b>	<b>¥ (647,906)</b>	<b>¥ (712,629)</b>	<b>¥ (1,500,770)</b>	<b>¥ (235,090)</b>	<b>¥ 290,863</b>	<b>¥ 549,501</b>	<b>¥ 457,426</b>	<b>¥ (77,028)</b>	<b>¥ 1,238,372</b>	<b>¥ 1,305,025</b>
<b>Net cash provided by (used in) investing activities</b>	<b>(533,813)</b>	<b>(102,019)</b>	<b>(98,905)</b>	<b>(269,643)</b>	<b>(423,214)</b>	<b>9,942</b>	<b>(160,486)</b>	<b>(103,195)</b>	<b>12,337</b>	<b>(23,711)</b>	<b>(118,051)</b>
<b>Net cash provided by (used in) financing activities</b>	<b>1,568,703</b>	<b>942,879</b>	<b>999,760</b>	<b>2,176,530</b>	<b>1,284,243</b>	<b>(844,311)</b>	<b>(701,623)</b>	<b>289,385</b>	<b>(178,206)</b>	<b>986,387</b>	<b>(2,130,644)</b>
<b>Effect of initial adoption of investment company accounting on cash and cash equivalents</b>	<b>—</b>	<b>(38,427)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>10,333</b>	<b>(57,319)</b>	<b>(81,896)</b>	<b>964</b>	<b>(26,246)</b>	<b>(6,314)</b>	<b>47,175</b>	<b>41,089</b>	<b>68,513</b>	<b>(40,195)</b>	<b>4,249</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>¥ (581,933)</b>	<b>¥ 97,208</b>	<b>¥ 106,330</b>	<b>¥ 407,081</b>	<b>¥ 599,693</b>	<b>¥ (549,820)</b>	<b>¥ (265,433)</b>	<b>¥ 684,705</b>	<b>¥ (174,384)</b>	<b>¥ 2,160,853</b>	<b>¥ (939,421)</b>

# CSR Key Facts

Data for FY2016/17 items marked with  have undergone assurance verification by a third party.

## Corporate governance

	Unit	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
<b>Members of the Board</b>							
Board of Directors	No. of people	11	11	11	12	11	10
	No. of people	7	6	6	7	6	6
	Ratio (%)	64	55	55	58	55	60
Outside Directors	No. of people	3	3	3	3	3	1
	Ratio (%)	27	27	27	25	27	10
Non-Japanese Directors	No. of people	1	1	1	1	1	1
	Ratio (%)	9	9	9	8	9	10
Female Directors	No. of people	1	1	1	1	1	1
	Ratio (%)	9	9	9	8	9	10

	Unit	FY2011/12	FY2012/13	FY2013/14	FY2014/15	FY2015/16	FY2016/17
<b>Officers (Executive Officers and Senior Managing Directors)</b>							
Men	No. of people	41	23	27	26	27	33
Women	No. of people	2	2	2	2	2	1
Ratio of women	%	4	8	6	7	7	3

	Unit	FY2011/12	FY2012/13	FY2013/14	FY2014/15	FY2015/16	FY2016/17
<b>Board of Directors meetings</b>							
No. of times held	No. of times	10	11	10	10	10	11
Average attendance rate	%	95	97	98	99	100	99

## Client Focused

	Unit	FY2011/12	FY2012/13	FY2013/14	FY2014/15	FY2015/16	FY2016/17
<b>Caseload at Customer Help Desk Department (Nomura Securities)</b>							
Total	No. of cases	5,005	5,693	7,010* <sup>1</sup>	5,540	5,767	6,003
Complaints	No. of cases	3,012	3,409	4,023* <sup>2</sup>	2,537	2,771	2,531
Inquiries	No. of cases	1,836	2,119	2,730	2,766	2,749	3,267
Opinions and requests	No. of cases	13	23	55	81	128	98
Other	No. of cases	144	142	202	156	119	107

\*1 The increase in the caseload in FY2013/14 was due to a rise in the number of incoming calls and heavy demand on telephone circuits.

\*2 Of the total, 69 calls were related to the handling of customer information.



	Unit	FY2011/12	FY2012/13	FY2013/14	FY2014/15	FY2015/16	FY2016/17
<b>Branches that are barrier-free and have AEDs (Nomura Securities)</b>							
Certified universally accessible	No. of branch offices	30	30	30	30	33	32
Wheelchair-accessible toilets	No. of branch offices	80	81	78	78	83	83
Wheelchair-accessible elevators	No. of branch offices	54	57	66	66	68	66
With steps removed from entrances and exits (with ramps, elevators, or no steps)	No. of branch offices	140	139	129	130	128	132
With installations to mitigate entrance and exit steps (railings or reduced step heights)	No. of branch offices	14	13	13	14	14	12
Percentage of branches equipped with AEDs (automated external defibrillators)	%	—	—	100	100	100	100
Percentage of branches with personnel designated to provide assistance to seniors	%	—	—	80	80	80	86.7

	Unit	January 2012	December 2013	August 2014	January 2015	February 2016	February 2017
<b>Results of customer satisfaction surveys at branch offices (Nomura Securities)</b>							
Extremely satisfied/satisfied	%	—	81.6	81.4	80.9	82.1	83.7
Neither satisfied nor dissatisfied	%	—	15.7	16.3	16.3	15.1	14.3
Extremely dissatisfied/dissatisfied	%	—	2.7	2.2	2.8	2.8	2.0

	Unit	FY2012/13	FY2013/14	FY2014/15	FY2015/16	FY2016/17
<b>Social contribution-type bonds (Nomura Securities)</b>						
Name of bonds issued	ADB Clean Energy Bonds/ IFC Bonds	ADB Clean Energy Bonds/ ADB Water Bonds/ADB Education Support Bond/IFC Bonds/IFC Green Bonds/EIB Bonds	ADB Bonds/ADB Water Bond/ AIFB Food Safety and Security Bond/ADB Bonds/ IBRD Bonds/IBRD Green Bonds/IFC Bond/IFC Green Bond	ADB Bonds/IADB EYE Bonds/ IBRD Bonds/IFC Bonds/NIB Bonds	ADB Bonds/IADB Bonds/ IBRD Bonds/IFC Bonds/NIB Bonds	
Bonds issued	Number	14	11	19	24	18
Proceeds	Millions of yen	76,883	95,960	159,145	72,310	78,118

## Dialogue with stakeholders


	Unit	FY2011/12	FY2012/13	FY2013/14	FY2014/15	FY2015/16	FY2016/17
<b>Community contribution expenditures</b>							
Total	Millions of yen	1,235	1,348	1,323	1,457	1,325	1,704
Education	Millions of yen	582	556	604	530	562	451
Arts, culture, and sports	Millions of yen	106	81	66	333	102	567
Science and academic achievement	Millions of yen	83	129	117	114	120	116
Community contribution	Millions of yen	200	199	190	161	162	189
Welfare and health	Millions of yen	49	79	39	85	79	53
Environment	Millions of yen	43	47	84	34	29	71
Human rights and labor	Millions of yen	3	4	20	19	39	12
Disaster relief	Millions of yen	71	88	78	68	56	61
Other	Millions of yen	103	171	129	113	176	184

	Unit	FY2011/12	FY2012/13	FY2013/14	FY2014/15	FY2015/16	FY2016/17	Cumulative total
<b>Participants and materials in financial and economics education</b>								
Visiting classes (elementary, junior, senior high schools, universities, teachers) Since 2008	No. of schools	22	31	56	265	304	346	1,077
	No. of participants	1,087	1,865	2,825	9,836	9,637	15,317	43,787
Financial courses for universities Since 2001	No. of schools	115	114	112	108	106	104	1,758
	No. of participants	12,000	11,000	11,000	11,000	11,000	11,200	228,200
Financial courses for the general public Since 2003	No. of courses	536	444	531	566	412	304	7,850
	No. of participants	27,839	21,696	23,897	24,712	14,958	10,926	391,650
Nikkei Stock League Since 2000	No. of teams	1,420	1,287	1,484	1,361	1,429	1,618	26,118
	No. of members	5,741	5,120	5,699	5,167	5,587	6,462	103,528
 Teaching material for elementary schools (The Economics classroom, "The Framework of Society and the Role of Money")* Since 2008	No. of schools	120	396	227	366	361	378	4,048
	No. of copies	5,000	17,422	14,639	24,170	21,377	25,503	308,111
 Teaching material for junior high schools (The t-shirt shop)* Since 2006	No. of schools	180	387	215	161	79	56	4,778
	No. of copies	17,200	17,326	12,162	15,380	5,928	4,664	452,660

\* The total volume of learning materials donated to elementary and junior high schools by Nomura Holdings





## Developing human resources who respect diversity

	Unit	FY2011/12	FY2012/13	FY2013/14	FY2014/15	FY2015/16	FY2016/17
<b>Education and training expenses</b>							
Total	Millions of yen	2,033	2,441	2,515	2,972	2,880	2,767
Japan	Millions of yen	1,468	1,907	1,978	2,076	2,020	2,094
Europe	Millions of yen	133	108	81	115	225	161
Americas	Millions of yen	280	233	262	573	426	299
Asia-Pacific	Millions of yen	153	193	194	208	209	213

 <b>Participation in education and training*</b>							
Total	Aggregate no. of hours	225,184	254,117	406,602	507,639	589,242	562,289
	Aggregate no. of participants	21,928	22,048	89,657	132,672	211,014	195,819
Japan	Aggregate no. of hours	169,385	208,087	284,920	333,305	307,295	303,854
	Aggregate no. of participants	11,965	12,081	12,325	14,398	16,294	15,581
Europe	Aggregate no. of hours	2,766	1,732	26,117	48,434	137,565	94,550
	Aggregate no. of participants	977	647	21,822	41,654	62,077	44,325
Americas	Aggregate no. of hours	7,390	7,204	7,811	15,439	17,589	15,848
	Aggregate no. of participants	1,182	1,794	5,598	12,255	25,122	19,816
Asia-Pacific	Aggregate no. of hours	45,643	37,094	87,754	110,461	126,793	148,037
	Aggregate no. of participants	7,804	7,526	49,912	64,365	107,521	116,097

\* Certain subsidiaries and affiliates were excluded from the number of participants in internal education and training in Europe, the Americas and Asia as the data was compiled based on persons registered through the Wholesale Division's internal training system.

Developing human resources who respect diversity

Unit		FY2011/12	FY2012/13	FY2013/14	FY2014/15	FY2015/16	FY2016/17
	Composition of employees*1						
Total	No. of employees	27,168	26,242	26,019	28,672	28,865	28,186
	Ratio of male employees (%)	62	62	62	62	62	61
	Ratio of female employees (%)	38	38	38	38	38	39
Japan	No. of employees	15,145	15,004	15,062	15,973	16,083	16,227
	Ratio of male employees (%)	56	57	56	58	58	58
	Ratio of female employees (%)	44	43	44	42	42	42
Europe	No. of employees	4,014	3,618	3,461	3,485	3,424	3,026
	Ratio of male employees (%)	70	70	71	71	71	70
	Ratio of female employees (%)	30	30	29	29	29	30
Americas	No. of employees	2,420	2,271	2,281	2,449	2,503	2,314
	Ratio of male employees (%)	74	74	74	74	74	74
	Ratio of female employees (%)	26	26	26	26	26	26
Asia-Pacific	No. of employees	5,589	5,349	5,215	6,765	6,855	6,619
	Ratio of male employees (%)	66	65	64	61	61	59
	Ratio of female employees (%)	34	35	36	39	39	41
	Ratio of employees by region						
Total	%	100	100	100	100	100	100
Japan	%	56	57	58	56	56	58
Europe	%	15	14	13	12	12	11
Americas	%	9	9	9	9	8	8
Asia-Pacific	%	20	20	20	23	24	23
	Number of new hires*2						
Total	No. of employees	3,359	2,554	2,920	2,934	2,868	2,266
Japan (Nomura Holdings, Nomura Securities)	Men (No. of employees)	573	446	507	482	537	526
	Women (No. of employees)	495	581	522	363	395	430
Europe	Men (No. of employees)	663	307	503	389	286	189
	Women (No. of employees)			121	119		94
Americas	Men (No. of employees)	478	361	418	382	313	227
	Women (No. of employees)			128	111		91
Asia-Pacific	Men (No. of employees)	1,150	859	970	718	714	425
	Women (No. of employees)			351	393		284
	Composition of managers*3						
Total	Men	7,299	7,024	6,913	7,095	7,165	7,705
	Women	1,064	1,055	1,031	1,234	1,370	1,405
	Ratio of women (%)	13	13	13	15	16	15
Japan	Men	3,623	3,549	3,480	3,437	3,345	4,289
	Women	205	219	218	236	270	383
	Ratio of women (%)	5	6	6	6	7	8.2
Europe	Men	1,693	1,557	1,507	1,479	1,503	1,270
	Women	325	315	290	311	335	289
	Ratio of women (%)	16	17	16	17	18	19
Americas	Men	1,060	1,016	1,028	1,093	1,123	1,029
	Women	243	234	234	250	276	250
	Ratio of women (%)	19	19	19	19	20	20
Asia-Pacific	Men	923	902	898	1,086	1,194	1,117
	Women	291	287	289	437	489	483
	Ratio of women (%)	24	24	24	29	29	30




\*1 Composition of employees: The figures cover Nomura Group on a consolidated basis. In FY2013/14 and prior years, some subsidiaries were not included in the scope of the calculations.

\*2 Number of new hires: In Asia-Pacific, certain subsidiaries were not covered in the data for FY2014/15. Those not covered included Capital Nomura Securities Public Company Limited (CNS) and Nomura Asset Management Taiwan Ltd.

\*3 Composition of managers: The figures cover Nomura Group on a consolidated basis. In FY2015/16 and prior years, some domestic subsidiaries were not included in the scope of the calculations.

Please refer to standards for calculation (<http://www.nomuraholdings.com/csr/data/>).

Our environment

Unit		FY2011/12	FY2012/13	FY2013/14	FY2014/15	FY2015/16	FY2016/17
	GHG emissions						
Scope 1: Direct emissions*1	Japan t-CO <sub>2</sub>	2,373	2,247	2,207	2,107	1,986	2,005
	Europe t-CO <sub>2</sub>	1,299	1,318	1,131	797	752	772
	Americas t-CO <sub>2</sub>	0	0	46	69	72	72
Scope 2: Indirect emissions*1	Asia-Pacific t-CO <sub>2</sub>	76	76	143	143	169	173
	Japan t-CO <sub>2</sub>	34,214	38,988	42,300	40,965	39,065	36,783
	Europe t-CO <sub>2</sub>	21,629	16,842	17,334	14,164	12,822	11,786
Scope 1, 2: Emissions per employee	Americas t-CO <sub>2</sub>	6,784	6,278	5,015	6,406	6,966	6,168
	Asia-Pacific t-CO <sub>2</sub>	24,357	24,323	21,601	22,007	21,892	20,942
	Japan t-CO <sub>2</sub>	2.4	2.8	3.0	2.9	2.7	2.5
Scope 3: Emissions from employee travel*2 (Air, rail, and automobile travel)	Europe t-CO <sub>2</sub>	6.9	6.2	6.0	4.6	4.3	4.2
	Americas t-CO <sub>2</sub>	2.8	2.8	2.2	2.6	2.8	2.7
	Asia-Pacific t-CO <sub>2</sub>	5.0	5.4	4.9	4.3	4.2	4.2
	Energy consumption						
	Japan MWh	12,664	11,948	11,729	11,229	10,573	10,654
	Europe MWh	6,981	7,025	6,210	4,438	4,201	4,329
Direct energy consumption (Natural gas, etc.)	Americas MWh	0	0	225	340	355	359
	Asia-Pacific MWh	272	800	608	611	732	743
	Japan MWh	74,648	74,293	74,117	72,780	70,520	68,372
Indirect energy consumption (Purchased electric power)	Europe MWh	50,091	38,679	41,164	30,836	30,133	30,713
	Americas MWh	16,194	16,104	15,896	22,148	21,882	20,236
	Asia-Pacific MWh	27,474	28,012	26,942	27,862	26,720	25,577
Including, Green electric purchase power*4	MWh	7,424	6,329	6,317	32,626	34,652	35,033
	Japan MWh	20,550	17,523	15,258	12,400	11,971	12,320
	Europe MWh	0	0	0	0	0	0
(Purchased cooling and heating power)	Americas MWh	10,047	7,924	2,220	238	140	198
	Asia-Pacific MWh	2,352	1,907	1,731	1,694	1,617	1,723
	Environmental resource efficiency						
	Japan Thousand m <sup>3</sup>	188	178	177	171	170	168
	Europe Thousand m <sup>3</sup>	136	124	124	97	115	107
Water consumption*5	Americas Thousand m <sup>3</sup>	4	4	13	26	30	29
	Asia-Pacific Thousand m <sup>3</sup>	33	45	45	48	36	35
	Copy paper consumption*6 ton	820	759	746	1,041	1,083	1,018
Amount of waste generated*7	ton	1,223	1,904	2,659	2,281	2,540	2,658

The scope 1, 2, and 3 classifications follow The Greenhouse Gas Protocol (GHG Protocol): <http://www.ghgprotocol.org/>

The coverage by region is as follows. However, data on air transportation in scope 3 are compiled based on corporate data.

Japan: Group companies located in Japan (<http://www.nomuraholdings.com/company/group/>)

Europe: Offices in London, Paris, Frankfurt, Zurich, Madrid, Milan, and Luxembourg

Americas: Offices in New York and Instinet offices

Asia-Pacific: Offices in Hong Kong, Singapore, India, Dalian, and Bangkok

\*1 The Bangkok office was included in the scope for Asia from FY2014/2015

Indirect emissions at offices located in New York were previously calculated using emission factors from the Emissions & Generation Resource Integrated Database of the United States Environmental Protection Agency for the NYLI, a decision made based on a conservative assessment.

However, the Company has since chosen to utilize emission factors for the NYCW based on an on-site survey aimed at improving the precision of data collection. Information on the impact of this change can be found on the Company's corporate website (<http://www.nomuraholdings.com/csr/data/>).

\*2 Data based on airline and long-distance railway travel in Japan and overseas purchased from specified travel agencies. Data for Japan, Europe, and the India, Hong Kong and Bangkok offices of Asia include emissions from regularly used automobiles.

\*3 Assurance-verified data for Asia totaled 9,723 t-CO<sub>2</sub> in FY2016/17. (Offices in Hong Kong, Singapore, India and Bangkok.)

\*4 Data for FY2011/12 and FY2012/13 were comprised of Japan and the Frankfurt and Zurich offices for Europe. Additions to the scope for Europe were the Milan office from FY2013/14, the London office from FY2014/15, and the Luxembourg and Paris offices from FY2015/16.

\*5 Only the India office was included in the scope for Asia in FY2011/12.

\*6 Data for FY2011/12 and FY2013/14 were compiled based on paper purchased from specified suppliers by Nomura Securities for Japan, paper consumed by the London office for Europe, and paper consumed by the India and Hong Kong offices for Asia. From FY2014/15, the scope was expanded to include the Bangkok office for Asia, and from A4 paper to all copy paper purchased by Nomura Securities for Japan.

\*7 Data for FY2011/12 and FY2012/13 were compiled based on the Nihonbashi Head Office building and Dai-ni Edobashi Building in Tokyo, the Osaka Branch, and the Nagoya Branch for Japan, the London, Paris, Frankfurt, and Zurich offices for Europe, and the India office for Asia. Additions to the scope were the Urbannet Otemachi Building in Tokyo, the Kyoto Branch, and the Okayama Branch for Japan, and the Hong Kong office for Asia from FY2013/14, the Luxembourg office for Europe from FY2014/15, and the Nomura Asset Management Head Office building in Tokyo for Japan from FY2015/16.



## Translation

The following is an English translation of an independent assurance report prepared in Japanese and is for information and reference purposes only. In the event of a discrepancy between the Japanese and English versions, the Japanese version will prevail.


## Independent Assurance Report

June 29, 2017

TO:

Mr. Koji Nagai  
Group CEO  
Nomura Holdings, Inc.

Masahiko Tsukahara  
Representative Director  
Kenji Sawami  
Executive Officer  
Ernst & Young Sustainability Co., Ltd.  
Tokyo

We, Ernst & Young Sustainability Co., Ltd., have been commissioned by Nomura Holdings, Inc. (hereafter the "Company") and has carried out a limited assurance engagement on the Key Sustainability Performance Indicators (hereafter the "Indicators") of the Company and its major subsidiaries for the year ended March 31, 2017 as included in "Corporate Information / Data – CSR Key Facts" in the Nomura Report 2017 (hereafter the "Report"). The scope of our assurance procedures was limited to the Indicators marked with the symbol  in the Report.

## 1. The Company's Responsibilities

The Company is responsible for preparing the Indicators in accordance with the Company's own criteria, that it determined with consideration of Japanese environmental regulations and other regulations as presented in "Citizenship—Key Facts—Standards for Calculation" (<http://www.nomuraholdings.com/csr/data/>). Greenhouse gas (GHG) emissions are estimated using emissions factors, which are subject to scientific and estimation uncertainties given different instruments for measuring GHG emissions may vary in characteristics, in terms of functions and assumed parameters.

## 2. Our Independence and Quality Control

We have met the independence requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants in March 2013, which is based on the fundamental principles of integrity, objectiveness, professional competence and due care, confidentiality, and professional behavior.

In addition, as a member of Ernst & Young ShinNihon LLC, our parent company, we maintain a comprehensive quality control system, including documented policies and procedures for compliance with ethical rules, professional standards, and applicable laws and regulations in accordance with the International Standard on Quality Control 1 issued by the International Auditing and Assurance Standards Board in April 2009.

## 3. Our responsibilities

Our responsibility is to express a limited assurance conclusion on the Indicators included in the Report based on the procedures we have performed and the evidence we have obtained.

We conducted our limited assurance engagement in accordance with the *International Standard on Assurance Engagements: Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ("ISAE 3000") (Revised), issued by the International Auditing and Assurance Standards Board in December 2013, Practical Guidelines for the Assurance of Sustainability Information, revised in December 2014 by the Japanese Association of Assurance Organizations for Sustainability Information and, with respect of GHG emissions, *Assurance Engagements on Greenhouse Gas Statements* ("ISAE 3410"), issued by the International Auditing and Assurance Standards Board in June 2012.

The procedures, which we have performed according to our professional judgment, include inquiries, document inspection, analytical procedures, reconciliation between source documents and Indicators in the Report, as well as the following:

- Making inquiries regarding the Company's own criteria that it determined with consideration of Japanese environmental regulations and other regulations, and evaluating the appropriateness thereof;
- Inspecting relevant documents with regard to the design of the Company's internal controls related to the Indicators, and inquiring of personnel responsible thereof at the headquarters and sites visited (2 sites);
- Performing analytical procedures concerning the Indicators at the headquarters and sites visited (2 sites);
- Testing, on a sample basis, underlying source information and conducting relevant re-calculations at the headquarters and sites visited (2 sites).

The procedures performed in a limited assurance engagement are more limited in nature, timing and extent than a reasonable assurance engagement.

As a result, the level of assurance obtained in a limited assurance engagement is lower than would have been obtained if we had performed a reasonable assurance engagement.

## 4. Conclusion

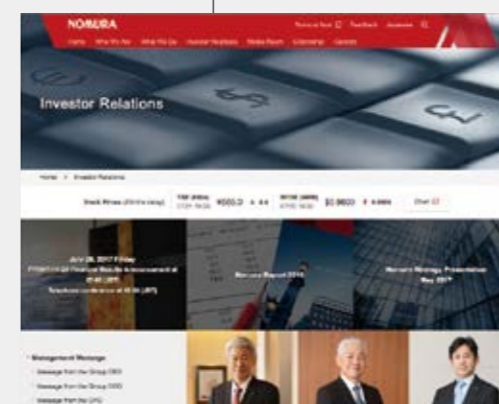
Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Indicators included in the Report have not been measured and reported in accordance with the Company's own criteria that it determined with consideration of Japanese environmental regulations and other regulations.



## ◀ Nomura Holdings Website

<http://www.nomura.com/>

At Nomura Group, we are continuing to strive to make our corporate website broadly accessible by eliminating difficulties people may have in accessing information and services due to visual, hearing, speech, or other physical impairments.



## ▲ Investor Relations Site

<http://www.nomuraholdings.com/investor/>

Provides various investor relations information for Nomura Group, including earnings presentations, financial data, the Nomura Report, notices for shareholders, and information pertaining to corporate governance.



## ▲ Corporate Citizenship Site

<http://www.nomuraholdings.com/csr/>

Nomura Group makes available detailed information on this site regarding its CSR activities. This site also contains application forms for requesting guest lectures by Nomura staff on financial and economic topics, a GRI Guidelines Index, and other CSR-related data as well as other materials.

## About the Company Logo

The logo of Nomura Group is based on our Company badge. This badge design is an arrangement of an ivy leaf, which appears on the crest of the Nomura family, and the original Nomura trade name in Japanese, yamato. The yama portion of the trade name, which means "mountain," was restyled in the shape of a mountain.



Global Network

(As of March 31, 2017)

The Nomura Group, as Asia’s global investment bank, has a global network spanning more than 30 countries and regions.

Europe, the Middle East and Africa

London	■ Subsidiary*
Amsterdam	■ Subsidiary
Vienna	○ Representative office
Stockholm	▲ Branch
Zurich	■ Subsidiary ▲ Branch*
Paris	■ Subsidiary ▲ Branch*
Frankfurt	■ Subsidiary ▲ Branch*
Helsinki	▲ Branch
Madrid	▲ Branch
Milan	▲ Branch
Luxembourg	■ Subsidiary
Istanbul	○ Representative office
Qatar	▲ Branch
Dubai	▲ Branch
Bahrain	■ Subsidiary
Riyadh	■ Subsidiary
South Africa	▲ Branch

Americas

New York	■ Subsidiary* ▲ Branch*
Washington, D.C.	▲ Branch
Boston	▲ Branch*
Chicago	▲ Branch*
Manhattan Beach	▲ Branch
San Francisco	▲ Branch*
Los Angeles	▲ Branch*
St. Louis	▲ Branch*
New Jersey	■ Subsidiary ▲ Branch
Toronto	■ Subsidiary*
Colombia	○ Representative office
São Paulo	○ Representative office
Bermuda	■ Subsidiary

Japan

Japan	● Head office, branches and offices 158
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Asia ex-Japan

Hong Kong	■ Subsidiary* ▲ Branch
Beijing	○ Representative office
Shanghai	○ Representative office
Taipei	▲ Branch
Seoul	■ Subsidiary ○ Representative office
Mumbai	■ Subsidiary

Hanoi	○ Representative office
Jakarta	■ Subsidiary
Kuala Lumpur	■ Subsidiary
Philippines	■ Subsidiary
Bangkok	■ Subsidiary
Singapore	■ Subsidiary*
Sydney	■ Subsidiary*
Melbourne	○ Representative office

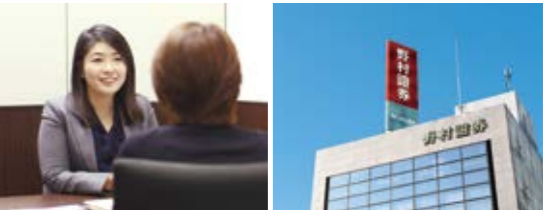
\*Includes subsidiaries and branches of Instinet

Services for Retail Clients / Nomura Securities Branches in Japan

Consulting Services

Provide tailored consulting services to each client through Nomura’s head office and nationwide network of 158 branch offices

Client		
Real estate	Asset Management	Insurance
Loan	Business succession	Estate planning, Bestowing gifts Testamentary trust



Call Center

Provide a wide range of services to clients who have existing accounts at Nomura, as well as new potential clients

- Transaction orders
- Market outlook and investment consulting (reservation required)
- Individual-type defined contribution pension plan (iDeCo) information and services
- Administrative functions, including new account opening services



Nomura’s call center and internet service was awarded a ‘five star’ rating by the Help Desk Institute for three consecutive years for its defined contribution pension plan services

Online Services

Provide access to information and convenient tools through a broad range of devices. Clients with accounts in Nomura can execute various transactions through their individual web interface

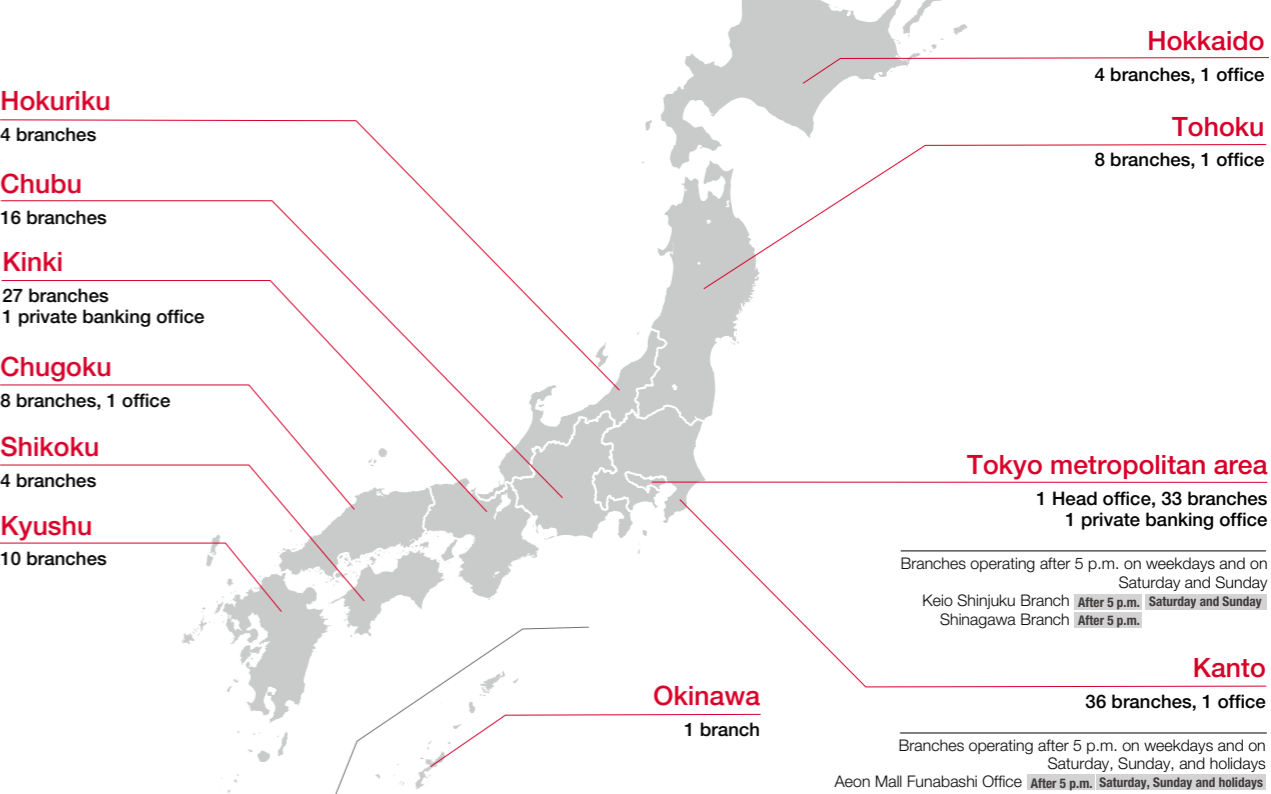
- Nomura Home Trade\*: Services for clients who have accounts at our head office or a branch
- Nomura Net & Call\*
- Website exclusive for each subscriber of individual-type defined contribution pension plan (iDeCo)
- Website exclusive for each subscriber of employee stock ownership plan



\* Beginning January 2018, Nomura Home Trade and Nomura Net & Call will be integrated and re-launched as Nomura Online Service.

Nomura Securities: 158 branches in Japan

(As of March 31, 2017)



CORPORATE DATA

Company name	Nomura Holdings, Inc.	Listing	The common shares of Nomura Holdings, Inc. are listed on the Tokyo, Nagoya, and Singapore stock exchanges. The shares are also listed on the NYSE in the form of American Depositary Shares (ADSs) evidenced by American Depositary Receipts (ADRs). Each ADS represents one share of common stock.
Date of incorporation	December 25, 1925	Securities code	8604 (Tokyo Stock Exchange), NMR (New York Stock Exchange)
Head office	1-9-1, Nihonbashi, Chuo-ku, Tokyo 103-8645, Japan	Transfer agent and registrar	Mitsubishi UFJ Trust and Banking Corporation Corporate Agency Department
Paid-in capital	¥594,493 million	Depository for American Depositary Receipts (ADRs)	The Bank of New York Mellon
Group employees	28,186	Date of record for dividend payments	September 30, March 31
Common stock issued	3,822,562,601 shares		
Number of shareholders	379,603 (Unit shareholders: 357,883)		

SHARE INFORMATION

(As of March 31, 2017)

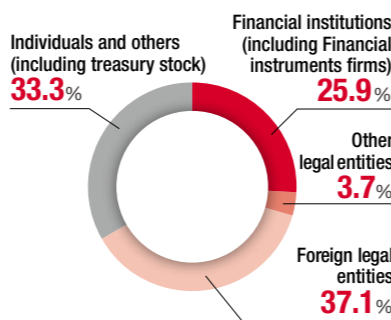
Major shareholders (Top 10)\*1

Name of shareholder	Number of shares owned (thousands)*2	Ownership (%)*2
Japan Trustee Services Bank, Ltd. (Trust Account)	204,409	5.8%
The Master Trust Bank of Japan, Ltd. (Trust Account)	152,015	4.3%
Japan Trustee Services Bank, Ltd. (Trust Account 5)	74,128	2.1%
State Street Bank and Trust Company	61,747	1.7%
State Street Bank West Client-Treaty 505234	55,202	1.6%
Japan Trustee Services Bank, Ltd. (Trust Account 1)	54,864	1.6%
Japan Trustee Services Bank, Ltd. (Trust Account 2)	54,364	1.5%
Japan Trustee Services Bank, Ltd. (Trust Account 7)	54,153	1.5%
Japan Trustee Services Bank, Ltd. (Trust Account 9)	46,852	1.3%
The Bank of New York Mellon SA/NV 10	44,288	1.3%

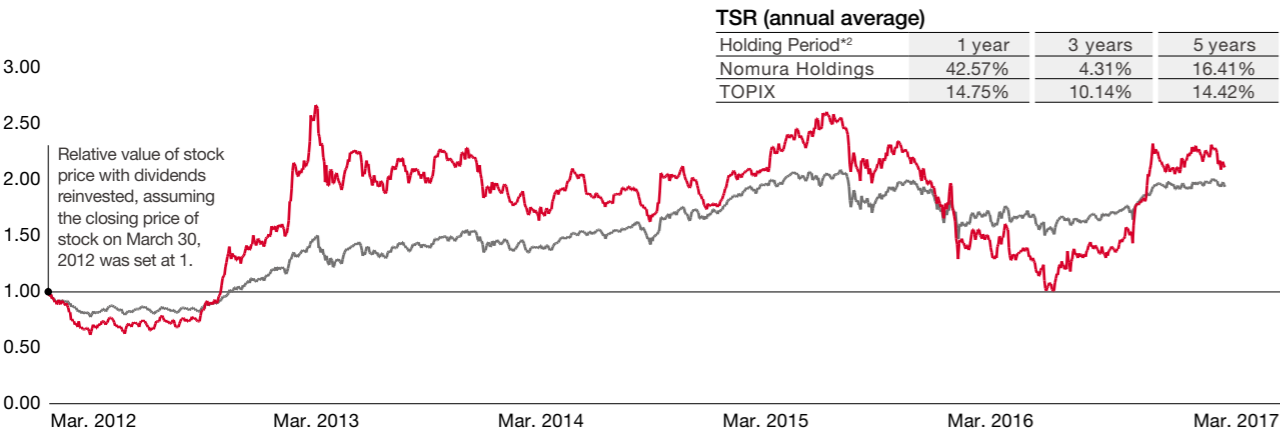
\*1 The Company has 293,373 thousand shares of treasury stock as of March 31, 2017 which is not included in the major shareholders list above.

\*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.

Component ratio of shareholders



Total Shareholder Return (TSR)\*1



\*1 TSR: Total shareholder return, combining capital gains and dividend. Dividend is to be reinvested. Source: Nomura, based on Bloomberg

\*2 Holding period until March 31, 2017

CREDIT RATING

(As of June 30, 2017)

	Nomura Securities		Nomura Holdings	
	Long-term	Short-term	Long-term	Short-term
R&I	A+	a-1	A+	a-1
JCR	AA-	—	AA-	—
Moody's	A3	P-2	Baa1	—
Standard & Poor's	A	A-1	A-	A-2
Fitch Ratings	A-	F1	A-	F1

< Basic Information in the Report >

Period covered	April 1, 2016 to March 31, 2017 (Some content may be outside this time frame.)	Entities covered	Nomura Holdings, Inc. and its major subsidiaries and affiliates <a href="http://www.nomuraholdings.com/company/group/">http://www.nomuraholdings.com/company/group/</a>
Reporting cycle	Once a year		
Previous:	August 2016		Numerical data are presented alongside information on the scope of companies covered.
Current:	August 2017		

Reference guidelines

- GRI Sustainability Reporting Standards (GRI Standards) 2016  
This report contains information regarding the standard disclosure items contained in the GRI Standards 2016. Please access the following URL on our corporate website for our GRI Guidelines Index.  
<http://www.nomuraholdings.com/csr/gri/index.html>
- Environmental Reporting Guidelines (2012 Version) of Japan's Ministry of the Environment
- Charter of Corporate Behavior of Keidanren

Editing Nomura Report 2017

Since 2012, we have been publishing the Nomura Report as an integrated version of our Annual Report and CSR Report. In this sixth edition of the Nomura Report, we place the spotlight on Nomura's activities and what defines us, starting with our mission to contribute to economic development and realization of a prosperous society through its involvement in the securities industry. We take as our entry points our business, people, governance, and financial and non-financial perspectives. We hope to deepen readers' understanding of Nomura Group's initiatives, including our efforts to realize our management targets for 2020 and to create corporate value over the medium to long term, as well as our endeavors to embrace change and achieve sustained growth through 2020 and beyond.

In preparing this report, we took into consideration the global trend towards integrated reports, and have referenced the international integrated reporting framework advocated by the International Integrated Reporting Council (IIRC) and GRI Standards 2016. In addition, we have received guarantees from independent external organizations, thereby enhancing the reliability and transparency of certain CSR data.

With the aim of having this report help to deepen dialogue with all of our stakeholders, we will continue to proactively disclose information while working to improve its reliability.



Hajime Ikeda

SMD, Group Corporate Communications,  
Corporate Citizenship and  
Tokyo 2020  
Olympic and Paralympic

INQUIRIES

Nomura Holdings, Inc.

• Investor Relations

Urbannet Otemachi Building, 2-2-2,  
Otemachi, Chiyoda-ku, Tokyo 100-8130, Japan  
Tel: +81 (3) 5255-1000 (Main switchboard)

• Corporate Citizenship Department

Otemachi Nomura Building, 2-1-1, Otemachi,  
Chiyoda-ku, Tokyo 100-8170, Japan  
Tel: +81 (3) 5255-1000 (Main switchboard)  
e-mail: [csr@jp.nomura.com](mailto:csr@jp.nomura.com)



This report was produced  
using non VOC inks.



All electricity to print this  
booklet was generated by  
green energy. (399kWh)



Printed in Japan