

Nomura Report **2020**

Nomura Holdings, Inc. Integrated Report



About Nomura Group

Retail Division

Accounts with balance

As of March 31, 2012

4.98
million accounts

As of March 31, 2020

5.32
million accounts

Retail client assets

As of March 31, 2012

¥72
trillion

As of March 31, 2020

¥104
trillion

Asset Management Division

Assets under management

As of March 31, 2012

¥24.6
trillion

As of March 31, 2020

¥49.3
trillion

Domestic public stock investment trusts market share*

As of March 31, 2012

17.5%

As of March 31, 2020

26.2%

* The Investment Management Trust Association, Japan

Wholesale Division

Percentage of Japanese listed companies that name Nomura as lead / deputy underwriter

61%
2019

US Treasury market share

#5*
8% share
2019
* Greenwich

US Equity Flow Derivatives

#1*
October 2019 to December 2019
* McLagan

Non-Financials

Employees in over 30 countries

26,629
(As of March 31, 2020)

A diverse workforce with approximately

90 nationalities
(As of March 31, 2020)

Sustainable investment ratio

73%
(As of March 31, 2020)

Value of sustainable finance we support

SDG Bonds (Green, Social, Sustainability bonds) in which Nomura Group is involved

As of March 31, 2010

¥19.0 billion

2 deals

As of March 31, 2020

¥1,270.8 billion

72 deals

Contribute to social value creation by promoting the circulation of capital

Nomura Group is a global financial services group with an integrated network spanning over 30 countries. We connect investors with issuers such as corporates through the capital markets and provide liquidity by facilitating the flow of capital, an essential component of ensuring a sound economy that contributes to business development and improving society.

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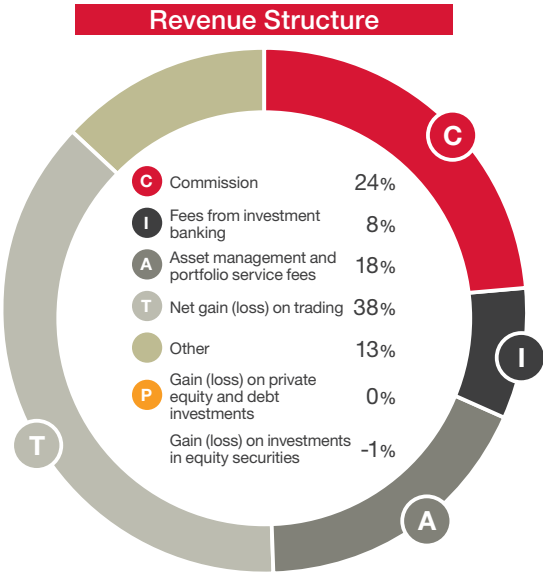
BUSINESS MODEL

Nomura Group's Business Model

Creating Value-Add through Financial Markets

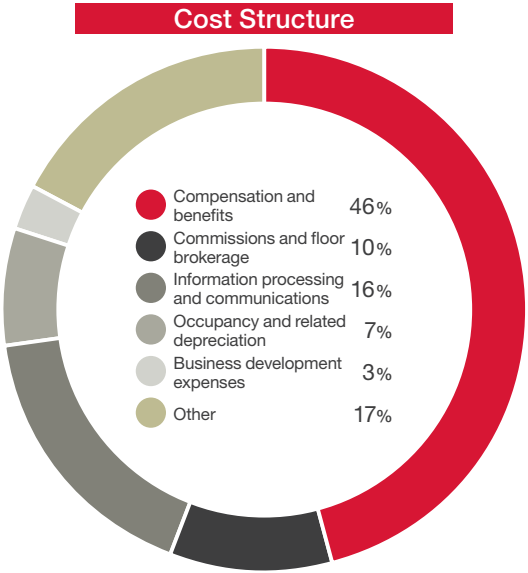
		Major revenue items*
Services related to asset management and business succession for individual and corporate clients	Retail We provide financial services through our nationwide branches, call centers and online platform. In addition to traditional investment products such as stocks and bonds, we offer inheritance, real estate, asset succession, financing, and corporate finance advisory.	C I A T
	Asset management We manage clients' assets according to their needs. We also provide investment trusts through various financial institutions.	A
Supporting corporate growth strategies and capital funding	M&A We provide advisory services on mergers, acquisitions, sales, business alliances, etc. We support clients in valuations of target companies and negotiations.	I
	Financing We support financing from financial markets by issuing stocks and bonds.	I
	Solutions We provide currency and interest rate risk hedging strategies associated with M&A and finance transactions.	I T
	Merchant Banking We support our clients' business growth by providing funds using Nomura Group's own capital. In 2019, we launched the first deal after the reorganization. This area will play a key role in expanding "Private" business in the future.	P
	Sales We provide solutions utilizing products such as stocks, interest rates, credit, foreign exchange, and securitization products.	C T
Services related to the investment and market intermediation for institutional investors and corporations	Trading We provide market liquidity through trading operations such as pricing financial products and managing inventories.	T
	Structuring We develop and structure products that utilize derivatives to meet client needs.	T
	Research We conduct research and quantitative analysis on financial markets and individual stocks, providing information to support clients' decision-making. Through the recently established "Content Company" we aim to further enhance our consulting solution capabilities.	—

*Major revenue items for each business are shown in the corresponding markers in the revenue breakdown on the right page.



Nomura's revenue comes from the provision of value-add consulting solutions and from the smooth execution in financial products. An increase of volume in transaction and investment of clients' financial products and in corporate activities such as financing will lead to an increase in our revenue. Net gains or losses on financial products positions held by Nomura also affect earnings.

*Represents the percentage of net revenue (¥1,287.8 billion) for the year ended March 2020



We aim to efficiently manage the business resources required to provide high-quality financial services. Because compensation and benefits account for a large portion of our costs, the performance of our employees is an important factor in Nomura's profitability.

*Represents the percentage of total expenses (¥1,039.6 billion) for the year ended March 2020

Nomura's Strengths

Brand and trust built up over 95 years of history and experience

Consulting capability and employees with profound market knowledge

Comprehensive capabilities as a main player in global financial markets

Strong Corporate Governance Structure
Adapted to Company with Committees etc. structure (now known as Company with Three Board Committees) at early stage in Japan

Financial strength with adequate capital base well above the regulatory minimum requirements



Stepping up to a "Next Stage of Growth"

I am Kentaro Okuda and I have been Group CEO since April 2020.

Since my appointment as the incoming Group CEO in December 2019, I have held a number of honest discussions with the new management team about the future of Nomura Group. These discussions included asking ourselves what Nomura should aim to become, what our clients, shareholders, the markets, and society expect from us, and what is our principal purpose for our stakeholders. The financial industry is regarded as a highly public function that is essential to society, and I believe it will continue to grow and evolve. However, this does not guarantee that Nomura Group will remain a key industry player in the future. Maintaining our position in the industry requires that we continue to adapt to the evolving marketplace. As barriers to entry in the financial industry continue to fall due to the digitalization of financial services, we need to be sensitive to the needs of the market and our clients, and constantly transform ourselves by developing new ideas.

I often reflect on and have spoken about these themes as a business leader and as a Group Co-COO since 2018. Furthermore, as Group CEO, I promote the message that "I want to bring Nomura to a next stage from where we stand now." Some may be a bit surprised by my saying "Let's aim for nonlinear growth," "create unconventional security businesses," and "no need to stick with only financial businesses domain." However we have not yet shared the complete form of "Next Stage of Growth" that we are aiming for at this point and we are still working to finalize some of the details. Through this report I hope to convey as much as possible about major transformation to come and the goals that drive it.

Group CEO

Kentaro Okuda

Management Vision for the 100th Anniversary of Our Foundation

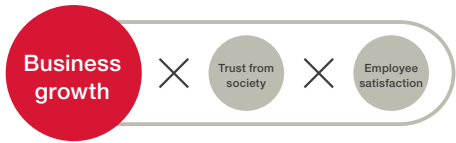
Nomura Group has established this management vision for the year 2025, the 100 year anniversary of its founding. In order to realize this management vision within the next five years, we will promote three core values: "business growth" x "trust from society" x "employee satisfaction".



One component of our management vision is "achieving sustainable growth by helping solve social issues". In order to realize this vision, we need to break away from our existing business model and take forward thinking actions to reach a "Next Stage of Growth."

What social issues should Nomura Group deal with over the next five years? First, investor appetite and demand has broadened in response to the historically low interest rate environment and increasing volatility in financial markets. Second, there is growing interest in Environment, Social, and Governance (ESG) investments as a means of achieving economic growth in harmony with the environment and society. Another major challenge is to increase productivity and add value through digitization.

In facing these issues, we have to overcome some of our own challenges first. In Japan, we are responding to an aging client base due to demographic trends and the accompanying changes in our profit structure. On a global level, we are responding to challenges including increasing need for value-add services, higher productivity and operational efficiency by using digital technologies. Another major challenge is to improve earnings stability and return on capital in our international Wholesale business and improve the capital efficiency of the entire group. It is also essential for us to develop new business areas and diversify revenue streams in order to grow in uncertain market environments.



With recognition of these issues, we will focus on "business growth" as one of the pillars for realizing our management vision. By the fiscal year ending March 2023, we aim to expand existing businesses and improve productivity. At the same time, we will invest in and cultivate new business areas, thereby expanding our company's strategic options. By the fiscal year ending March 2025, five years from now, Nomura aims to expand its core business domain which is not just in the public but also private space to make a leap to a "Next Stage of Growth." The ROE target is set between 8-10%.

In the first phase of the plan, which proceeds through fiscal 2023, we aim to achieve income before income taxes of ¥280 billion in existing core businesses (¥110 billion in Retail Division, ¥50 billion in Asset Management Division, ¥120 billion in Wholesale Division). Over the next three years, we set KPIs (key performance indicators) for each business division to determine areas of focus, and to monitor how we are progressing toward our goals while

constantly evaluating effective and lagging strategies.

The details of each business division are described in greater depth later in this report. First, in the Retail Division, we will leverage the reviewed channel formation and last year's implementation of digital infrastructure to provide the most suitable services through appropriate channels based on client profiles. By doing so, we will increase the number of active clients by 1.4 times and nearly double consulting related revenues. In addition, we plan to leverage the expertise of the CIO (Chief Investment Office) Group, which we established in July 2020, to provide high value-add asset management services that will lead to the introduction of a new fee model. The Asset Management Division aims to increase assets under management to ¥65 trillion by strengthening its investment capabilities in growth areas such as multi-asset, alternative and ESG investments. We believe the Wholesale Division has improved its profitability and earnings potential following their business portfolio review last year. Over the next three years, our focus is to continue pursuing resource efficiency, prudent risk management, and operational efficiency to increase earnings stability.

At the same time, we will invest in new business areas in order to appropriately respond to social issues and create a foundation for long-term growth. Additionally, three segments profit target of ¥280 billion was set amid significant uncertainties regarding the impact and length of the coronavirus pandemic, and therefore targets could be subject to review in the future. However, we do not intend to significantly change the core strategy or the actions planned to achieve our goal and appreciate the understanding of our stakeholders as we navigate this crisis.

In the second phase of our management plan, which is scheduled for the fiscal year ending March 2025, or five years from now, we aim to properly respond to social issues by providing a comprehensive range of services, from public to private, through the investments we are making going forward. As we pursue business growth, we will maintain our financial soundness while striking the right balance between investment in growth areas and shareholder return.



Expanding our scope of business from "Public" to "Private"

What does it mean to step into "Next Stage of Growth" and expand our business scope from "Public" to "Private" in order to achieve this goal? Since our definition of "Private" includes various meanings, we will explain each of them in the context of three ideas: "products and services" we offer, "client franchise" and "delivery method."

First, with regard to "products and services," we continue to be strong in public markets and financial products such as listed stocks and investment trusts. Going forward, we will also strengthen alternative investment management in the private sector, which includes business assets such as private equity, private debt and infrastructure. In order to meet these needs, we will position the private investment business as one of the Group's growth strategies, expanding the range of products offered to our clients for which fees are paid based on investment performance. This will increase our so-called fee business. We are currently formulating detailed business plans for targeted asset classes, including fund sizes and management teams, which we will elaborate on later.

In terms of products and services in the private side, we will also work on digital assets, a new asset class. A joint venture company established with Nomura Research Institute named "BOOSTRY Co., Ltd." began full-scale operations in November 2019 to undertake upstream financing operations in the digital asset value chain. In March 2020, we provided and underwrote technical infrastructure for the issuance of Japan's first digital asset bonds / digital bonds. In addition, together with Ledger in France and CoinShares in the UK, we launched "Komainu," to offer custodial services, settle accounts and manage digital assets on behalf of institutional investors in the downstream (administration) area of the value chain. The need for digital assets will

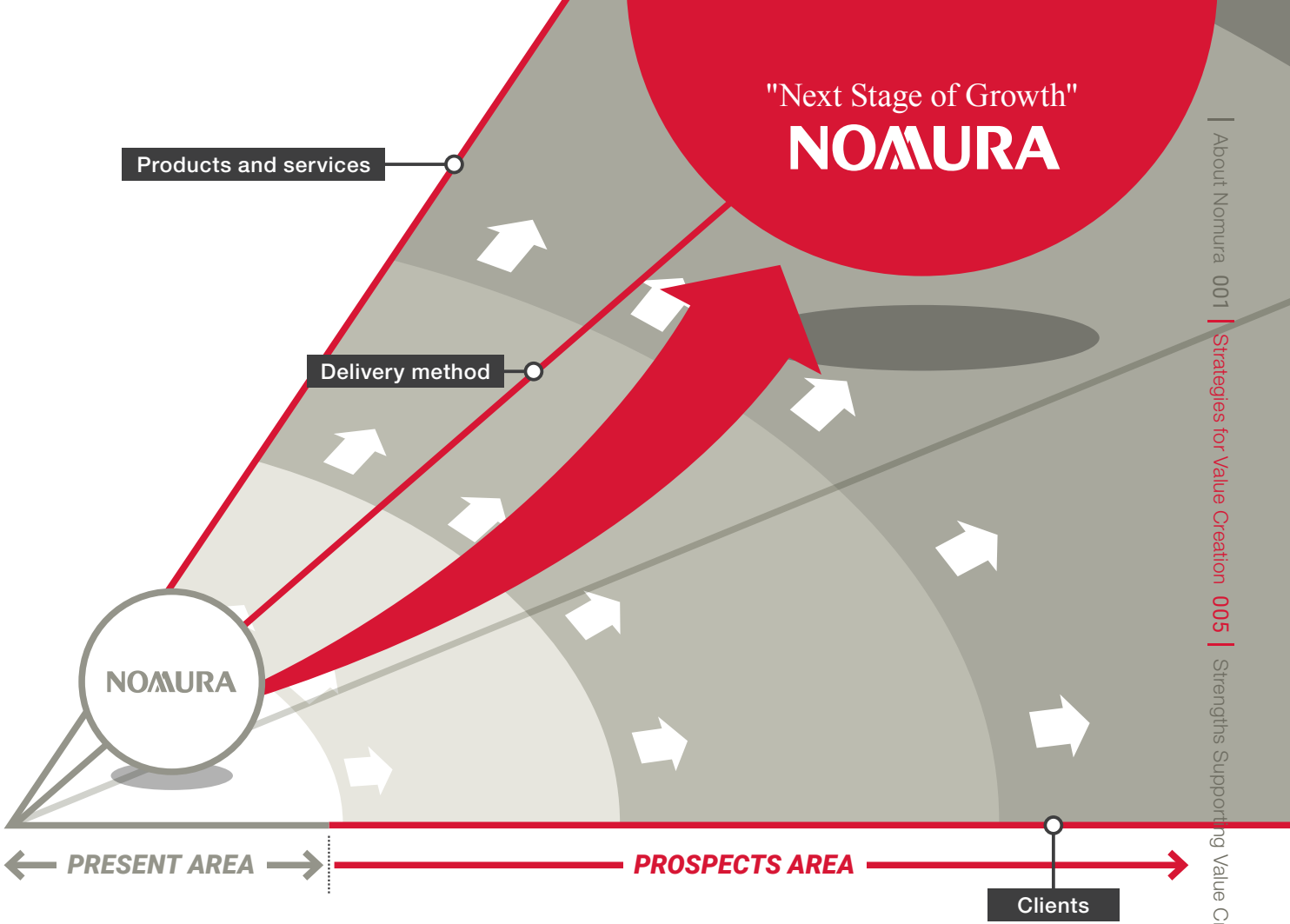
only continue to grow. Our company's involvement in this platform will lead to the creation of new revenue streams.

With regard to the second point, "client franchise," as an example, we will reallocate some of our coverage resources towards unlisted companies such as startups (currently, clients of our Investment Banking business are primarily listed companies, such as issuers). This will contribute to further expansion in this field. Moreover, we will not only provide products to existing investors, but also aim to provide new services by identifying needs through consulting and advisory services.

The third focus point, "delivery method" is to promote the use of digital technologies in addition to providing services based on physical meetings and other high-touch business. This will be implemented, as an additional tool to increase our client orders via online presence. For example, the Retail Division have already moved to a hybrid model where they use data from various interactions to select the appropriate channel services, ideal timing for each client — physical face-to-face, phone, e-mail, or online conferencing. Going forward, we will continue to evolve the delivery of content and other products that we have been providing with the goal of meeting the unique needs and preferences of individual clients. In a way, this can be defined as a private service.

If we can expand these three focus points, we will be able to provide services and solutions that are customized for each client, that is, "private." This tailored "just for you" proposal should lead to truly differentiated competitiveness.

Nomura's research capabilities are amongst our most important management resources, and the content generated by them will play an important role in realizing future growth. For example, reliable research on unlisted companies and



startups with limited public information should provide significant added value to venture capitals and other clients. We will also expand the scope of our consulting business, which goes beyond research to solve our client's challenges together. Furthermore, we recognize that the commercialization of new technologies and the development of new industries are essential for the revitalization of the economy, and our mission is to contribute to solving social and environmental issues.

In order to effectively use our intellectual assets and content, in July of this year, we consolidated and reorganized the Group's research capabilities and established a new organization called "Content Company." Going forward, in addition to providing information, we intend to enhance functionality, adding digital delivery development teams. We will be able to proactively promote business and provide more value with a wider range of points of contact than ever before.

The goal of working toward "Next Stage of Growth" is not to deny the past or create

something from scratch, but to leverage Nomura Group's track record in "public" businesses, relationships with clients, and individual employees' strengths into new areas. In the United States, while Amazon's strength in the e-commerce field is remarkable, Wal-Mart, which combines digital and physical outlets, is growing again in both spaces. In China, Ping An Insurance is expanding its business domain beyond insurance by utilizing insurance salespeople as a channel to promote digital transformation, integrating interpersonal sales (high-touch) and digital dialogue (high-tech), and introducing doctors and supporting health management. While we rely on digital services as much as possible, our employees need to continue raising their abilities for face-to-face high-touch consulting and advisory so that they can be fully recognized as a trusted consultant for our clients. We are confident that we will be able to further increase our growth potential by maintaining the face-to-face aspect as a core while still moving away from the narrowly-defined scope of securities business.



ESG as the pillars of Management Vision

In addition to the "business growth", our management vision incorporates ESG elements to achieve "trust from society" and "employee satisfaction". After my appointment as Group CEO, I listened to opinions from people outside the company, and noticed some have felt that "Nomura is becoming less functioning to serve broader society than before." Even before that, our clients often brought up ESG in conversation, and I realized that the world was changing. In addition to climate change, large-scale natural disasters, widening social disparities, and the crisis caused by coronavirus further reveal distortions in the economy and society, where we will be required to make more effort to build a sustainable world.

Under these circumstances, we will reform the Group to reach the next level and to achieve nonlinear growth, while maintaining our core mission of "contributing to the creation of a truly affluent society through financial and capital markets." I would also like to strengthen our vision through expanding ESG capabilities in line with changes taking place during our times. In addition to the securities business, which is our specialty, there are many other things that we can do to help our society and community as we aim to transform and

advance our business. When I speak with junior employees, I find that they appreciate and value the fact that their work contributes to society and are proud to serve their company with these priorities.

In order to strengthen ESG management, I chair the ESG Committee, which is now aligned with members of the Executive Management Board to create a framework for the strategic promotion of ESG within the highest decision-making body at the executive level. In addition, four subcommittees were established under the ESG Committee: (1) "Wholesale Sustainability Forum" to plan business opportunities and strategies for sustainable finance; (2) "Climate Risk Working Group" to analyze scenarios of climate change risks and conduct stress testing; (3) "Working Group on Environmental Activities" to promote Nomura Group's efforts to reduce environmental impact; and (4) "TCFD Working Group" for the Task Force on Climate-related Financial Disclosures (TCFD). In addition, the "Nomura Group's top management materiality which was identified in last year's comprehensive review of management issues and existing ESG issues, is being reviewed in accordance with the Management Vision.



"Trust from society" included as an element of our management vision has several key considerations. The first step is to increase client satisfaction by providing the best services and solutions to meet the needs and challenges faced by individual clients. Through our core businesses, we would like to contribute even more to the realization of a sustainable society, including the achievement of the goals of the SDGs and the Paris Agreement. To this end, we listed sustainable finance, including green bonds, and Nomura Asset Management's sustainable investment ratio as KPIs.

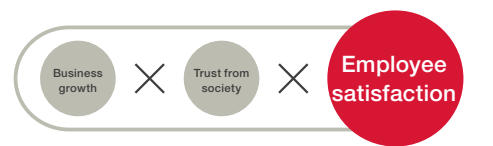
Meeting these social needs will lead to the growth of our business. In April 2020, Nomura completed its acquisition of U.S. M&A boutique Greentech Capital Advisors. Greentech is a leader in the sustainable technology and infrastructure sector M&A advisory space. Through this acquisition, we combine Greentech's expertise and knowledge with our global network and expertise in the solutions business to provide value-add services and contribute to sustainable growth with consideration of the global environment.

The trend in society to increase productivity and add value through digitization is expected to accelerate in the future. While many companies are exploring new growth strategies in light of the major structural changes in society caused by the coronavirus pandemic, there is still a need for responding social and economic

expansion and investment, especially in new digital fields. These are areas in which our comprehensive strengths can be utilized, and we will work to strengthen our responsiveness with urgency in order to support our clients' growth strategies and their efforts to improve corporate value.

Our vision to maintain the "Trust from Society" and efforts to maintain trust in Nomura Group is also an important issue. In May 2019, an inappropriate communication concerning a review of market segmentation of the Tokyo Stock Exchange caused considerable inconvenience to our clients and other stakeholders. We established the Nomura Group Code of Conduct in December 2019 so that every employee can translate the shared values of "challenge," "collaboration" and "good faith" into action, keeping in mind that it is our social mission to contribute to the development of healthy capital markets. We have also established the Nomura Group Corporate Conduct Committee directly under the Executive Management Board to instill the Code of Conduct in our employees and foster ethical corporate culture. The Code of Conduct represents our commitment to our stakeholders. As society changes drastically, it is important to understand the needs of society and to be accountable to a wide range of stakeholders, including clients and investors. Holding ourselves accountable leads to increased trust. At the same time, we want to develop a company that employees are proud to work for and deepen our dialogue with stakeholders. There is no end to these efforts, but I will take the lead and work to continually improve our discipline as an organization.

To be a company that employees are proud to work for



Our job is to provide clients with value-add services. The most important of these is the three S's; "Skills," "Speed" and "Spirit". "Skills" means to continue to refine expertise and improve professionalism in order to be selected by clients. The next S is "Speed" which requires quick response to clients, keeping an eye on the changing world, and being capable of taking the lead. "Spirit" is our DNA, our founding spirit of contributing to society through our business. Nomura has always endeavored to be the first in new frontiers. I want to keep this spirit unchanged. Contributing solutions to environmental and social issues is appreciated by our clients, society, and the world. We have included "employee satisfaction" as the third element of our management vision, with the aim of creating a company where employees are excited and proud to work for a company that is cherished by their family and friends, and those closest to them.

Nomura has a large platform with approximately 27,000 employees worldwide. There are about 16,000 and 11,000 employees in Japan and overseas with backgrounds diversified across 90 nationalities. Each and every employee is our greatest asset. We believe that "diversity" regardless of gender, nationality or age will become even more important as we evolve into a "Next Stage of Growth." Under the new management structure introduced in April 2020, a key executive in charge of corporate finance transitioned from Investment Banking to become the director in charge of Wealth Management in Retail Division, and an executive in charge of Fixed Income moved to Investment Banking. I felt that if someone who knows investors moves to the issuer side, they will be able to do something that they have not been able to do before, especially in the private space.

Half of the newly appointed 12 executive officers came to Nomura after working outside our company. We believe their various backgrounds can create synergies with different areas of the Group, and therefore contribute toward our goal of responding to changes in society and complicated clients' needs.

In closing

Finally, the coronavirus as an invisible threat changed our lifestyle completely. It reminded us that tomorrow is not just an extension of today. There is no guarantee that people's lives and ways of thinking will remain the same after things settle down. That is why we should not be bound by conventional ideas, and look to move towards our "Next Stage of Growth" with thoughtful ideas about future business. We have to change ourselves. We will continue to take on new challenges. In this spirit, we will continue to make every effort to enhance our corporate value.

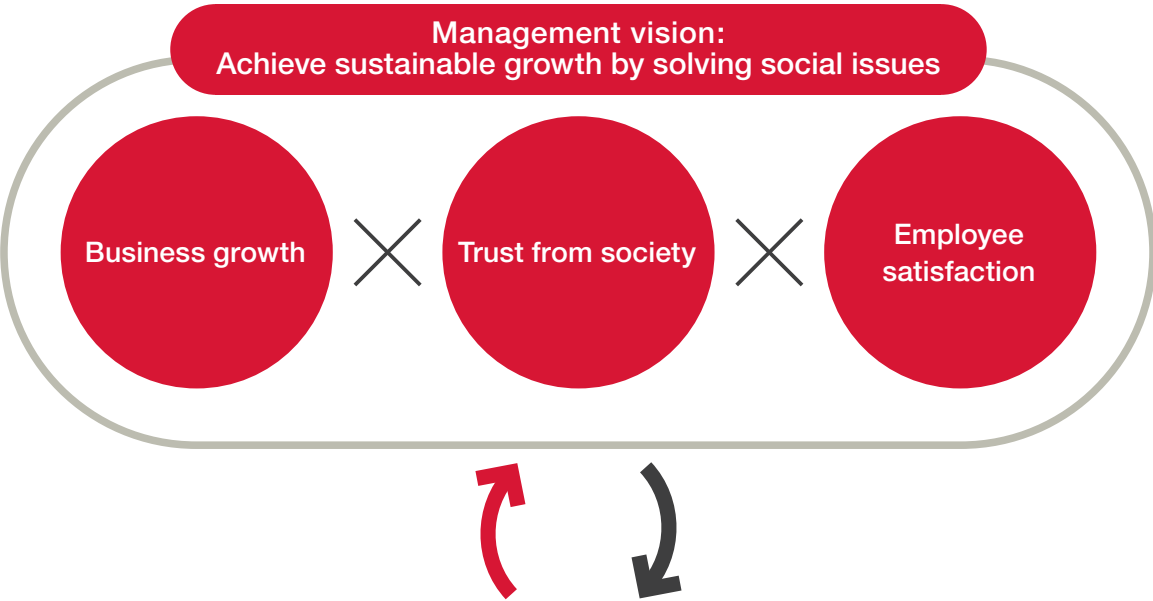


Kentaro Okuda is currently President and Group CEO of Nomura Holdings. Prior to becoming Group CEO in April 2020, he served as Group Co-CEO of Nomura Holdings from April 2018. He concurrently served as President and Chief Executive Officer of Nomura Holdings America, a position he held from 2017 to 2019, together with his role as Head of Americas. He joined Nomura in 1987. During his career at Nomura, he has held a number of senior positions with the firm, mainly within the Wholesale / Investment Banking business, including Global Head of Investment Banking, Joint Head of Wholesale and Global Head of M&A. He also has management experience within corporate functions, having served as Head of Group Strategy and Executive Office, where he was responsible for developing and implementing the group's corporate strategy.

NOMURA Group's
MANAGEMENT VISION

In May 2020, Nomura Group announced a new management vision for the year 2025, the 100 year anniversary of its founding. Under this vision, we aim to realize "business growth" by expanding our business domain from public to private, with our core business (Retail, Asset Management, Wholesale and Merchant Banking) as the foundation. The ROE target is set at 8-10%.

At the same time, we will focus on ESG (Environment, Social and Governance) elements such as "trust from society" and "employee satisfaction." We believe sustainable growth cannot be achieved if either element is missing. By combining "business growth," "trust from society" and "employee satisfaction" to create synergies, we will achieve sustainable growth and help solve social issues.



Nomura Group's capital that has been cultivated over its 95 year history

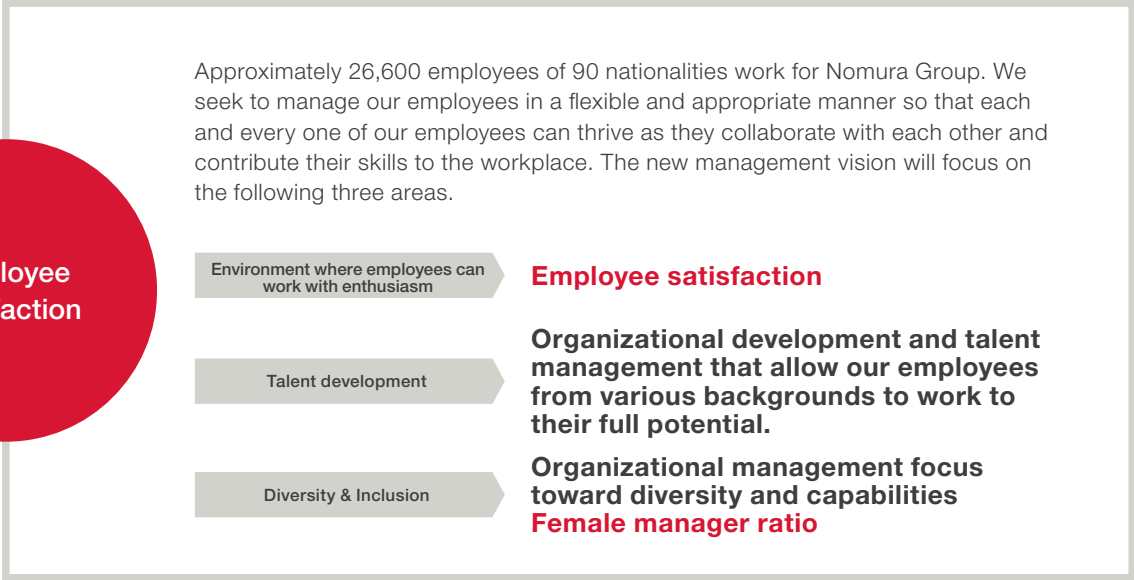
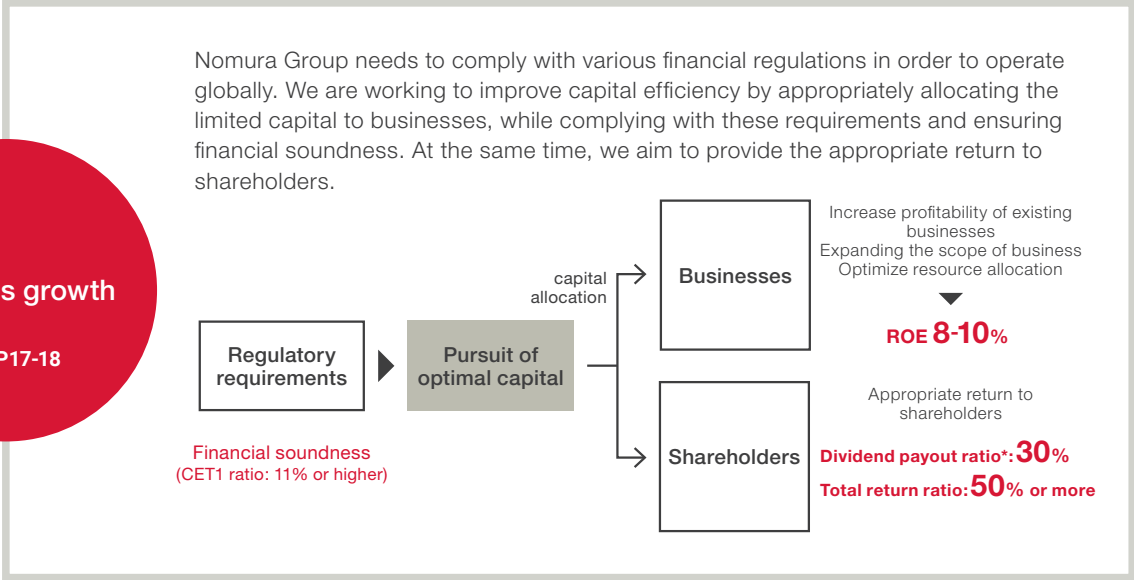
Financial capital

- Our revenue base consists of domestic business and carefully selected international business
- Capital and liquidity ratios well above the regulatory minimum requirements

Non-financial capital

- Japan's leading client base
- Trust from clients
- Products and services capabilities
- Full-scale global franchise
- Awareness of the Nomura brand
- Organization with diversity of about 90 nationalities
- Corporate culture

- Strengthened oversight function by separating management oversight and business execution, enabling an expedited decision-making process
- Advanced risk management structure
- Infrastructure which supports global franchise



* We will strive to pay dividends using a consolidated pay-out ratio of 30 percent of each semi-annual consolidated earnings as a key indicator. Dividend payments are determined taking into account a comprehensive range of factors such as the tightening of Basel regulations and other changes to the regulatory environment as well as the Company's consolidated financial performance.

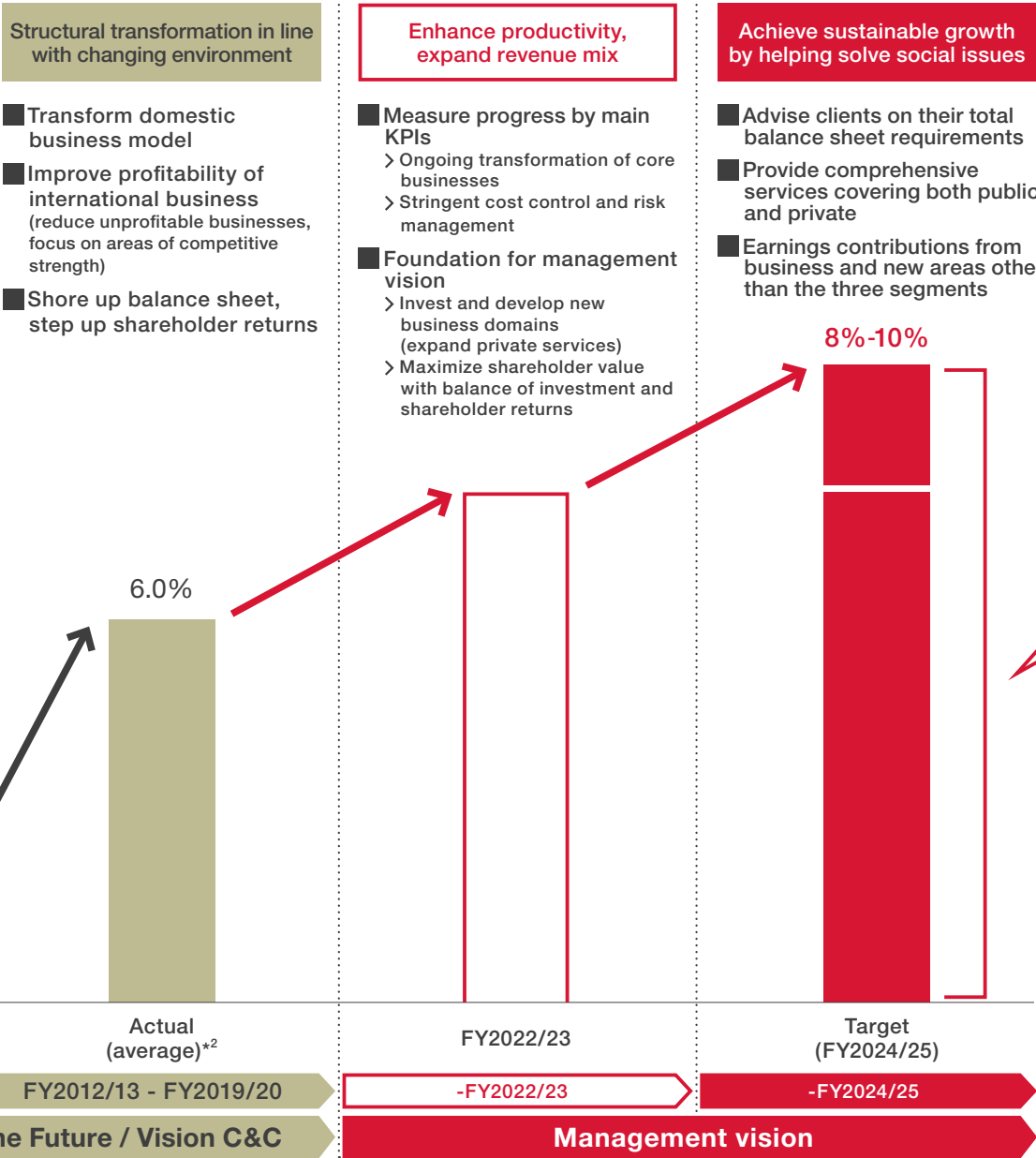
NOMURA Group's
MANAGEMENT
VISION

Path to Achieving Our Management Vision

Since 2012, Nomura Group has conducted structural reforms by transforming the business model in Japan and improving profitability of international business. As a result, the quality of our business and the recognition from our clients has improved significantly, and we have built a more solid business foundation in international regions by focusing on areas of our strength. For the next five years, we will continue to focus on transformation within our core businesses, while making necessary investments and incorporating new ideas to expand our scope of business from public to private so that we are able to enter into a "Next Stage of Growth."

Our management vision for the fiscal year ending March 2025 is broadly divided into two phases. By fiscal year ending March 2023, we aim to expand existing businesses and invest towards developing new business domains. By the fiscal year ending March 2025, we aim to expand our core business domain from public to private. The ROE target is set at 8-10%.

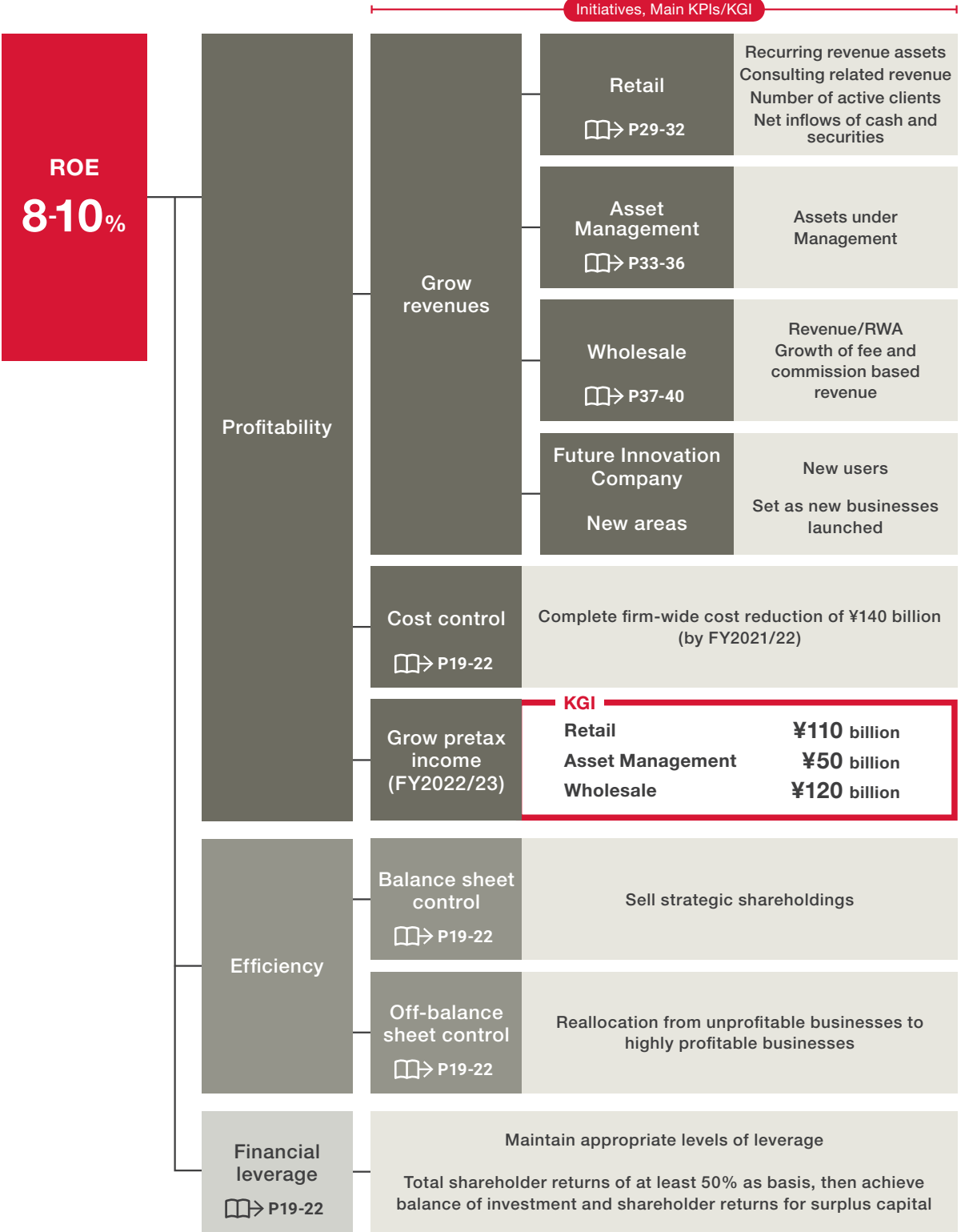
ROE trajectory



*1 Average of FY2009/10 – FY2011/12. *2 Average of FY2012/13 – FY2019/20.

ROE Tree

ROE is one of the most important financial targets in our management vision. The targeted 8-10% of ROE is broken down into three factors; profitability, efficiency and financial leverage, which we call as the "ROE tree." In particular, to improve profitability, we have established Key Performance Indicators (KPIs) and Key Goal Indicators (KGI) to align our efforts with those of each business.





We will strive to maximize our corporate value and contribute toward the realization of our management vision by pursuing an optimal balance between investment in growth areas and digitalization and shareholder return

Chief Financial Officer
Takumi Kitamura

Financial and capital support to achieve our management vision

In the fiscal year ended March 2020, we significantly improved financial performance from the previous year's loss despite difficult business conditions, which included the market downturn in March, due to our successful reforms to the Retail Division and firm-wide cost saving initiatives. In Retail, we realigned sales channels and improved our organizational structure to better support client needs. In Wholesale, we lowered our break-even point through a review of our business portfolio and ongoing cost reductions.

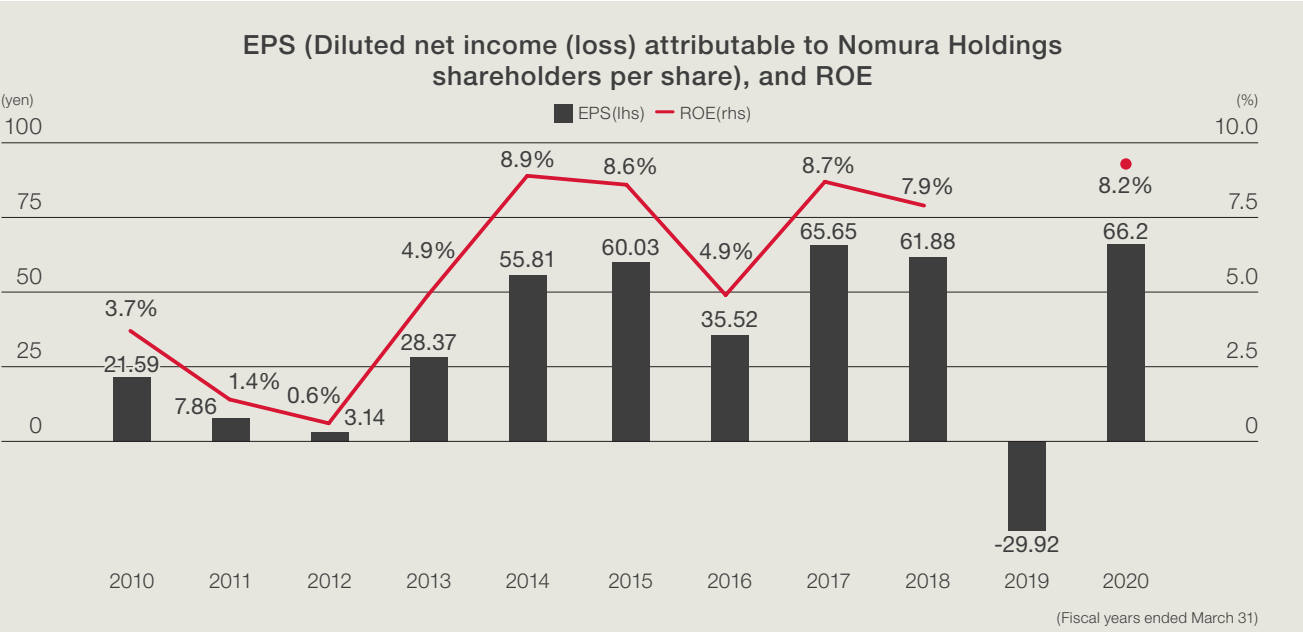
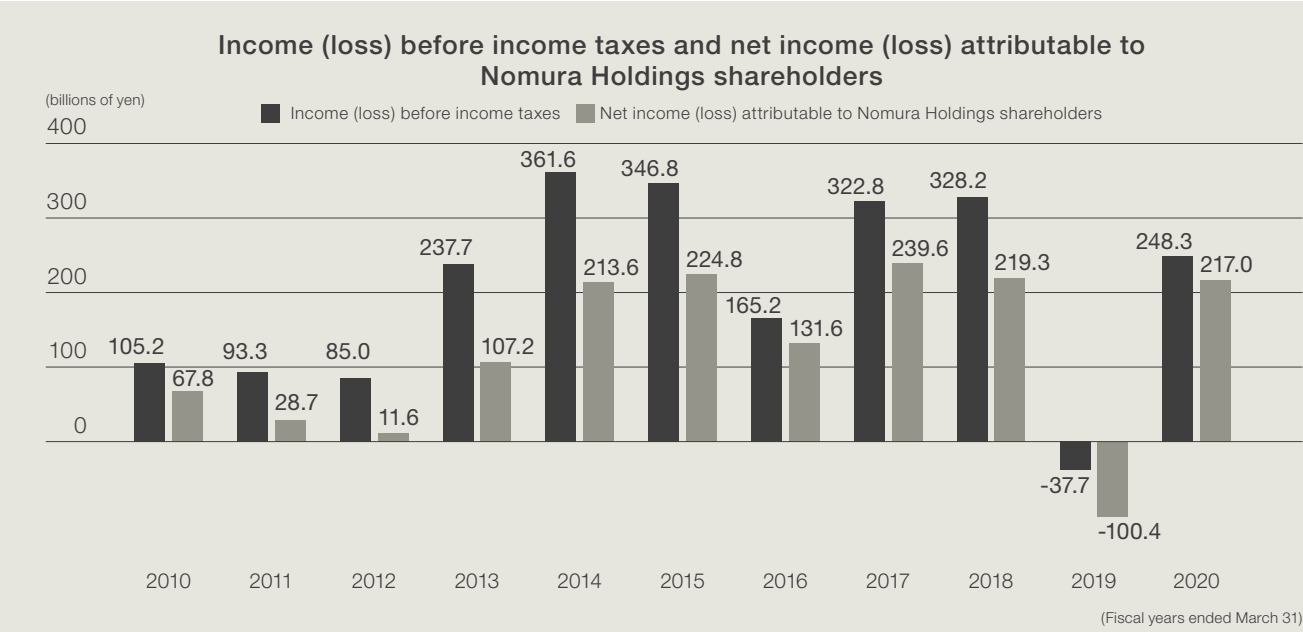
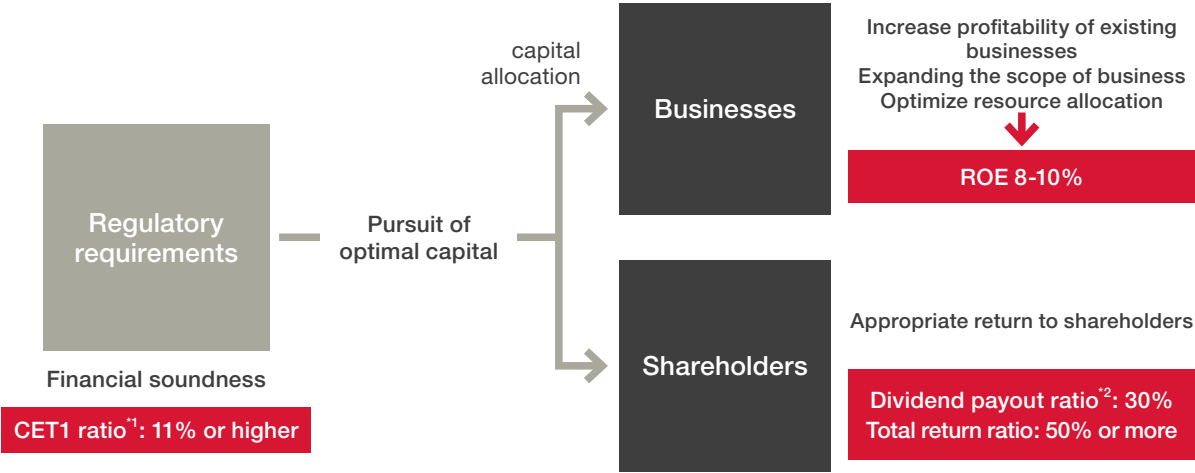
Nomura Group reformed the management board in April 2020 and set forth a new management vision towards the fiscal year ending March 2025. In this management vision, through a combination of "business

growth", "trust from society" and "employee satisfaction", we aim to help solve social issues and to achieve sustainable growth.

I believe that my main role as CFO is to provide financial and capital support, while communicating with a variety of stakeholders and taking their interests into account to realize our management vision. To this end, we will maintain a balance between (1) maintaining an appropriate financial base that enables compliance with various financial regulations, which are essential for Nomura Group to conduct business globally, (2) supporting Nomura Group's sustainable growth from a financial and capital perspective, and (3) providing appropriate shareholder returns.

^{*1} Consolidated Common Equity Tier1 ("CET1") capital ratio: defined as Tier1 capital minus Additional Tier1 capital divided by risk-weighted assets.

^{*2} We will strive to pay dividends using a consolidated pay-out ratio of 30 percent of each semi-annual consolidated earnings as a key indicator. Dividend payments are determined taking into account a comprehensive range of factors such as the tightening of Basel regulations and other changes to the regulatory environment as well as the Company's consolidated financial performance.



Compliance with financial regulations and maintenance of financial soundness

There are several global financial regulations that Nomura Group must comply with. Above all, the capital adequacy regulations set by the Basel Committee have a direct impact on our operations. As we anticipate the minimum required consolidated Common Equity Tier1 ("CET1") capital ratio at 7.5-8%*¹, we are aiming to maintain a CET1 capital ratio of 11% or higher over the medium term, which includes a discretionary management buffer.

The rapid spread of the coronavirus pandemic since the beginning of this year resulted in significant capital markets fluctuations. In March, the VIX index reached record high levels since the global financial crisis, and credit spreads widened rapidly. Due to these acute market changes, risk-weighted assets, the denominator of the CET1 capital ratio, increased mainly on market risk. As of March 31, 2020, the CET1 capital ratio was 15.3%, down from a year ago (17.1%). Nevertheless, our financial position is sound as the CET1 capital ratio is well above our medium-term target of 11%.

The methodology for measuring risk-weighted assets will be more stringent with the finalization of Basel III. This stricter regulation was scheduled to be implemented in the fiscal year ending March 2022, but was postponed for one year due to the impact of

the coronavirus pandemic. We have more time to prepare for the tightening of the regulation, but there is no guarantee that such a sudden market downturn as we saw in March will not happen again. We will continue to manage appropriately while attentively controlling risk.

In April 2018, it was announced that the Total Loss Absorbing Capacity (TLAC*²) requirement would be applied to Nomura Group effective March 31, 2021. As a result, we have been proceeding with issuance of TLAC-eligible debt*³ and refinancing existing liabilities. We have raised approximately ¥240 billion on TLAC-eligible debt in fiscal year ended March 2019 and ¥380 billion in fiscal year ended March 2020. At the same time, as a result of our efforts to ensure disciplined management of our balance sheet, we have managed our loss absorbing capacity (regulatory Capital and TLAC-eligible debt) to meet the minimum required level of TLAC as of March 31, 2020 that is applied upon TLAC regulation implementation. In June 2020, we issued perpetual subordinated bonds*⁴ worth ¥150 billion to strengthen capital base, which supports our growth strategy, and to increase the flexibility of our financial strategy. These perpetual subordinated bonds are considered to be both Tier1 capital and TLAC eligible. We will continue to implement our fund raising plan so that we can meet the required regulatory level without difficulty.

*1 The minimum required CET1 capital ratio may fluctuate each quarter as the counter cyclical buffer is updated quarterly. As of March 31, 2020, the minimum requirement is 7.51%
*2 Abbreviation for Total Loss-Absorbing Capability. Sufficient Total Loss-Absorbing Capacity aims to promote financial stability
*3 Liabilities, etc. that satisfy requirements for loss absorbing capacity as defined by the Financial Services Agency of Japan
*4 Unsecured perpetual subordinated bonds with optional redemption clause and write-down clause. Under the capital regulatory rules for international financial institutions (Basel III), they are recognized as capital and classified as additional Tier1 capital.

Toward sustainable growth

In our management vision, in addition to our exiting public business areas, we aim to expand and grow our businesses into the private area in terms of products and services, client base and delivery format.

ROE is the most important indicator of business growth. Our management vision and goal is to build the foundation of a business capable of achieving ROE of 8-10% by the fiscal year ending March 2025. ROE can be divided into three factors: "profitability" x "efficiency" x "financial leverage". Nomura's current challenge is "profitability". In our management vision, we have established new KPIs (key performance indicators) so that we can regularly measure the progress of each business division's efforts to improve "profitability". By expanding our business reach from public to private, we would like to steadily increase revenues not only in our existing, but also in new business areas. At the same time, we will thoroughly control costs. At present, the ¥140 billion cost reduction plan towards the fiscal year ending March 2022 has progressed approximately 70% as of March 2020, and we will continue to make steady progress on the remaining 30%. We will also selectively invest in digitization and growth areas to take a leap forward to the "Next Stage of Growth".

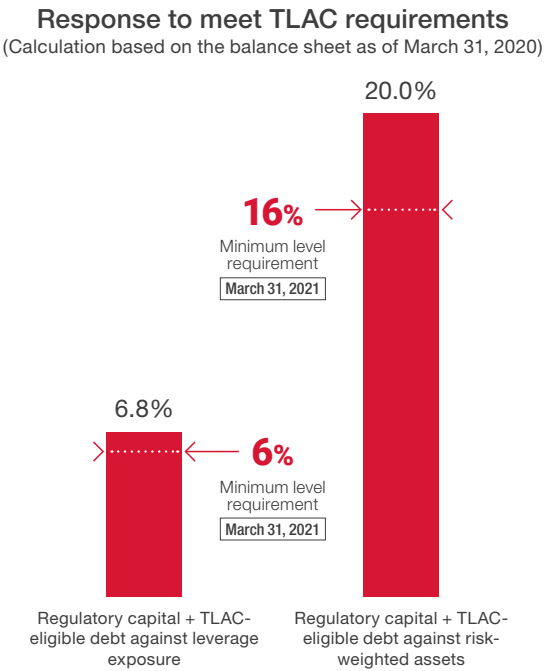
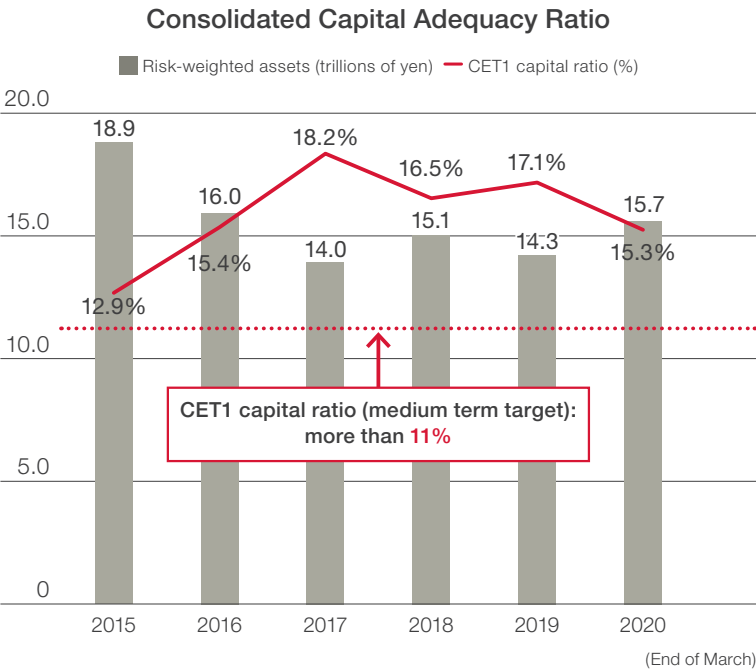
With regards to "efficiency", we will pay attention to the optimal allocation of resources. One of the KPIs of Wholesale is the revenue to risk-weighted assets ratio. By regularly monitoring whether each business line is achieving an appropriate return on financial resources, such as risk-weighted assets, we can redistribute resources as necessary from low to high-profitability businesses and conduct operations with greater awareness of capital efficiency. In addition, based on our policy to hold strategic shareholdings only when they contribute to the maintenance and improvement of our corporate value based on both quantitative and qualitative analysis, we continue to conduct rigorous reviews of our strategic shareholdings. We will also promote the optimization of our booking entities.

The third factor, "financial leverage," can be raised by reducing capital and actively using debt, but excessive leverage increases financial risk, and we must meet the regulatory capital requirements mentioned earlier. Therefore, it is important to control "financial leverage" at an appropriate level. Shareholder return is also an important element. We set policies to ensure a payout ratio of 30% on a semiannual consolidated basis and a total payout ratio of at least 50% for the fiscal year including share buybacks. Based on these return policies, we will allocate capital efficiently.



Since 2012, Nomura Group has worked to reform its domestic business model and improve the profitability of its overseas business while simultaneously strengthening its financial base. I am confident that we have been able to improve our competitiveness in the areas where we have strengths while transforming toward a leaner structure by continuously assessing the ideal business platform. Over the next five years, we will deepen these efforts while also investing in growth areas to reach the "Next Stage of Growth". In order to achieve our management vision for the fiscal year

ending March 2025, we will exercise financial and capital discipline, and we will communicate with our stakeholders about our progress based on established KPIs for each business division. Although I did not mention it in this message, "trust from society" and "employee satisfaction" are also essential to achieving our management vision. As a member of the group executive board, I will strive to create an organization that can grow sustainably through the resolution of social issues and make steady efforts to address these issues. Thank you for your continued support.



MATERIALITY


Nomura Group Materiality

Achieving sustainable growth by listening to our stakeholders and helping to solve social issues

A rich natural environment and healthy social environment are the foundations of economic and business advancement as well as people's lives. Without such foundations, it is impossible to fulfill Nomura Group's social mission of helping to enrich society. We have been expanding our products and services, and globally expanding our businesses and bolstering our corporate governance based on the recognition that initiatives such as protecting the global environment and promoting the active participation of a diverse range of people are essential for advancing both economic activity and society as a whole. In May 2020, Nomura Group announced a new management vision to "Achieve sustainable growth by helping solve social issues" ahead of the year 2025, the centennial anniversary of Nomura's founding. In addition to business growth, our management vision incorporates the ESG elements of trust from society and employee satisfaction. By combining these three elements to create synergies, we will achieve sustainable growth and help solve social issues.

Material issues

Since Nomura Group first identified CSR Materiality in 2008, we have conducted regular reviews based on trends in the international community and the expectations of stakeholders. In light of the management vision announced in May 2020, we reviewed the Nomura Group Materiality and identified the 27 material issues including seven highest priority issues. We will continue to make every effort toward our targets by using metrics to monitor how we are progressing.

 Nomura Group Materiality
<https://www.nomuraholdings.com/csr/group/issues.html>

* The SDGs logo covers not only the highest priority issues, but also all of Nomura Group's material issues. For all the material issues, visit our website.

	The highest priority issues	Metrics	Targets	SDGs*
Initiatives toward sustainable growth	Provide financial services that contribute to the creation of a sustainable society	<div><div></div>Value of sustainable finance we support</div> <div><div></div>Sustainable investment ratio</div>	Through our core business, create a better future by addressing stakeholders' needs and providing value added solutions	<div><div>1 PEOPLE</div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>11 SUSTAINABLE CITIES AND COMMUNITIES</div><div>13 CLIMATE ACTION</div></div>
	Pursue digitization to enhance customer service and productivity	<div><div></div>Expansion of diverse digital delivery</div>	Continue to focus on transformation to respond to the ever-changing business environment. Enhance the quality and quantity of customer service and achieve high productivity through digitization initiatives	<div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div></div>
	Expand and strengthen businesses from "Public" to "Private"	<div><div></div>Provide customized products, services and solutions</div> <div><div></div>Address new investor base and needs</div>	Achieve medium to long-term growth through expanding our business presence in private markets by expanding out alternative products and discovering new client needs. In addition, optimize the business portfolio taking into account the profitability of each business	<div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div></div>
	Continually review existing business portfolio based on profitability	<div><div></div>Optimal allocation of resources</div> <div><div></div>ROE</div>		<div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div></div>
Platform toward sustainable growth	Ensure all Nomura people understand and comply with the Nomura Group Code of Conduct	<div><div></div>Status of instilling of the Nomura Group Code of Conduct</div>	To increase corporate value, strengthen and enhance the corporate governance framework as corporate governance is one of the most important issues. At the same time, build trust with society and protect and enhance corporate value with thorough compliance and by raising employee awareness of the Nomura Group Code of Conduct	<div><div>10 REDUCED INEQUALITIES</div><div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div></div>
	Ensure financial soundness and transparency	<div><div></div>Monitoring of financial indicators</div>	To improve financial soundness and corporate value, various risks must be managed appropriately. Establish a risk management framework for monitoring and reporting on a globally integrated basis	<div><div>13 CLIMATE ACTION</div><div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div></div>
	Enjoyable work environment for employees	<div><div></div>Employee surveys</div>	Diverse and talented employees are our greatest asset amid the changes in the environment, such as innovation and digitalization. Make sure every employee can be active and successful in utilizing her/his capabilities and individuality, and provide high value-added service	<div><div>5 GENDER EQUALITY</div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>10 REDUCED INEQUALITIES</div></div>



Selection process

List the issues

1

We make a list of issues based on domestic and overseas non-financial information disclosure guidelines such as the GRI Guidelines and SDGs, etc.

Evaluate importance

2

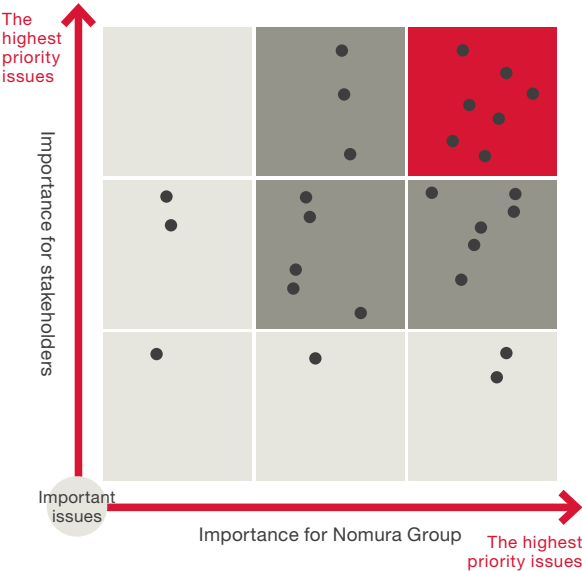
We evaluate the importance to stakeholders based on the matters to be evaluated as provided by ESG research organizations* in Japan and overseas and based on opinions from external stakeholders. In addition, we evaluate the importance to Nomura, referencing our Management Vision, Corporate Philosophy and the Nomura Group Code of Conduct, as well as based on interviews of key internal departments.

* DJSI (S&P Global/SAM), Vigeo Eiris, MSCI, ISS-oekom, Sustainalytics

Formulate draft Materiality

3

Based on the evaluation of importance (see 2 above), we formulate a Nomura Group Materiality draft following verification by the Group Strategy and Executive Office and ESG Department.



Senior management discusses and makes final decision

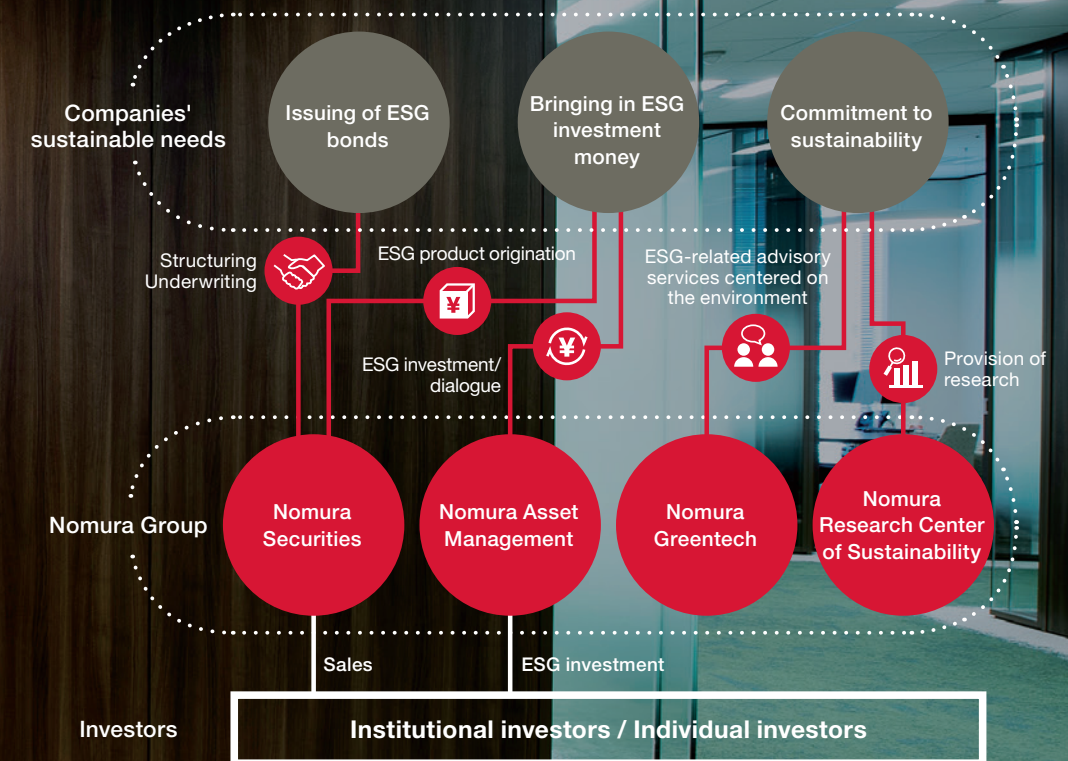
4

The ESG Committee, chaired by the Group CEO, makes a final decision after reviewing the validity of the Nomura Group Materiality.

Special
Feature

SUSTAINABLE FINANCE

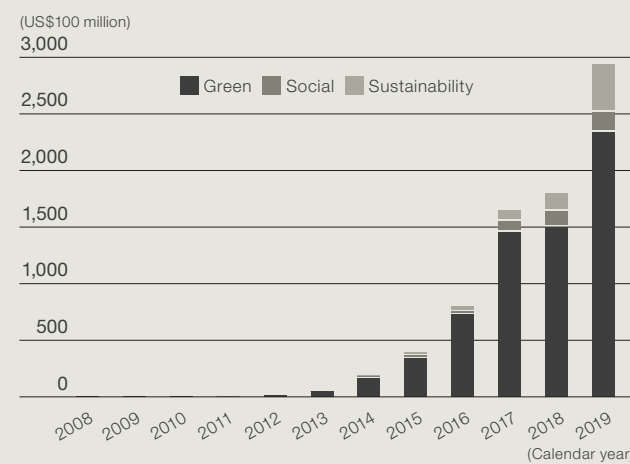
Taking advantage of Nomura's comprehensive strengths to contribute to the realization of a sustainable society



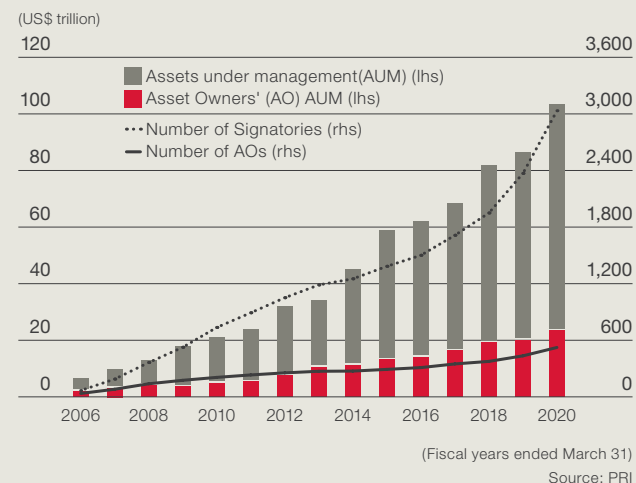
What Financial Institutions Need for Sustainable Development

In order to achieve the SDGs and the "2°C target," which are international goals, financial institutions need to create a flow of funds that will contribute to the formation of a sustainable society. Initiatives for E (Environment), S (Society), and G (Governance) in corporate management have become essential for improving enterprise value. Supported by growing recognition of SDGs in recent years, initiatives to address environmental and social issues, such as green bonds, social bonds, and sustainability bonds (hereinafter collectively referred to as "SDG bonds") are attracting international attention, and the amount of SDG bonds issued worldwide continues to increase. The Principles for Responsible Investment (PRI), which stipulates the consideration of ESG issues in the decision-making process of institutional investors, highlights ESG issues and the responsibilities of financial institutions, and promotes the creation of a framework that contributes to the establishment of a stable and sustainable financial system through global partnerships. Since the establishment of the PRI in 2006, the number of signatories has increased globally, and ESG investments have become mainstream. In Japan, the Japanese version of the Stewardship Code was revised in March 2020 to require institutional investors to make investment decisions taking sustainability into consideration and to engage in dialogue with companies.

Global issuance of SDG bonds



Growth in PRI signatories



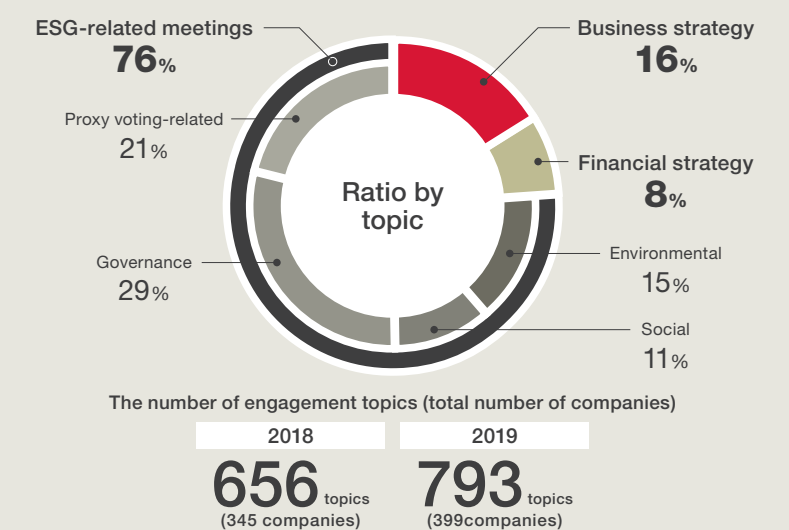
Nomura Group's Achievements

In light of the growing interest in ESG among issuers and investors both in Japan and abroad, Nomura Group established a team dedicated to working on ESG bonds globally, and has built up a track record of underwriting SDG bonds.

In Japan, we underwrote Sustainability Bonds issued by Obayashi Corporation and Japan Railway Construction, Transport and Technology Agency, and Green Bonds issued by Shimizu Corporation and the Japan Housing Finance Agency in 2019, and Green Bonds issued by Asahi Kasei Homes Corporation and NTT Finance Corporation in 2020. We actively underwrite SDG bonds not only in Japan but also overseas to share market conditions and provide customers with useful information and proposals.

Nomura Asset Management regards engagement as an important activity for the improvement of enterprise value of portfolio companies. In addition to regular dialogue, Nomura Asset Management engages in dialogue aimed at resolving ESG issues with key companies that need to be further examined out of approximately 2,400 portfolio companies (as of December 31, 2019). In 2019, Nomura Asset Management engaged in ESG-related dialogue with a total of 400 companies, and approximately 800 topics were discussed.

Engagement Meetings



SDG bonds issuance amount (involving Nomura Group)



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Leveraging the Group's comprehensive strengths to meet clients' sustainable needs

Nomura Group is strengthening ESG management under the Mission of "We help to enrich society through our expertise in capital markets."
Group companies will continue to work together across the board with their respective expertise to maximize the collective strengths of the Group to meet the needs of investors and clients and realize a sustainable society.

Strengthen advisory and financing operations through the acquisition of Greentech

In April 2020, Nomura Group completed the acquisition of Greentech Capital Advisors, a leading boutique investment banking firm focused on supporting clients across sustainable technology and infrastructure. Under the rebranded Nomura Greentech, we will connect companies working to create sustainable technologies with investors and clients across different geographies to help them incorporate innovation into energy, transportation, food, water and waste infrastructure systems.



Implementation of the world's first Sustainable FITs (stock acquisition rights)

Nomura Securities was allotted the world's first Sustainable FITs (stock acquisition rights). Airtech Japan's stock acquisition rights are the first in the world in the form of equity financing to receive a second opinion from an evaluation organization from the perspective of ESG and SDGs, in the belief that the use and significance of the funds will contribute to the reduction of environmental impact through energy conservation and the resolution of social problems such as infectious disease countermeasures.



Establishment of the Nomura Research Center of Sustainability

In December 2019, Nomura Institute of Capital Markets Research (NICMR), an independent research institute in Nomura Group, established the Nomura Research Center of Sustainability. The new research center focuses on objective and practical research. The center strategically identifies and conducts research into areas of sustainability closely related to the financial and capital markets and provides value-added information and proposals to clients. Specifically, NICMR creates an open platform to connect people within Nomura Group with people outside, including through collaboration between external advisors and specialists at the firm. NICMR will also collaborate with relevant international organizations in order to broaden the themes and scope of its research.



PRI assessment results

	FY2018-2019	PRI Median evaluation
Strategy and governance	A+	A
Status of integration into responsible investment for listed stocks	A	B
Active ownership for listed stocks	A+	B
Engagement	A+	
Proxy voting	A	
Bond investment (government bonds, etc.)	A	B
Bond investment (corporate bonds, etc.)	A	B

Nomura Asset Management Initiatives

In FY2019/2020, in addition to the previous Governance initiatives, we strengthened our Environment and Society initiatives. For the environment, we identified climate-related risks and opportunities in our investment portfolio, used these analyses in engagement with portfolio companies and in the management of our investment portfolio, and worked to improve investment quality so that it is more resilient to climate change issues and leads to higher added value. With respect to Society, in addition to the traditional concept of risk-return, we incorporated the 3rd axis of "social impact" into the process and promoted the development of new investment methods with higher sustainable growth while linking to social development. In the PRI assessment, which was granted in 2019, a rating of A or higher was received in all categories, indicating that external evaluations are steadily improving.

Developing NOMURA-BPI SDGs

Nomura Securities began joint research with Nomura Research Institute in April 2019, and has published Nomura-BPI SDGs (this index) since that November as a new sub-index to the Nomura Bond Performance Index (NOMURA-BPI). This index will select green bonds, social bonds, and sustainability bonds (SDG bonds) from a universe of NOMURA-BPI constituents, and reflects the overall performance of the secondary market for SDG bonds. The index value is calculated based on certain internal rules and has transparency and continuity. Through this index, we support issuers in the formulation of bond issues and investors in the decisions on investment. In addition to contributing to the sustainable development of the entire SDG bonds market, we will promote initiatives to achieve the SDGs.



Advisory/Financing

Financial products

Underwriting

NOMURA

Research

Investment management

Underwriting and sales of SDG bonds

Nomura Group established a team dedicated to working on ESG bonds in Japan in Investment Banking, Wholesale in 2017. In 2018, the team was transformed into a global organization to support the structuring of sustainable finance projects in Japan and overseas. In October 2019, Nomura Securities was elected as the only Japanese company in the Green Bond Principles and Social Bond Principles Advisory Council of the International Capital Market Association, and participated in the formulation of international standards for SDG bonds and activities for market development on behalf of Japan.

Nomura distributes Inter-American Development Bank's coronavirus mitigation bond

In April 2020, Nomura supported the Inter-American Development Bank (IDB) on its Sustainable Development Bond (SDB), which aims to provide assistance to countries facing coronavirus. IDB is the largest government-owned regional source of development finance for Latin America and the Caribbean. The proceeds from this SDB are earmarked to focus on the United Nations Sustainable Development Goal 3, ensuring healthy lives and promoting well-being, and is targeted at fighting and mitigating the impact of the outbreak in IDB's member states.



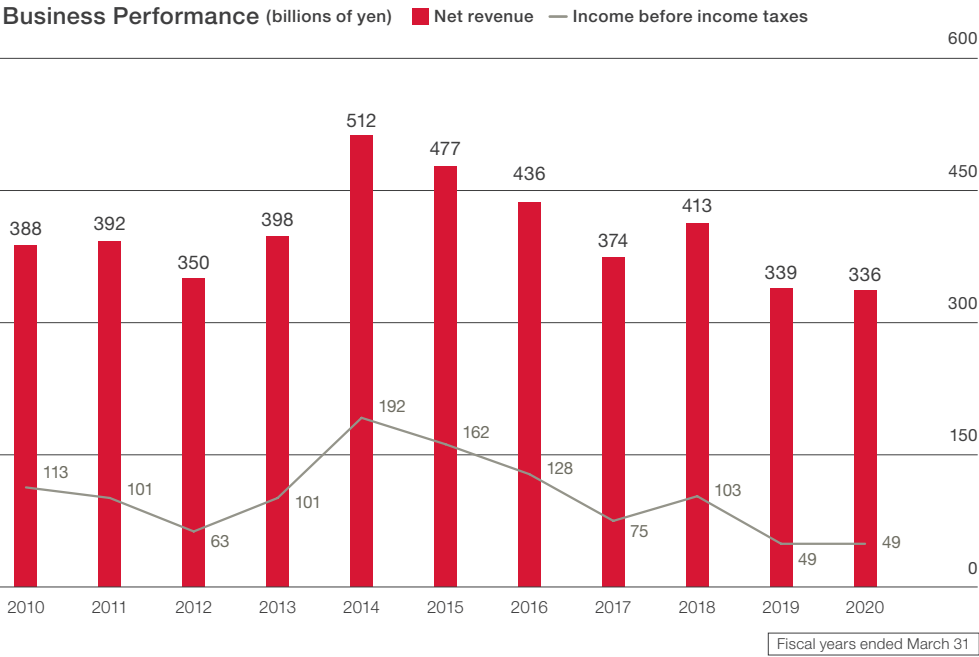
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RETAIL DIVISION

Based on our aspirations to "enrich clients by responding to their asset concerns," the Retail Division provides a variety of financial services to individuals and corporate clients in Japan through its branches, call centers and online platform. In addition to traditional investment products such as stocks and bonds, we offer consulting services such as inheritance, real estate, business succession, fund-raising, and corporate finance advisory based on client needs, financial assets and life stages.

Review of FY2019/20

Activity in the beginning of the fiscal year ended March 2020 was sluggish due to concerns over an economic slowdown related to US-China trade friction and heightened geopolitical risks. In October, investor confidence improved along with the market recovery. However, in 2020, the spread of coronavirus prompted concerns of a knock-on effect to economic activities, which led to plunge of stock prices and a risk-off stance spreading quickly. In this environment, sale of stocks decreased from the prior year when there was a large primary offering, but the sales of bonds and investment trusts increased. As a result, net revenue was ¥336.4 billion and income before income taxes was ¥49.4 billion, almost unchanged from the prior year. In summer 2019, we reviewed our sales channel alignment and integrated some of our branches in order to provide the best services to each client segment. We also enhanced our digital approach to complement our face-to-face expertise in order to reach more clients.



Retail client assets

No.1 in Japan
¥104 trillion
(as of March 31, 2020)

Japan Client Satisfaction Study (Full-service Securities Category)

**No.1 ranked
for 8 consecutive years**
J.D. Power Japan 2012-2019

Strength

- 1 Largest client base across Japan's securities sector
- 2 Sophisticated consulting capabilities and supporting platforms
- 3 Ability to offer products and services by leveraging Nomura's comprehensive strengths

Challenges

- 1 Approach to client's total balance sheet
- 2 Relatively high sensitivity to market fluctuation
- 3 Building relationships with family members of elderly clients
- 4 Expanding younger generation client base
- 5 Expanding contact points with clients and improving client satisfaction

Actions

- 1 Training Sales Partners* whom clients could completely trust
- 2 Sales Partners* deployment with knowledge and expertise tailored to client needs
- 3 Building stable earnings structure by increasing recurring revenues
- 4 Deployment of Sales Partners* (Heartful Partners) for elderly clients to each branch
- 5 Enhancing content targeted at younger generations (websites, seminars, apps, etc.)
- 6 Deepening the use of digital tools and data

* We call our sales representatives "Partners" because we want to be the most trusted financial service group for clients.

Vision and its initiatives

In order to provide appropriate services to meet each client's needs, the Retail Division had undertaken its channel alignment strategy in August 2019, and also improved digital infrastructure. The client interface is now a hybrid model that goes beyond physical meetings by utilizing phone, email, online services and conferencing systems. In the fiscal year ending March 2021, we intend to further deepen our use of digital tools and data to enhance client satisfaction and employee productivity, and to achieve long-term business relationships with more clients. In addition, we aim to build a more advanced advisory system in the future by leveraging the knowledge of the CIO (Chief Investment Office) Group, an independent unit separate from the business divisions. This group will play a central role in providing asset management services and introducing a new fee structure. We also aim to expand our business through collaboration with third parties such as regional financial institutions in order to broaden the contact points with clients to whom we have not been able to deliver our services.

Key performance indicators KPIs		FY2019/20 / March 2020	FY2022/23 / March 2023
	Consulting related revenue	¥14.9 billion	¥27.8 billion
	Recurring revenue assets	¥15 trillion	¥21 trillion
	Active clients	1.07 million	1.47 million
	Net inflows of cash and securities	-¥0.4 trillion	¥2.4 trillion
Key goal indicator KGI		FY2019/20	FY2022/23
	Income before income taxes	¥49.4 billion	¥110 billion

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Initiatives in next three years

Based on the new channel formation, Retail Division will expand and enhance productivity of existing businesses, and implement a full-scale business shift by introducing a high value-add advisory model.

<div><div>Point</div><div>01</div></div> <div>Enhance productivity of existing businesses</div>	<div><div>Point</div><div>02</div></div> <div>Create a high value-add advisory model</div>	<div><div>Point</div><div>03</div></div> <div>Expand business through collaboration with regional financial institutions</div>
We will promote digitalization and expand our products and services in order to further evolve the channel realignment that was done in 2019.	We will leverage the expertise of the independent CIO Group to provide more advanced investment services tailored to each client needs.	We will promote collaboration with third parties such as regional financial institutions to provide securities services to more clients.

<div><div>Point</div><div>01</div></div> <div>Enhance productivity of existing businesses</div>	In order to improve productivity of existing businesses, we will increase the use of digital tools and data, and further expand products and services.
Initiatives in next three years	

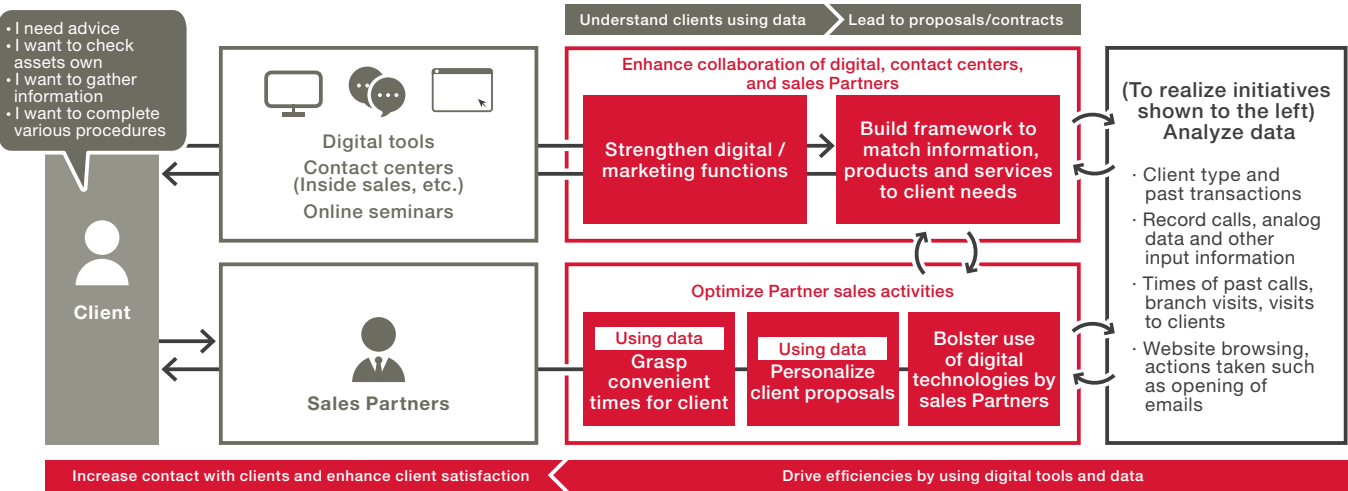
Enhance client experience by providing necessary services through optimized combinations of face-to-face and non-face-to-face channels and timing for each client, based on data obtained through various interactions.

Strengthen our digital marketing capabilities to improve the efficiency of our Partner's sales activities and to provide highly specialized services to more clients.

Enhance our products and services so that we can provide advice to client's total balance sheet.

Offer a wide range of services to corporate clients and their owners in addition to asset management, which supports businesses growth, helps employees build their assets, and ensures that we maintain long-term relationships with corporate clients and diversify our revenue sources.

Provide services using digital marketing

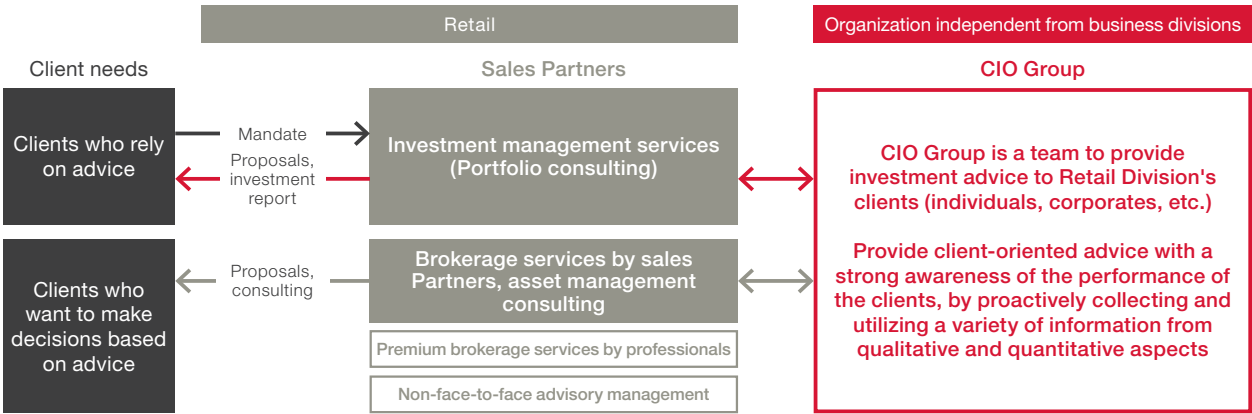


<div><div>Point</div><div>02</div></div> <div>Initiatives in next three years</div>	<div>Create a high value-add advisory model</div> <div>We plan to offer new asset management services by leveraging insights from the independent CIO (Chief Investment Office) Group established in July 2020.</div>
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The CIO Group, an independent unit separate from the business divisions, was formed by consolidating the investment consultation team to institutional investors and the discretionary investment service team to individual investors. By leveraging value-add content, the group will provide an asset allocation strategy based on investors' risk appetites, investment strategies and thesis.

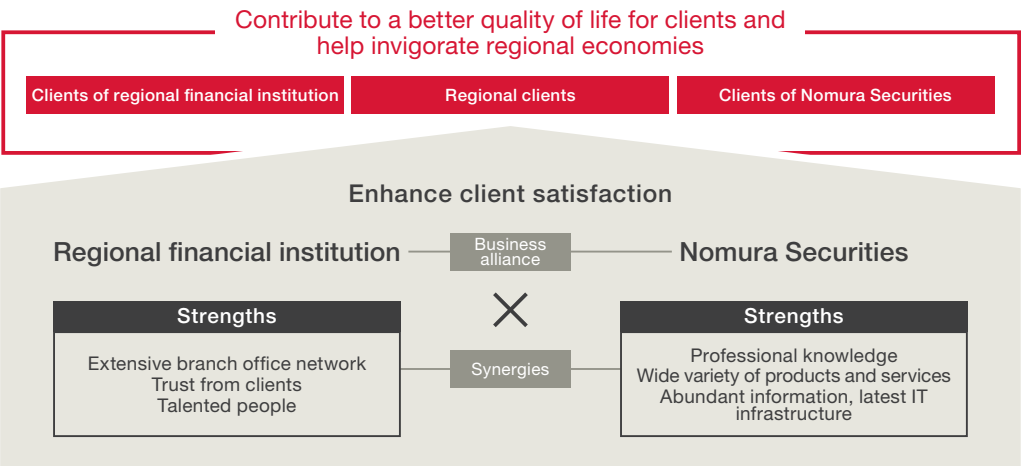
We will also create a strategy so that each Sales Partner can leverage output from the CIO Group providing sophisticated proposals to clients who want to make investment decisions based on advice.

Provide new asset management services: Create a high value-add advisory model



<div><div>Point</div><div>03</div></div> <div>Initiatives in next three years</div>	<div>Expand business through collaboration with regional financial institutions</div> <div>We expect synergies from collaborations between regional financial institutions who have strong client bases and branch networks in the region and with Nomura, who has industry expertise and an expansive lineup of products and services. By entering into a new collaboration strategy, we aim to provide our products and services to the clients we have not yet reached, and further contribute to the revitalization of the local economies.</div>
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Nomura has already announced a comprehensive business collaboration with San-in Godo Bank Group and Awa Bank in the financial instruments intermediary business and is preparing for the collaboration to start.



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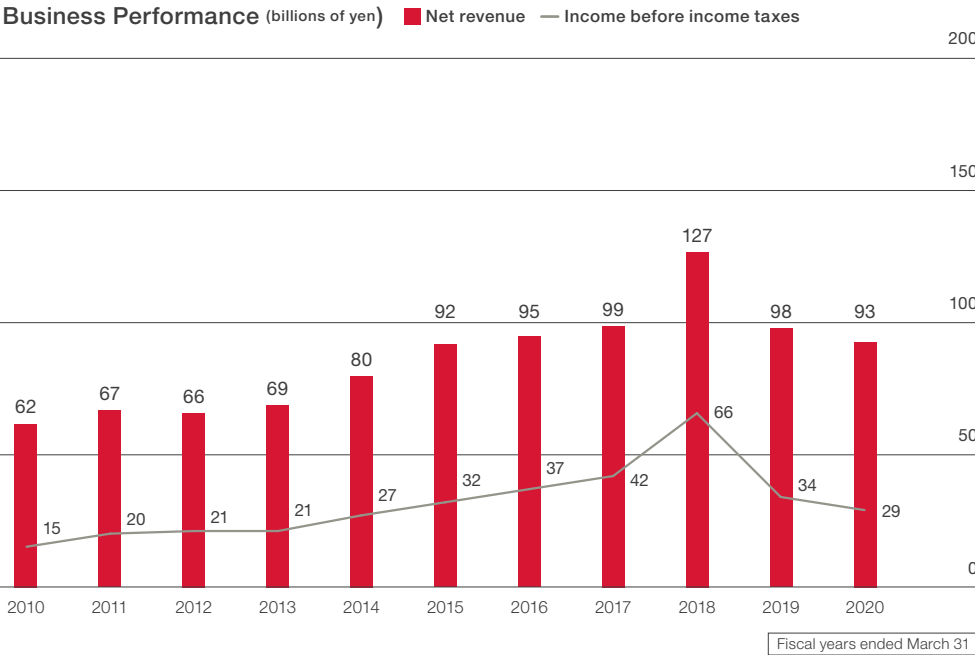
ASSET MANAGEMENT DIVISION

The Asset Management Division, led by Nomura Asset Management Co., Ltd., has approximately 1,500 staff in 13 locations worldwide, and aims to become "Japan's leading asset management firm, chosen by clients around the world." In addition to pursuing investment strategies, offering products and services that satisfy the varied needs of our clients, we are committed to promoting active engagement and dialogue with investee companies and issuers that can lead to the "mutually beneficial coexistence of companies and broader society", while we also actively promote socially responsible investment practices to achieve the "sustainable development of society."

Review of FY2019/20

In the fiscal year ended March 2020, the Asset Management Division reported net revenue of ¥92.6 billion, down 5% year-on-year, and income before income taxes of ¥28.8 billion, down 16% year-on-year. This decline was mainly due to an increase in mark-to-market losses for investment in our strategic partner American Century Investments (ACI) following the market downturn in March 2020, as well as a significant decline in assets under management toward the end of the fiscal year, resulting in reduced management fees for the fourth quarter.

On the other hand, the investment trust business continued to book inflows into products that contribute to our clients' asset building goals aligned with "the era of 100-year life expectancy", products provided for Defined Contribution Pension Plans, and ETFs (Exchange Traded Funds). In the investment advisory business, we continued to book inflows from public pension funds, and in the past fiscal year, we reported approximately ¥2 trillion in net inflows. Despite the impact of the market downturn, the underlying business remained solid.



Assets under management

¥49.3 trillion

(As of March 31, 2020)

Assets under management of ETFs

5th largest worldwide (No. 1 in Japan)

(As of March 31, 2020)

Publicly offered investment trust share

28.2% (No. 1 in Japan)

(As of March 31, 2020)

- Strength
- 1 Our global investment platform based on our capacity to analyze global trends from regional perspective
 - 2 Ability to provide solutions and investment strategies to meet diverse investment needs of domestic and overseas investors
 - 3 The human resources structure, originally established in 1959, has adapted to the changing environment and supported sustainable growth
- Challenges
- 1 Diversification of investment needs due to low interest rates and growing market uncertainties seen globally
 - 2 Growing interest in Japan towards asset management for individual investors amid an aging population, a declining birthrate and the era of the 100- year life expectancy
 - 3 Changes in business models and services due to advancement of digitalization
- Actions
- 1 In addition to investing in traditional asset classes, expand investments in areas such as ESG and Alternatives, while further strengthening our asset allocation capabilities
 - 2 Develop and provide products and services that align with the life stages of our clients while also enhancing financial literacy in Japan
 - 3 Improve efficiency of and enhance decision-making processes through leveraging digital technology, and provide services both face-to-face and remotely

Vision

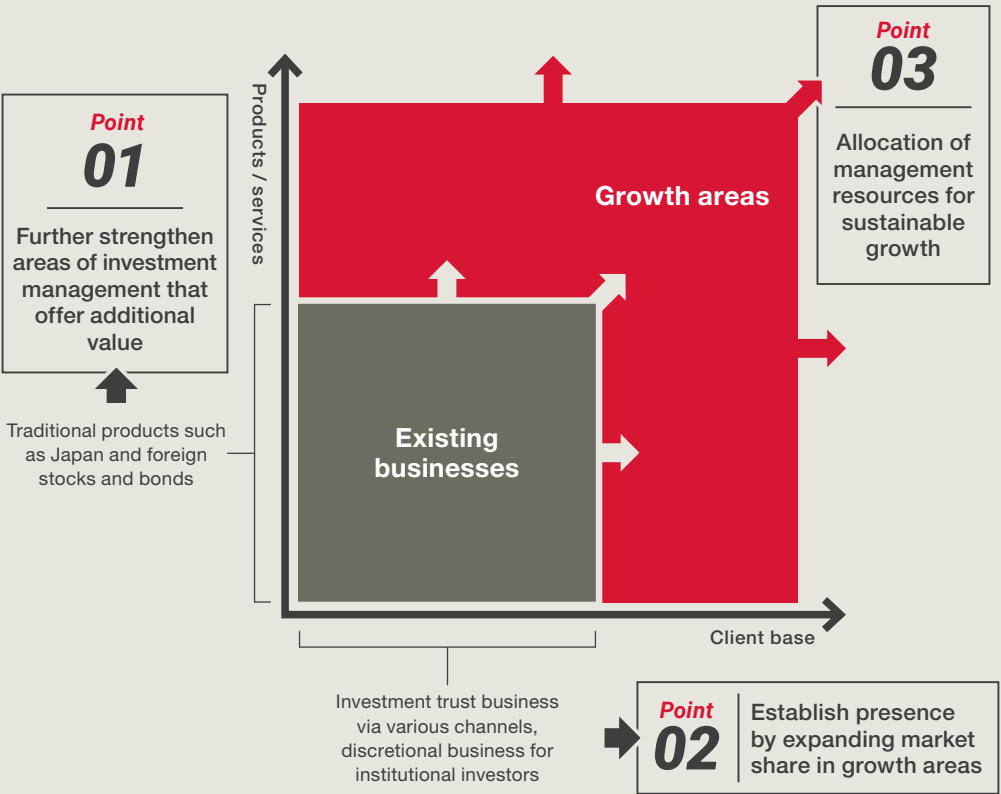
We aim to become Japan's leading asset management company, chosen by clients around the world.

- 1 Establish our presence as the dominant firm in Japan
- 2 Create and offer products and services with outstanding features and superior track records
- 3 Achieve sustainable growth by adapting to a changing environment

Key performance indicators	KPIs	FY2019/20 / March 2020	FY2022/23 / March 2023
Assets under Management		¥49.3 trillion	¥65 trillion
Income before income taxes	Key goal indicator KGI	¥28.8 billion	¥50.0 billion

- Initiatives
- 1 In addition to our outstanding performance in traditional investment areas such as stocks and bonds, we will leverage our global investment research knowledge in ESG and Alternative investment areas to provide new sources of return. In multi-asset management, in which multiple asset classes are combined, we will utilize our asset allocation capabilities to expand our range of products and services that provide stable performance.
 - 2 In Japan, in the areas of public investment trusts and Defined Contribution Pension Plans, we will establish our position as a leading firm in the industry, focusing on providing investment education, as well as products that support our clients' long-term and steady asset accumulation. Overseas, we aim to increase assets under management while addressing the needs of overseas pension funds and institutional investors by expanding our investment product offerings while differentiating our product platform from those of our competitors.
 - 3 In order to achieve sustainable growth despite changes in the business environment, we will actively make investments to strengthen our competitiveness in asset management and expand our new client franchise. We will also promote initiatives that lead to higher productivity, such as the automation and streamlining of business functions that support our asset management operations, and effectively allocate management resources to growth areas. Through these initiatives, we aim to achieve sustainable growth, and contribute to growth and development of our society through the asset management business.

Initiatives in next three years



Point

01

Initiatives in next three years

Further strengthen areas of investment management that offer additional value

In an uncertain investment environment, investment proposals that contribute to diversification of return sources and risk diversification are needed. In order to meet these requirements, we identified three growth areas; ESG, Alternative and Multi-Asset Management. We are working to further strengthen our product offerings in these areas.

Through ESG, we strive to achieve "coexistence and mutually beneficial interaction between companies and broader society" through active dialogue with our investee companies and issuers. We will also enhance our presence in this area to help realize a sustainable society by integrating important ESG issues into our investment process, including measuring the impact on climate change and SDGs.

In Alternative Investment, we will respond to the needs of our clients as they seek new sources of return by deepening our expertise in asset classes that are different from traditional assets, such as private equity and infrastructure investments.

In the area of Multi-Asset management, we will leverage the strength of our global asset management platform by demonstrating our capabilities across a wide range of asset classes as well as our risk management and asset allocation capabilities, to provide personalized investment solutions that meet our clients' expectations.

Point

02

Initiatives in next three years

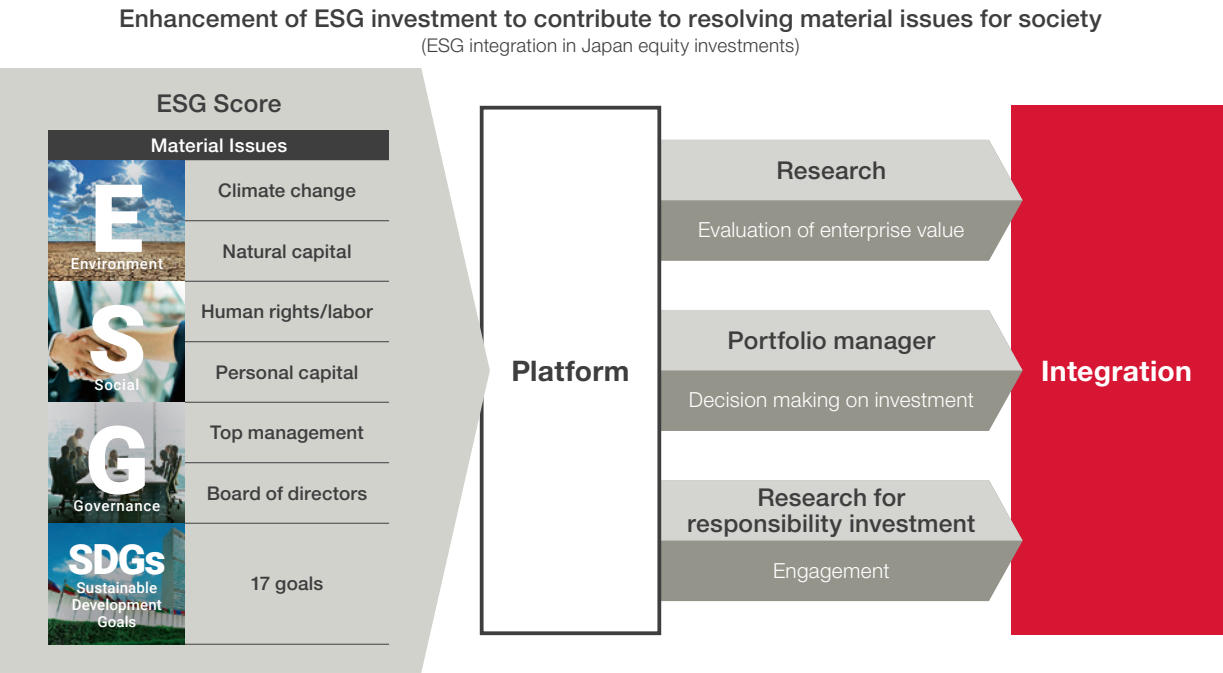
Establish presence by expanding market share in growth areas

In Japan, we regard public investment trusts and Defined Contribution Pension Plans (DC) as growth areas and aim to establish our position as the leading firm in these areas.

In the current environment, interest in asset management is growing among a wide range of age groups, ranging from young people to retirees. To further expand our market share in the public investment trust market, we need to provide good investment performance and also easy-to-understand and useful information and services that will encourage clients to select our funds.

With Defined Contribution Pension Plans (DC), the number of new participants is expected to increase and the amount of contributions per participant will increase in the future due to deregulation following revisions to the law. We aim to further expand our presence in this market as an asset management company that provides support and education for individual investors seeking to build personal pension assets through DC strategies including iDeCo, while providing a wide range of products that contribute to long-term and stable accumulation of investment assets utilizing tax efficient NISAs.

For overseas clients, in addition to our mainstay investments in Japanese stocks, we aim to further increase assets under management by expanding our portfolio of highly competitive investment products and also marketing funds through financial institutions in Europe and Asia. We will also promote the use of products from our strategic partner American Century Investments.



Point

03

Initiatives in next three years

Allocation of management resources for sustainable growth

We will allocate management resources and improve productivity of our operations in order to create opportunities for sustainable growth, even in the changing business environment. Specifically, we will allocated our resources to develop new investment methods based on research and data analysis, and employing cutting-edge asset management technology. We are also focused on strengthening our ESG, Alternatives and Multi-Asset investment strategies. We will further utilize digital marketing to provide timely and easy-to-understand information to clients, both face-to-face and through on-line and other remote methods. We will also steadily implement various internal reforms, including automating and streamlining business processes that support our asset management operations. In order to effectively allocate management resources to growth areas, we will actively promote initiatives that lead to increased productivity, and transform our business structure into one that can continue to grow amid a dynamic environment. Through these efforts, we aim to achieve sustainable growth and deliver the highest returns to our clients while contributing to the growth and development of society over the long term.

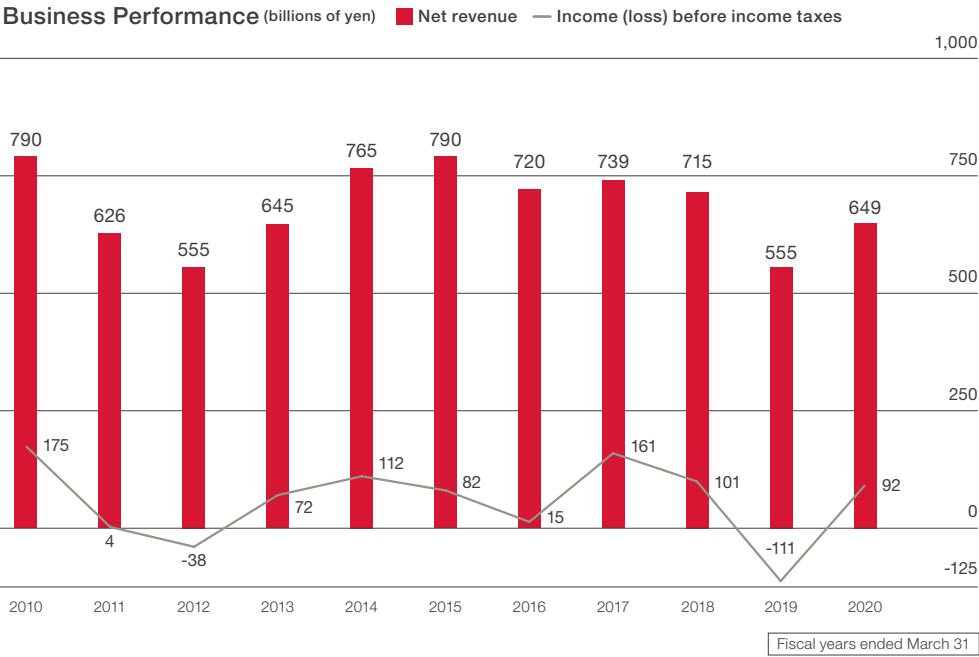
WHOLESALE DIVISION

Wholesale Division consists of two businesses: Global Markets and Investment Banking. The former provides financial products, solutions and secondary market liquidity, and the latter offers capital raising transactions and advisory services. We provide diverse services to a broad range of clients including corporates, government entities and financial institutions in Japan as well as overseas.

Review of FY2019/20

FY2019/20 was largely affected by concerns over economic slowdown due to heightened geopolitical risks and the rapidly spreading of the new coronavirus in 2020 weighed on the global economy, significantly affected client activity and market volatility. Although business environment remained uncertain for a year, in April 2019, the Wholesale Division overhauled its business platform by downscaling and optimizing from unprofitable businesses and focused on areas of strengths within each region.

As a result, the full year net revenue was ¥648.6 billion, up 17% year-on-year, due to substantial recovery of Fixed Income mainly in Rates products and FX/EM in AeJ. Moreover, the Wholesale Division cost was reduced by 17% year-on-year as the cost reduction plan of \$1 billion (approx. ¥110.0 billion) progressed ahead of original schedule and goodwill impairment charge attributable to Wholesale (¥81.0 billion) was no longer present. Income before income taxes totaled ¥92.2 billion, a significant recovery from FY2018/19.



Japan

FX house of the year, Japan^{*1}
#1 in Japan M&A^{*2}
#1 in Japan ECM^{*3}

^{*1} FX Week, January 2019 – December 2019
^{*2} Refinitiv, April 2019 – March 2020
^{*3} Refinitiv, April 2019 – March 2020

Overseas

Volatility Derivatives house of the year, third consecutive year^{*1}
#8 in US Fixed Income market share^{*2}
Specialist Agency Broker of the Year^{*3}
#2 in EGB e-Trading volume market share^{*4}
US RMBS bank of the year^{*5}

^{*1} Global Capital 2019
^{*2} Greenwich, January 2019 – December 2019
^{*3} Financial News – Trading and Technology Awards Europe 2019
^{*4} Bloomberg 2019
^{*5} 2020 Global Capital US Securitization Awards

Strengths

- 1 Leading position in Japan
- 2 Global strength across core businesses
- 3 Diversified business portfolio

Challenges

- 1 Revenue skewed towards secondary businesses
- 2 Uncertain in operating environment
- 3 Rapidly evolving market structure

Actions

- 1 Growth of fee-based revenue streams
- 2 Allocation of resource to high growth areas
- 3 Accelerated roll-out of digitization plan
- 4 Use of third-party alliances to access untapped markets

Vision and its initiatives

The key focus of Wholesale business is to be at the forefront of developments in the capital markets and seamlessly serve the needs of our clients globally across primary and secondary markets, while ensuring consistent and sustainable contribution to the profitability of the firm. With a momentum gained from the strategic realignment of the business portfolio in April 2019, Wholesale franchise is well positioned to deliver extensive market access and liquidity, differentiated products and services, and tailored-made financing/solutions across market cycles.

There are number of initiatives to reinforce the Wholesale platform and position for further growth and diversification of the portfolio of businesses. Strategic focus is to generate new opportunities pivoting on the strength in our secondary trading platform, scale-up of the Advisory business globally leveraging our unparalleled Japan franchise, develop new revenue streams through digital transformation and build-up of capabilities in digital assets, and realize synergies with Greentech to broaden our presence in the ESG space.

		FY2019/20 / March 2020	FY2022/23 / March 2023
Key performance indicators KPIs	Revenue / RWA	6.5%	Approx. 6%*
	CIR (Expense / Revenue)	86%	82% or lower
	Growth of fee and commission based revenue	Approx. \$1billion	+15% or higher (vs. FY19/20 actual)
		FY2019/20	FY2022/23
Key Goal Indicator KGI	Income before income taxes	\$0.8billion (¥92.2billion)	\$1.1billion (¥120billion)

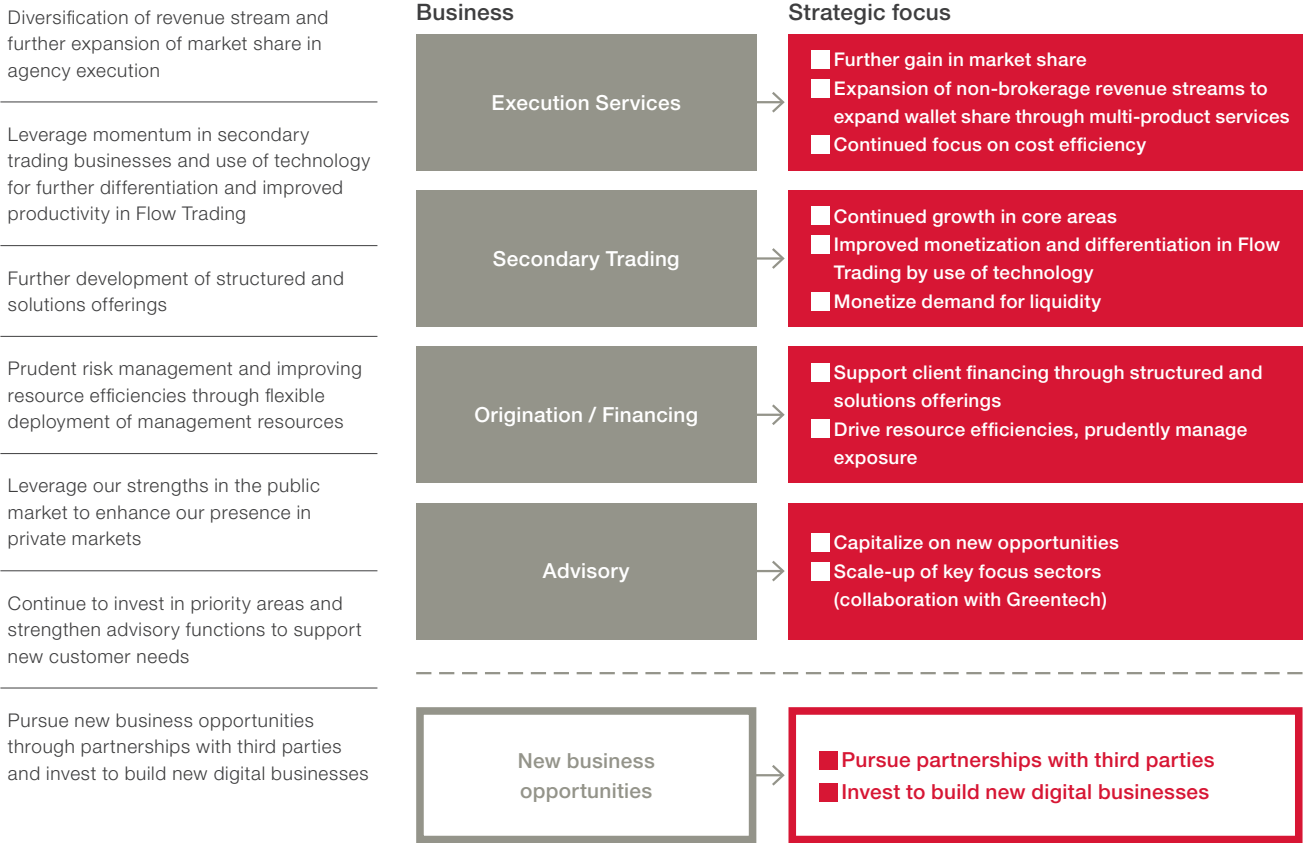
* Uncertain impacts such as regulatory changes are not considered at present.

Initiatives in next three years

Our immediate focus is to ensure stability and resilience of the business as the global economy and markets emerge out of the impact caused by coronavirus pandemic, and continue to provide uninterrupted service to our clients while maintaining robust risk management to safeguard from uncertainties ahead. In the medium term, Wholesale is focused on achieving the \$1.1bn PTI target, mainly through initiatives shown below.

<div><div>Point</div><div>01</div></div> <div>Business strategies</div>	<div><div>Point</div><div>02</div></div> <div>Digital transformation</div>	<div><div>Point</div><div>03</div></div> <div>ESG initiatives</div>
Maintaining core business strengths and deployment of resources to high growth, high return areas	Improved platform efficiency as well as new revenue streams through digitization initiatives	Further into ESG space leveraging recent Greentech acquisition, etc.
Cost reduction	Delivering on remaining structural cost saves of \$0.3 billion by March 2022	

<div>Point</div> <div>01</div>	Business Strategies
Initiatives in next three years	Our business strategy is mainly focused on continuing momentum in core areas, while capitalizing new growth opportunities and focus on cost efficiency.



<div>Point</div> <div>02</div>	Digital transformation
Initiatives in next three years	A key lever of our business strategy are digitization initiatives to improve productivity and nurture new revenue streams.

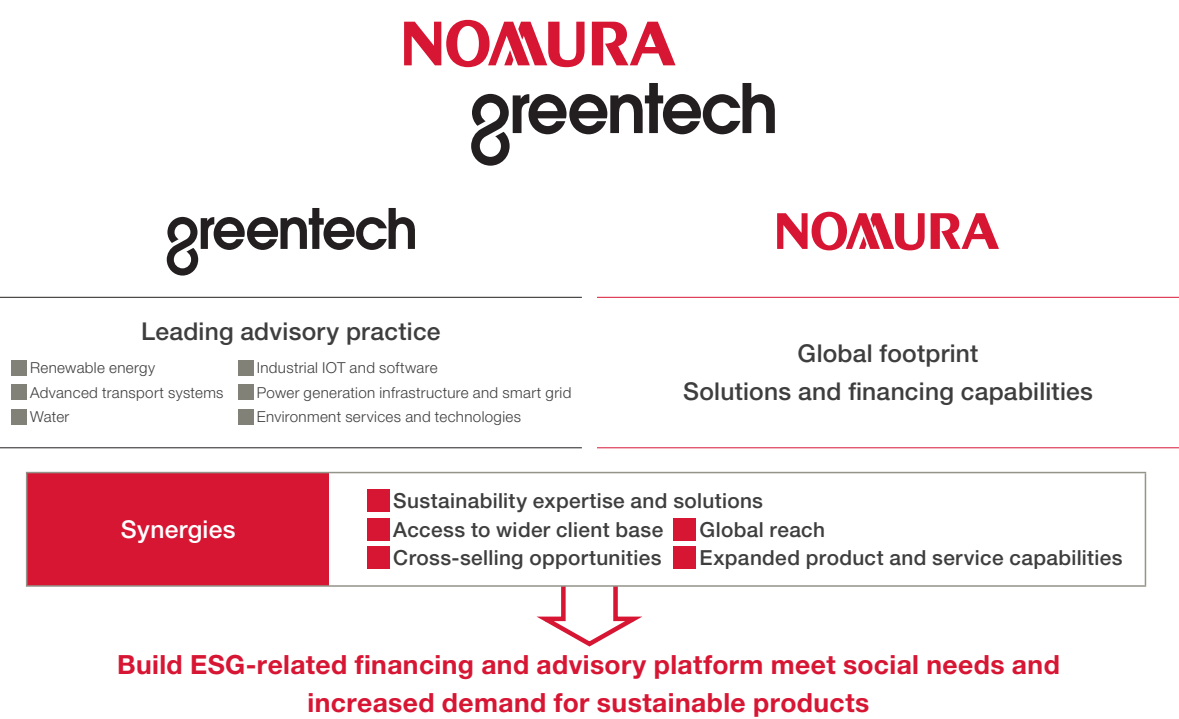
Digitization of existing platform includes advanced analytics, AI tools and execution algorithms for pricing and hedging in eTrading, deployment of AI tools in secondary businesses for pricing, hedging and market making as well as improved efficiency through automation of manual processes and retiring legacy platforms, redundant infrastructure.

Additionally, we intend to explore new business opportunities in the digital space, through recently launched Komainu, a regulated digital asset custody solution for institutional clients, to broaden our digital asset footprint as well as further build on successful underwriting of Japan's first block chain based digital bond leveraging block-chain platform BOOSTRY.

<div>Point</div> <div>03</div>	ESG initiatives
Initiatives in next three years	

To accelerate financing and solutions for projects that will support a carbon-free society, we have established the "Wholesale Sustainability Forum" under the ESG Committee, with Head of Wholsale Division as the chair and members from related departments. The Forum will continue to accumulate relevant expertise, monitor trends in markets and laws and regulations, identify opportunities for financial products and services that contribute to a sustainable society, and actively participate in industry activities.

As part of our ongoing commitment to sustainable finance, Nomura acquired Greentech Capital in April 2020, a leading boutique investment banking firm focused on sustainable technology and infrastructure. This acquisition will help Nomura respond better to diverse client needs with stronger environmental, social and governance-related primary and advisory services, and expand industry expertise.



CORPORATE GOVERNANCE

Nomura Holdings recognizes that in order to achieve the management's goal of enhancing corporate value by deepening society's trust in the firm and increasing the satisfaction of stakeholders, beginning with shareholders and clients, strengthening corporate governance is one of the most important issues. As a company with Three Board Committees, we have separated management oversight from business execution. This separation of duties strengthens the oversight functions of the Board of Directors and delegation of authority regarding business execution to the Executive Officers with the aim to accelerate the Group's decision-making process.

Nomura's corporate governance

- +Enhanced the Board of Directors' oversight function and achieved a high level of impartiality and transparency by separating oversight and business execution functions.
- +The Board of Directors has formulated the "Fundamental Management Policy of Nomura Holdings, Inc.," in which the Board of Directors elects the Group CEO and other Executive Officers while also making key decisions on our business execution.
- +Accelerated decision-making process by delegating business execution authority from Board of Directors to Executive Officers.
- +Board of Directors are composed of diverse members in terms of nationality, gender, backgrounds and experts such as corporate management, corporate accounting, finance-related legal systems, and other areas.
- +A majority of the Nomination, Audit, and Compensation Committee are independent Outside Directors.
- +The Nomination Committee decides Director Nominees based on certain appointment standards, including personality, insights, ethics, in-depth knowledge and experience in their specialty areas.
- +All members of the Audit Committee meet the independence standards prescribed in the Sarbanes-Oxley Act in the U.S., and more than one of them are financial experts under this legislation.
- +On the basis of pay for performance principle, the Compensation Committee decides the compensation of Directors and Executive Officers while seeking to enhance objectivity and transparency based on analysis performed by external evaluation institutions.
- +Board of Directors discloses the results from analysis and evaluation of the effectiveness of the entire Board based on each Directors' self-evaluation each year.

Corporate Governance System

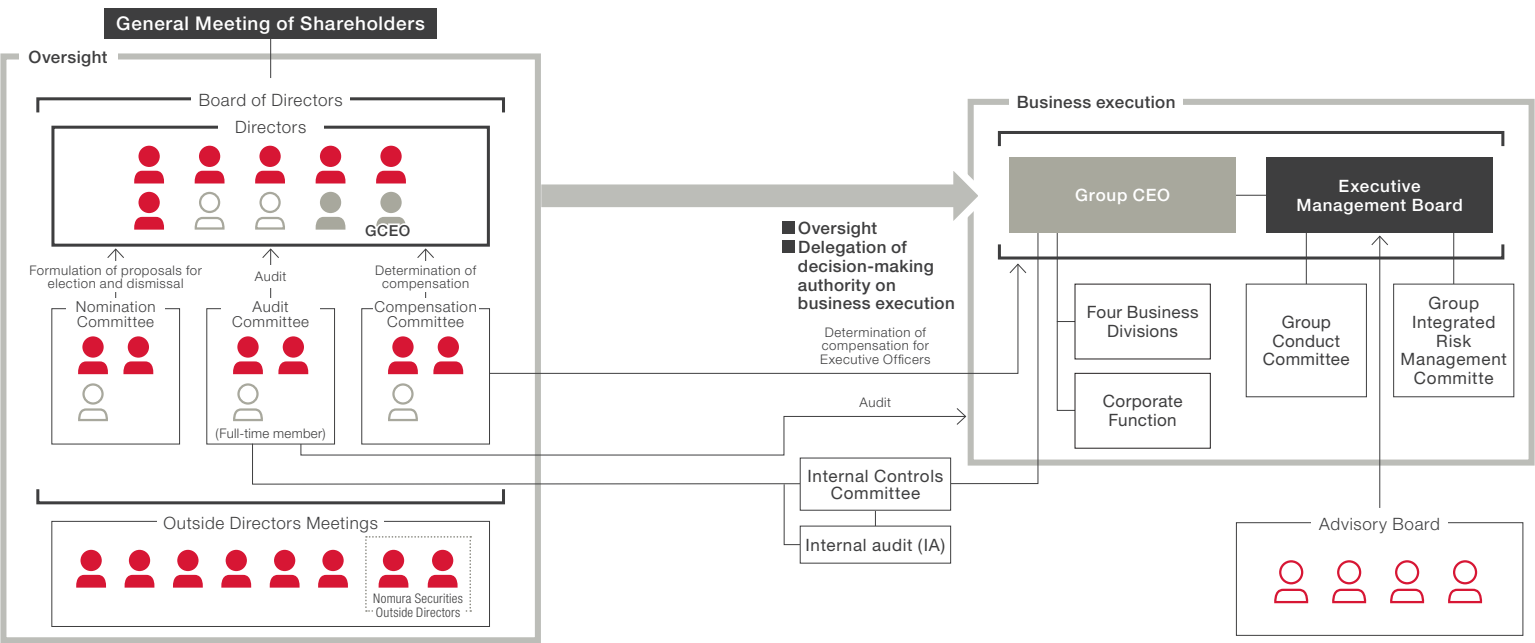
 Outside Directors

 Inside Directors (Executive)

 Outside Experts

 Inside Directors (Non-executive)

	Meetings held in FY2019/20	Attendance rate in FY2019/20
Board of Directors	11	100%
Nomination Committee	9	100%
Audit Committee	16	100%
Compensation Committee	8	100%
Outside Directors Meetings	5	100%



Reinforcing the corporate governance

In 2010, two additional Outside Directors from abroad joined the Board of Directors, which is now comprised of a majority of Outside Directors. In 2015, we established "Outside Directors Meetings" where they discuss matters related to our business and corporate governance regularly. In addition, we invited Asian experts as members of the Advisory Board, which is designed to upgrade our corporate governance, helping us evolve into a "global investment bank." In 2019, all three of our committees have an Outside Director as the Chairman to further enhance our corporate governance structure. In addition, the Succession Plan was discussed in the Nomination Committee, concerning the Group CEO qualifications based on factors such as the management environment and candidate proposal to further develop our governance structure.

In the same year, we published Nomura Group Code of Conduct, to build upon the Code of Ethics of Nomura Group, established in 2004, into actions and guidelines for Nomura Group officers and employees. We operate all of our business activities based on the Code, and we strive to fulfill our responsibility not just to shareholders but to all other stakeholders.

Our company's continuous efforts to strengthen corporate governance are reflected in the corporate governance framework, which is shown as the "Nomura Holdings Corporate Governance Guidelines," established in November 2015. In addition, the current status of compliance with the Corporate Governance Code is disclosed in the Corporate Governance Report.

- ➡ Nomura Holdings Corporate Governance Guidelines
https://www.nomuraholdings.com/company/cg/data/cg_guideline.pdf
- ➡ Corporate Governance Report
https://www.nomuraholdings.com/company/cg/data/cg_report.pdf

Ratio of Outside Directors

2003 36% → 60% 2020

Ratio of non-Japanese Directors

2003 0% → 20% 2020

Ratio of female Directors

2003 0% → 20% 2020

Adopted a Company with Committees, etc. structure
(now known as a Company with Three Board Committees)

2003

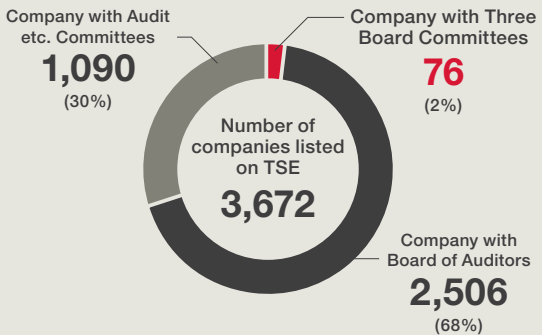
Established the Advisory Board as an advisory body to the Executive Management Board

2001

Regularly held Outside Directors Meetings

2015

Form of Corporate Governance of Japanese companies

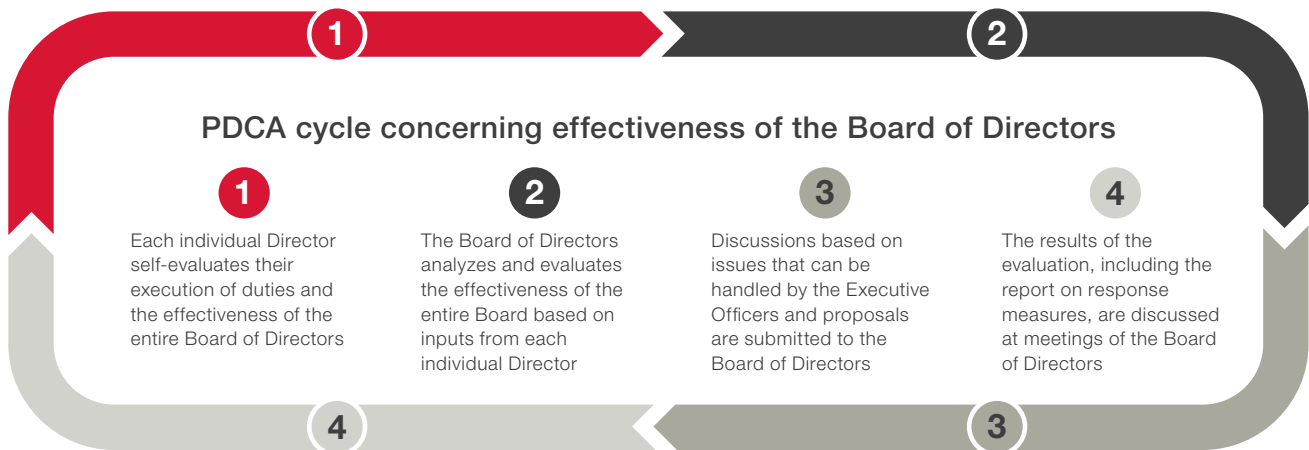


Source: Nomura, Japan Exchange Group "Corporate Governance Information Search" (As of July 7, 2020)

Evaluation of the effectiveness of the Board of Directors

We have been conducting evaluations on the effectiveness of the Board of Directors since the fiscal year ended March 2016. Each Director assesses the management of the Board of Directors, including the quantity and quality of information offered and discussions by the Board of Directors. Based on those results, they also share their findings at Board of Directors Meetings as well as Outside Directors Meetings, and further discuss about issues found with other Directors including Executive Officers in order to continue strengthening their oversight function.

Through evaluation of these discussions and findings, the Board of Directors found the effectiveness of Board of Directors is generally at an almost good level this year as well. As a company with Three Board Committees structure, we ensure to accelerate the Group's decision-making process, and we are enhancing the ability to utilize of all members' expertise either during or outside of Board of Directors Meetings, to further enrich the function of the Board of Directors.



Evaluation items	Response to results
Constitution and management of the Board of Directors	Response to results from previous year
Information provision to the Board of Directors	In fiscal year ended March 2019, Director Kimura who is the lead Outside Director has been assigned to the Chairman of Nomination Committee and Compensation Committee, and aimed for sophistication of Board of Directors.
The Board of Directors' involvement in management goals and strategy	At the Nomination Committee, Succession Plan discussed by concerning the Group CEO qualifications based on factors such as the management environment and candidate proposal. At the Compensation Committee, performance-based compensation was discussed, and the function of each Committee was enhanced.
The Board of Directors' function ability to oversee management	Regarding the incident of improper communication of information, the Board of Directors concerning investigation results by the special investigation team under the Audit Committee, required to establish a remediation action plan to the senior managements. As a result, the Nomura Group Code of Conduct which is an essential part of the remediation plan has been established based on the discussions at the Board of Directors, and the efforts to permeate the code were also discussed at the Board of Directors.
Constitution and management of the Nomination, Audit and Compensation Committees	
Monitoring of the state of dialogues with stakeholders	
Management of Outside Directors Meetings, etc.	
	Future Challenges
	At the regularly held meetings of Outside Directors, enhancement of discussions regarding management's goals and strategies, and effective management of Board of Directors will be discussed with Directors and senior management for ideal way of the Company's Board of Directors.

Main items discussed by the Board of Directors

	Main agenda	Content of the discussion
1Q	FY2018/19 full year results, dividend payouts	Company overview, performance and market environment by division and region, situation of competitors, etc.
	Business execution report	Review of business platform and future strategies
	Risk management report	Operational status of risk appetite and discussion of risks requiring attention
	Compliance reporting	Current status and next steps on addressing the incident of improper communication of information
	Audit activity findings report	Initiatives to realize medium to long-term management strategy
2Q	FY2019/20 1Q results	Company overview, performance and market environment by division and region, situation of competitors, etc.
	Business execution report	Partial sale of Nomura Research Institute shares and future strategy for Retail Division
	Risk management report	Operational status of risk appetite and discussion of risks requiring attention
	Compliance reporting	Current status and next steps on addressing the incident of improper communication of information
	Revision of Corporate Governance Guidelines	Clarification of selection criteria for Chairman of Nomination and Compensation Committee
	Strategic Shareholding Review Committee reporting	Current status of strategic shareholdings and future measures
3Q	FY2019/20 2Q results, dividend payouts	Company overview, performance and market environment by division and region, situation of competitors, etc.
	Business execution report	Future strategy for each division
	Investments, sales and alliances report	Current status of investments, sales, alliances
	Proxy voting analysis of Annual General Meeting in June 2019	Proxy voting results for Institutional and individual investors Major shareholder proxy voting results analysis and future measures
	Risk management report	Operational status of risk appetite and discussion of risks requiring attention
4Q	Compliance reporting	Discussion to establish the Nomura Group Code of Conduct
	FY2019/20 3Q results	Company overview, performance and market environment by division and region, situation of competitors, etc.
	Business execution report	Future strategy for each division
	Shareholder Relations Report	Status of dialogue with key shareholders
	Risk management report	Operational status of risk appetite and discussion of risks requiring attention
	Compliance reporting	Discussion on rule changes in relation to establishment of the Nomura Group Code of Conduct

Internal Controls System

We are strengthening our internal controls to ensure appropriate corporate behaviors throughout the Group are made in an effort to deliver management transparency, ensure efficiency, comply with regulations, manage risks, maintain the reliability of business and financial reports, and encourage appropriate information disclosure.

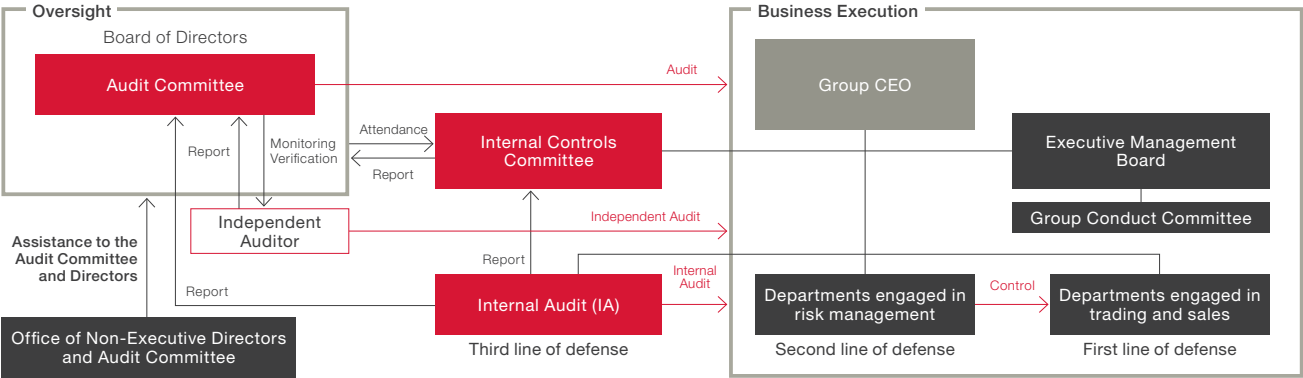
First, we implemented risk controls in the sales and trading businesses, which are then reviewed and monitored by risk management teams. They also encourage development of management frameworks. Finally, the Internal Audit department, which is independent from business execution, conducts their internal audit (This is commonly referred to as the "Three Lines of Defense" approach. See page 63 for details).

The status of the internal audits is reported to the "Internal Controls Committee*" chaired by the Group CEO and attended by members of the Audit Committee. Deliberations of the Internal Controls Committee are reported to the Board of Directors. The Audit Committee collaborates directly with the Internal Audit department and submits reports to the Board of Directors.

To strengthen the independence of the Internal Audit department from business execution functions, and implementation plans, their budget formulation and the election and dismissal of their heads require the consent of the Audit Committee.

* Internal Controls Committee deliberates and determines matters regarding the establishment and evaluation of internal controls for the Nomura Group's business management structure as well as matters regarding the improvement of corporate behavior. Upon the consent of the Audit Committee, the Committee approves the internal audit plan, the budget regarding the internal audit, and elects and dismisses the Head of the Internal Audit Division. The Committee is comprised of Group CEO, person(s) assigned by Group CEO, member(s) of Audit Committee designated by the Audit Committee and Director(s) designated by Board of Directors.

Structure of Nomura Holdings' 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. We ensure that the Nomura Group's compensation framework aligns with our business strategy.

Compensation Policy of Nomura Group

We have developed our compensation policy 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.

- 1

Align with Nomura's values and strategies
- 2

Reflect group, divisional, and individual performance
- 3

Establish appropriate performance measurement with a focus on risk
- 4

Align employee and shareholder interests
- 5

Appropriate compensation structures
- 6

Ensure robust governance and control processes

Compensation Policy for Directors and Executive Officers

The compensation of Directors and Executive Officers comprises fixed compensation and variable compensation, 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. In addition, the deferred compensation may not be paid or may be forfeited under certain circumstances.

Compensation framework: fixed compensation and variable compensation

Nomura delivers compensation to senior management and employees through fixed and variable components.

(1) Fixed Compensation

Fixed compensation primarily consists of base salary and other allowances.

Base salary is determined by examining individual duty, role, responsibility, knowledge, skills, competencies, experience, etc. Other allowances are determined by reflecting the local labor market standards and practices.

(2) Variable Compensation

Variable compensation is consisted of cash bonuses and deferred compensation, which are performance-linked compensations. In determining performance-linked compensation, following indicators are referred. In addition to referring these financial indicators, the total compensation is determined by comprehensively considering individual responsibility and performance, as well as trends of global competitors and industry-wide.

- 1

Income before income taxes
- 2

Net income attributable to NHI shareholders per share (diluted)
- 3

Dividends per share
- 4

Share prices, etc.

Compensation paid to Directors and Executive Officers

Position	Directors (Outside Directors)	Executive Officers	Total
Number of People*1	8 (6)	8	16
Basic Compensation*2,3 (millions of yen)	253 (129)	560	813
Bonus (millions of yen)	100 (-)	538	638
Deferred Compensation*4 (millions of yen)	15 (-)	203	218
Total (millions of yen)	368 (129)	1,301	1,669

- Notes
1.

Compensation to Directors who were concurrently serving as Executive Officers is included in that of Executive Officers.
2.

Basic compensation of 813 million yen includes other compensation (such as commuter pass allowances) of 750 thousand yen.
3.

In addition to basic compensation of Executive Officers, 27 million yen of corporate housing costs, such as housing allowance and related tax adjustments, were provided.
4.

Deferred compensation (such as RSU, stock options, etc.) granted during and prior to the fiscal year ended March 31, 2020 is recognized as expense in the financial statements for the fiscal year ended March 31, 2020.
5.

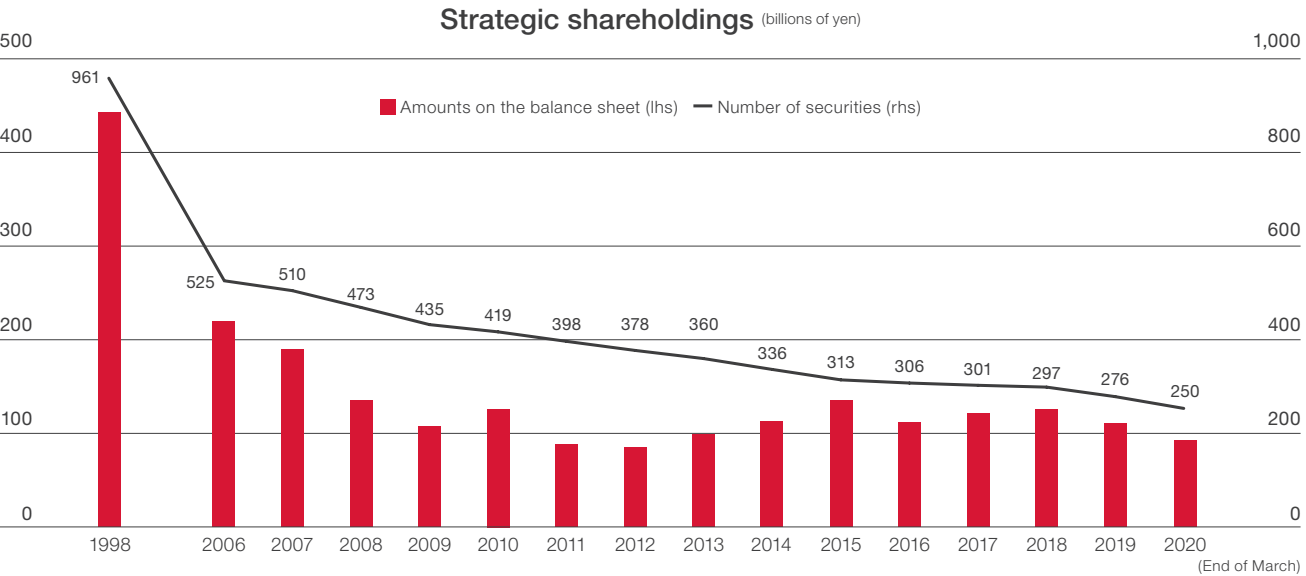
Subsidiaries of the Company paid 61 million yen to Outside Directors as compensation, etc. for their directorship at those subsidiaries for the fiscal year ended March 31, 2020.
6.

The Company abolished retirement bonuses to Directors in 2001.

Compensation for Directors and Executive Officers
<https://www.nomuraholdings.com/company/cg/compensation.html>

Basic policy for strategic shareholdings

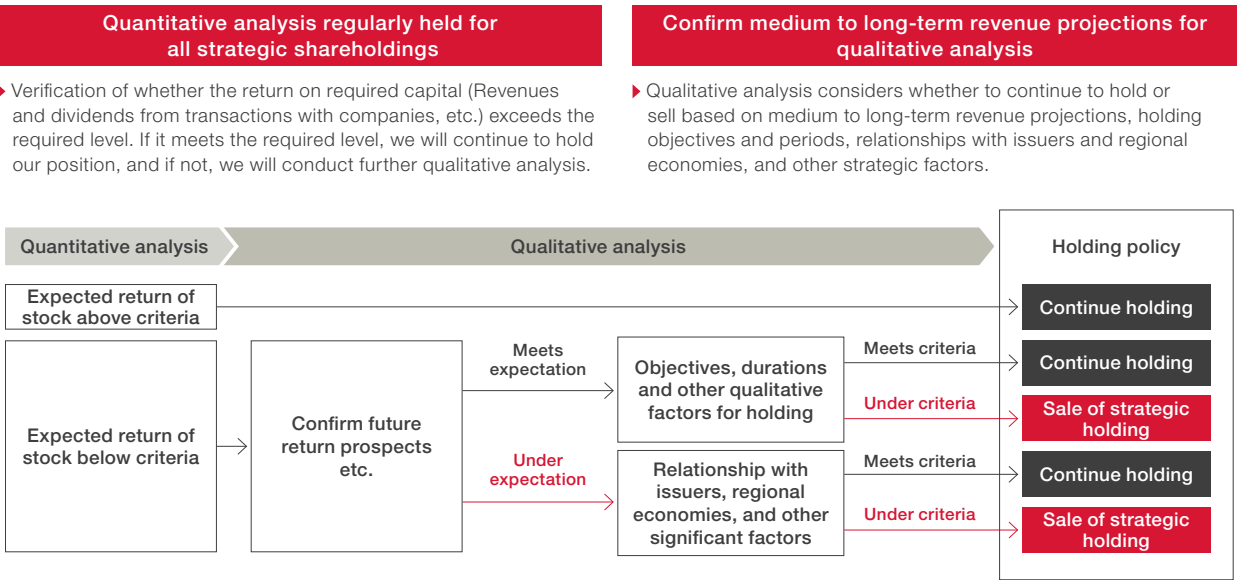
Over the past 20 years, Nomura Group has consistently reduced its investments in strategic shareholdings that are not used for pure investment purposes. As of end of March 2020, our Company held 250 companies' stocks, total assets recorded on the balance sheet is ¥92.1 billion (total market value of holdings) and represented only 3.6% of our Tier1 capital.



We have ongoing discussions concerning the value of strategic shareholdings (see below chart). Regarding strategic shareholdings, we balance the risks and costs involved in holding such shares with potential benefits into business strategy, such as additional opportunities to increase the revenues of our businesses through expansion of transactions, or business alliances with partners whose shares are held, and Nomura shall hold such shares only if such shareholdings will contribute to maintaining or enhancing the corporate value of the Nomura Group.

These topics are discussed by the Strategic Shareholders Discussion Committee established by Board of Directors (held twice during fiscal year ended March 2020). As a result, we will proceed with the sale of such shareholdings, where it has been determined to be reasonable upon consideration of the impact on the market and other circumstances.

Process for Reviewing the value of strategic shareholdings





Hiroshi Kimura

Outside Director
Chairman of the Nomination Committee /
Chairman of the Compensation Committee
Honorary Company Fellow of Japan Tobacco Inc.

Q Could you explain activities of the Nomination Committee, and what is discussed in the Committee?

The mission of the Nomination Committee is to decide each year's nominees to the Board of Directors with sufficient reasoning and to define the independence criteria for outside directors. Over the past couple years, we have spent the most time on our key task; planning for a successor to the Group CEO. The committee rules stipulate that the Nomination Committee must meet at least once a year. Normally, the Committee meets about three times a year, but the number increased to six in fiscal year ended March 2019 and nine in fiscal March 2020.

Q What perspectives are important to the Nomination Committee when selecting nominees for Nomura Holdings' board of directors?

Nomura's Corporate Governance Guidelines state the requirements for directors, the first is to ensure a diverse board, and the second is to have a majority of outside directors. Diversity includes nationality, gender, and specialty of directors. As for internal directors, the Group CEO and Group COO (currently unassigned) are also appointed as directors. As a result, of the 10 currently on the Board, six are from the outside, including two non-Japanese and two female directors. Outside directors are required to meet independence criteria in addition to their expertise.

From a governance perspective, Nomura Holdings has taken an advanced approach. In other words, the Board of Directors is essentially responsible for the supervision of management, and is very clearly separated from the execution. Furthermore, although there are no explicit standards to exert, it is the role of the Board of Directors to dismiss the Group CEO if he or she is judged unfit to fulfill the duties sufficiently.

Q In December 2019, Nomura announced its key managerial position effective April 2020. When did you begin discussing and eventually decide upon appointing Mr. Okuda as the new Group CEO?

It effectively started from 2018. Mr. Nagai, the Group CEO at that time, attended the Nomination Committee as an advisory explainer to the Committee and we gradually narrowed down the list of candidates from more than 10 people. First, we identified and defined the requirements for the next leader since the business environment has changed considerably from Mr. Nagai's time. Looking ahead to the future, we discussed at length which qualifications, experiences and leadership styles are necessary to lead in this changing environment. I felt the discussions became really focused and intensive at the three Nomination Committees in August, October and November 2019. During the Committee meeting in December, the Committee decided on Mr. Okuda and submitted its recommendation to the Board of Directors.

In fact, the Nomination Committee members do not have many opportunities to speak directly with incumbent executives. On the other hand, the Audit Committee conducts monthly interviews and each member has opportunities to meet not only the heads of each business division, but also the executive officers under them. As a result of the opinion raised by the Board of Directors and the evaluation of the effectiveness process three years ago, outside directors other than the Audit Committee members can now attend meetings. If timing allows, I attend the Committee meetings and ask questions. Outside directors can also attend meetings where executives from Japan and overseas gather to discuss the business conditions and strategies for the Group and its divisions. By attending these meetings, the members of the Nomination Committee have a chance to meet the executives and know who each candidate is, and this indeed helped smooth our screening process.

Q Why did the Committee conclude that Mr. Okuda would be the best to fill the Group CEO position?

Nomura is a company filled with extremely talented personnel. In fact, if you look around, there are so many people from Nomura who play important parts in various fields. I think Nomura encourages nurturing people. The reason we recommended Mr. Okuda from such a large pool of talented people is that we felt he will be a great leader during times when Nomura continues to transform itself five or ten years from now. Furthermore, Mr. Okuda has worked mainly in the Wholesale Division and also has overseas experience. Taking into consideration the macroeconomic environment, including the declining birthrate, aging population and the decline in commission rates in Japan, we believe that there are limitations to significant growth in earnings even if we increase our share in Japan. Under these circumstances, it is the Wholesale business and capital markets business, as well as new business areas such as China and the Marchant Banking business, that have greater future growth potential. Mr. Okuda was the best person to lead the firm's focus of the client franchise in addition to established brokerage capabilities in the Wholesale business.

Although the Wholesale Division reported valuation losses in response to the sudden market downturn in March of this year, we feel that our fundamental competitiveness in this business has steadily improved both last year

and this year. However, there are questions about the volatility of earnings. One year, the Wholesale business may deliver significant profits and in the next year, it could swing to a loss. I cannot guarantee this will not occur. Stabilizing overseas earnings and raising profitability are important financial objectives for Nomura. This does not mean that we need to expand aggressively, instead, we need to manage the growth while controlling costs properly.

In the face of rapidly evolving technology and infrastructure demand, as demonstrated in response to the coronavirus pandemic, we must be running ahead of advancements in digitization, which are expected to accelerate in the future. Partnerships with regional financial institutions in Japan and with LINE Securities are extremely important, and we do not need to do everything ourselves. Identifying the right balance could determine our competitiveness. We have decided that Mr. Okuda is the most appropriate person to lead the firm in accelerating these efforts while also tackling the challenges we face, and maintaining overall balance. He instinctively excels with both conceptual thinking and planning ability, and is also effective at communicating externally and internally. He also possesses the ability to convey information in an easy-to-understand manner, instead of relying on financial terminology.



Q Next, could you explain the frequency of the Compensation Committee meetings and the topics of discussion?

Under the committee rules, these meetings are held at least once a year, but in fiscal year ended March 2020, we convened eight times. During one meeting, we discussed the voluntary return of executive compensation following the TSE incident, and discussed compensation levels at the subsequent meetings. Now that I have become the Chairman of the Committee, we started to discuss ways to increase transparency of our remuneration methodology for executives. When our company is doing well, executives should be proud to be compensated well, and

we should set up rules to ensure that compensation is consistent. Executives will have greater incentive to perform well if they understand the criteria on which they are being evaluated.

We reached a general agreement to an overall framework in March this year, and taking into consideration best practices from other companies in Japan and overseas. We are now at the stage of deciding details such as which KPIs to use. Since Mr. Okuda has delivered his new management vision, the KPIs will also incorporate the vision's objectives.

We would like to incorporate qualitative evaluation as well. For example, better fiduciary duty fulfillment and client satisfaction that result in an increase to client assets could be important factors for some divisions. In

addition, the KPIs we refer to for performance evaluation may differ between the firm-wide management and individual business executives.

Q There is an opinion that Chairman of the Board of Directors should be an outside director, but is not currently the case for Nomura. What is your opinion?

In some financial institutions, an outside director serves as the Chairman of the Board of Directors. However, I think an internal director as Chairman works better for Nomura. While we certainly have outside directors who are familiar with financial industry, they do not know everything about the securities industry. The Chairman's responsibility is to facilitate discussion. In the past, the Chairman rarely had influence on the conclusion, and I have never had any concerns. Mr. Koga, who served as the Chairman until March this year, was

evaluated highly for the effectiveness of the Board of Directors.

As the majority of Nomura's Board are outside directors, the board has the ability to change Chairmen should the sitting Chairman have material problems in fulfilling his duties. This is a safeguard though, I don't believe that situation would arise. At present, the Board of Directors, including six outside directors, is engaged in vigorous discussions, and the Chairman may lead, but not individually make decisions.

Q Lastly, if there are any challenges regarding Nomura Holdings' governance, how will you address changes?

As I mentioned at the outset, I believe that Nomura's approach and structure for governance is quite advanced.

Executives are responsible for ensuring proper corporate governance. In response to last year's inappropriate communication of information, and in order to ensure that such incidents never recur, the firm had created the Nomura Group Code of Conduct through discussions at all levels of the company. It's very rigorous and based on foundational principles. In order to eliminate some of the misconceptions that

employees can engage in activities that are not explicitly forbidden in the rules, they must ask themselves whether their actions align with the principles and meet the standard of ethics required of them. I ask myself five set questions and if all can be answered "Yes," I can proceed with the action in question. This is very important. However, development of governance has no end point. The environment will change and evolve, and I believe that we have to continue taking necessary actions to improve governance and address new matters.

Directors of Nomura Holdings

- 1

Koji Nagai

Chairman of the Board of Directors
Member of the Nomination Committee/ Member of the Compensation Committee
- 2

Hisato Miyashita

Director
Member of the Audit Committee (Full-Time)
- 3

Hiroshi Kimura

Outside Director
Chairman of the Nomination Committee/ Chairman of the Compensation Committee/ Honorary Company Fellow of Japan Tobacco Inc.

He has extensive experience with respect to corporate management, and including the holding in the past of positions such as President, CEO and Representative Director of the Board of Japan Tobacco Inc., and then Chairman of the Board, such achievements and related insights have been evaluated highly both within and outside of the Company. He was appointed as an outside director of the Company in June 2015, and is now serving as Chairman of the Nomination Committee and Chairman of the Compensation Committee from June 2019.
- 4

Kazuhiko Ishimura

Outside Director
Member of the Nomination Committee/ Member of the Compensation Committee/ Director of AGC Inc.

He has extensive experience with respect to corporate management, and including the holding in the past of positions such as Representative Director and President and CEO, and Chairman of the Board of AGC Inc., such achievements and related insights have been evaluated highly both within and outside of the Company. He was appointed as an outside director of the Company in June 2018, and is now serving as a member of the Nomination Committee and a member of the Compensation Committee.
- 5

Noriaki Shimazaki

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

He has extensive experience with respect to corporate management and a high degree of expertise with regard to international accounting systems corresponding to a Sarbanes-Oxley Act of 2002 financial expert. Including the holding in the past of positions such as Representative Director and Executive Vice President of Sumitomo Corporation, Member of the Business Accounting Council of the Financial Services Agency, Trustee of IASC Foundation, Director of the Financial Accounting Standards Foundation, such achievements and related insights have been evaluated highly both within and outside of the Company. He was appointed as an outside director of the Company in June 2016, and is now serving as Chairman of the Audit Committee.
- 6

Mari Sono

Outside Director
Member of the Audit Committee/ Certified Public Accountant/ Former Commissioner of the Securities and Exchange Surveillance Commission

She has a high degree of expertise with respect to corporate accounting based on many years of experience as a Certified Public Accountant and has held positions such as External Comprehensive Auditor, Tokyo, and Member of "Business Accounting Council," Ministry of Finance. Further, after retiring from the Audit Firm, she served as Commissioner of the Securities and Exchange Surveillance Commission, and such achievements and related insights have been evaluated highly both within and outside of the Company. She was appointed as an outside director of the Company in June 2017, and is now serving as a member of the Audit Committee.
- 7

Michael Lim Choo San

Outside Director
Former Executive Chairman of PricewaterhouseCoopers, Singapore

He is well-versed in international accounting systems and has held positions, including Executive Chairman of PricewaterhouseCoopers (Singapore) and public service roles in Singapore, and was also awarded with honors by the Government of Singapore three times between 1998 and 2010, etc., and such achievements and related insights have been evaluated highly both within and outside of the Company. He was appointed as an outside director of the Company in June 2011.
- 8

Laura Simone Unger

Outside Director
Former Commissioner and Acting chairperson of the U.S. Securities and Exchange Commission (SEC)

She is well-versed in finance-related legal systems, and such achievements and related insights have been evaluated highly both within and outside of the Company by serving as a Commissioner and as Acting Chairman of the SEC, etc. She was appointed as an outside director of the Company in June 2018.
- 9

Kentaro Okuda

Director, Representative Executive Officer and President Group CEO
- 10

Toshio Morita

Director and Representative Executive Officer

Distribution of skill-set for each Director

Name		Involved Committee			Experience				
		Nomination	Compensation	Audit	Corporate management	International business	Securities industry	Accounting/ Financial	Legal
Koji Nagai	Non-Executive Director (Chairman of the Board of Directors)	○	○		■	■	■		
Hisato Miyashita	Non-Executive Director			○		■	■		■
Hiroshi Kimura	Outside Director	●	●		■	■			
Kazuhiko Ishimura	Outside Director	○	○		■	■			
Noriaki Shimazaki	Outside Director			●	■	■		■	
Mari Sono	Outside Director			○				■	■
Michael Lim Choo San	Outside Director					■		■	
Laura Simone Unger	Outside Director					■			■
Kentaro Okuda	Representative Executive Officer and President Group CEO				■	■	■		
Toshio Morita	Representative Executive Officer				■		■		



Executive Officers and Senior Managing Directors of Nomura Holdings (As of July 1, 2020)

Executive Officers	Representative Executive Officer, President and Group CEO		Kentaro Okuda
	Representative Executive Officer, Chief Health Officer (CHO)		Toshio Morita
	Executive Managing Director, Head of Asset Management		Junko Nakagawa
	Executive Managing Director, Chief of Staff and Chief Compliance Officer (CCO)		Tomoyuki Teraguchi
	Executive Managing Director, Chief Financial Officer (CFO)		Takumi Kitamura
	Executive Managing Director, Chief Risk Officer (CRO) (based in New York)		Sotaro Kato
Senior Managing Directors	Retail	Head of Retail	Satoshi Arai
	Wholesale	Head of Wholesale (based in London)	Steven Ashley
		Head of Global Markets	Yutaka Nakajima
		Global Head of Investment Banking	Masahiro Goto
		Deputy Head of Global Markets (based in Singapore)	Rig Karkhanis
		Deputy Head of Global Markets (based in New York)	Jonathan Raiff
		Asia Wealth Management (based in Singapore)	Yuji Hibino
		Investment Banking (based in Hong Kong)	Kenji Teshima
	Merchant Banking	Head of Merchant Banking	Masahiko Maekawa
		Merchant Banking	Yutaka Mogi

Senior Managing Directors

Content Company	Head of Content Company	Chie Toriumi
Future Innovation Company	Head of Future Innovation Company and Brand Strategy (Joint)	Hajime Ikeda
	Deputy Head of Future Innovation Company and Innovations	Chuzaburo Yagi
Corporate	Chief Strategy Officer (CSO)	Toru Otsuka
	Chief Administrative Officer (CAO) and CEO of Nomura Europe Holdings plc	Jonathan Lewis
	Group Finance	Michio Okazaki
	Group Legal Head and Compliance	Yoshifumi Kishida
	Group Legal	Takako Mori
	Global Human Resources	Etsuro Miwa
	Global Human Resources	Yukiko Ozaki
	Global Head of Group Corporate Communications and Brand Strategy (Joint)	Go Sugiyama
	Group Head of Corporate Services	Rikiya Nonomura
	Group IT Head	Jun Yoshimura
Banking	Banking	Kenji Kimura
Americas	Executive Chairman of Nomura Holding America, Inc. (based in New York)	Kunio Watanabe
	CEO of Nomura Holding America, Inc. (based in New York)	Yo Akatsuka
EMEA	Vice Chairman of Nomura Europe Holdings plc (based in London)	Takeo Aoki
Asia ex-Japan	Head of China Committee	Toshiyasu Iiyama
	Asia (based in Singapore)	Vikas Sharma
Internal Audit	Group Internal Audit	Shoji Ogawa

Outside Directors of major subsidiaries in Japan (As of July 1, 2020)
(Nomura Securities Co., Ltd. / Nomura Asset Management Co., Ltd.)

Nomura Securities Co., Ltd.

Outside Director	Advisor Attorney of TMI Associates, Former Superintending Prosecutor	Toshiaki Hiwatari
Outside Director	Former Chairman of the Board of Directors of Kao Corporation	Motoki Ozaki

Nomura Asset Management Co., Ltd.

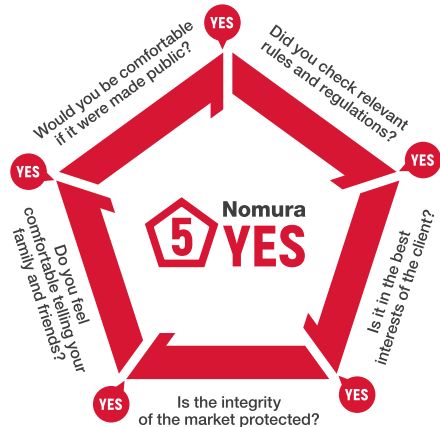
Outside Director	Board Chairperson of NPO Triton Arts Network	Rikio Nagahama
Outside Director	Of-Counsel, Attorney-at-Law, Anderson Mōri & Tomotsune	Akiko Kimura

CODE of CONDUCT

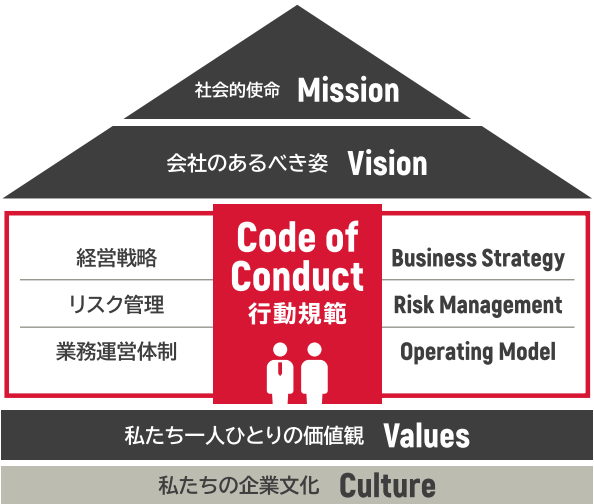
Nomura Holdings published the Nomura Group Code of Conduct in December 2019. The Code of Conduct is a guide for all in Nomura to translate into actions the core values of entrepreneurial leadership, teamwork and integrity included in Nomura Group's Corporate Philosophy. The Code represents the commitment by everyone at Nomura to adhere to the highest standards of ethics and integrity in their business conduct with all clients and stakeholders.

Nomura Group Code of Conduct

Nomura Group's Corporate Philosophy defines the Group's mission as "Contribute to enrich society through our expertise in capital markets" and the Group's vision as being "a Financial Services Group selected by clients as the most trusted partner." The firm has embraced entrepreneurial leadership, teamwork and integrity as the three values to cherish in order to realize our mission and vision. The Nomura Group Code of Conduct provides guidelines of concrete actions (behavior) we should take in line with the three values in the various business situations we encounter every day. These business situations include planning and execution of management strategies, managing risk, and building business frameworks. The Code of Conduct's scope extends well beyond just



legal compliance. The Code is the foundation that supports the Group, linking our vision with the three important values. The Code includes the "Nomura 5 YES," a set of five questions which prompt our people to stop and ask themselves about the propriety of their own actions when they are in doubt. The Nomura Group Code of Conduct sets out 19 specific guidelines for our actions according to our three major stakeholders: our clients, our people, and society, from the perspective of how we view them in light of the three values of entrepreneurial leadership, teamwork and integrity. In addition to legal compliance as well as general professional and social ethics, these guidelines cover all aspects of our activities, including the fundamental view on client services, personnel development, diversity and inclusion, respect for human rights, and our stance on addressing social challenges.

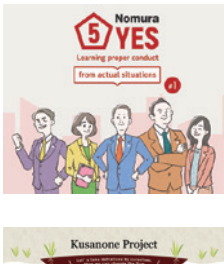


	Entrepreneurial Leadership	Teamwork	Integrity
CONDUCT for CLIENTS	Pursue the best interests of our clients Continually enhance our expertise and capabilities	Leverage our collective strength	Be the most trusted partner for our clients Uphold the highest standards of compliance Handle information properly
CONDUCT for OUR PEOPLE	Be passionate about achieving more Develop our people	Collaborate as one team Create a comfortable work environment	Never pursue self-interests Control gifts and entertainment Be disciplined Learn from mistakes Speak up
CONDUCT for SOCIETY	Move towards the future	Contribute to a sustainable society	Respect diversity and individual rights Disclose information appropriately

Ensuring Commitment to the Code of Conduct

To ensure that our people clearly understand and abide by the Code of Conduct, and to foster the correct culture in the firm, we have incorporated the Code of Conduct into trainings for new employees and by title and themes, along with posting the "Nomura 5 YES" on our websites, PC screen savers, and smartphones. To further motivate our employees to abide by the Code of Conduct, we have revised our personnel review system and also recognize employees who conduct good business in accordance with the Code. A special website that features actual examples of desirable conduct and poses questions to

viewers is now available, utilizing pictures and diagrams to help them make use of the "Nomura 5 YES" when they are faced with difficult decisions. An e-mail magazine that introduces topics related to the Code of Conduct and compliance is also being distributed by employees voluntarily. Each August 3, the firm observes Nomura Founding Principles and Corporate Ethics Day. On this day, all Group executives and employees pledge to comply with the Nomura Group Code of Conduct. Against the backdrop of this Group-wide initiative, each division holds its own activities, such as seminars and group discussions.

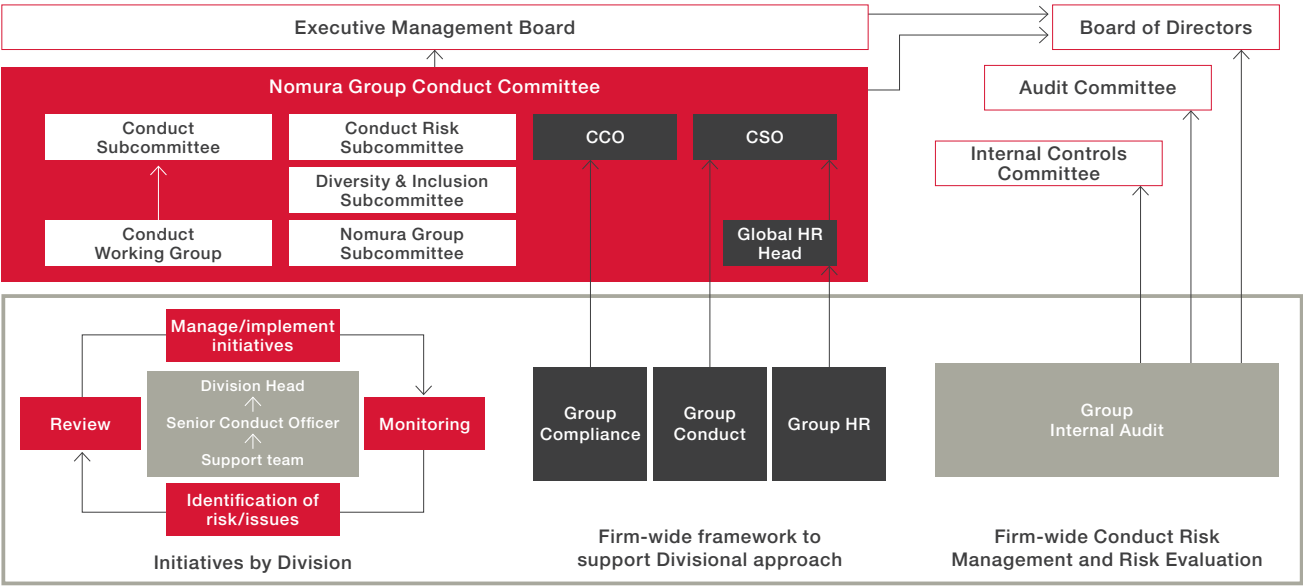


Promoting Proper Conduct: Conduct Program

The firm engages in business operations based on the "Conduct Program," a Group-wide framework that aims for everyone to understand and abide by the Code of Conduct and to reduce risks arising from inappropriate conduct. We have created committees at the executive level, subcommittees at the department and branch management level, and working groups at lower levels. Under the Group-wide framework, these bodies work to disseminate ideas and encourage desirable conduct, as well as manage risk by limiting inappropriate conduct through regulations and monitoring.

In each division, under the supervision of the division head, a Senior Conduct Officer and his/her support team play a central role in drafting an annual plan and implementing specific activities laid out in the plan. A management PDCA cycle is then utilized to ensure effectiveness. This includes identifying conduct that could adversely impact clients and/or the market, formulating preventive measures, monitoring, identifying problems, and planning subsequent actions. Employees' contributions to these efforts are reflected in their performance reviews, thereby providing additional motivation for them to be proactively involved.

Structure to Implement Conduct





COMPLIANCE

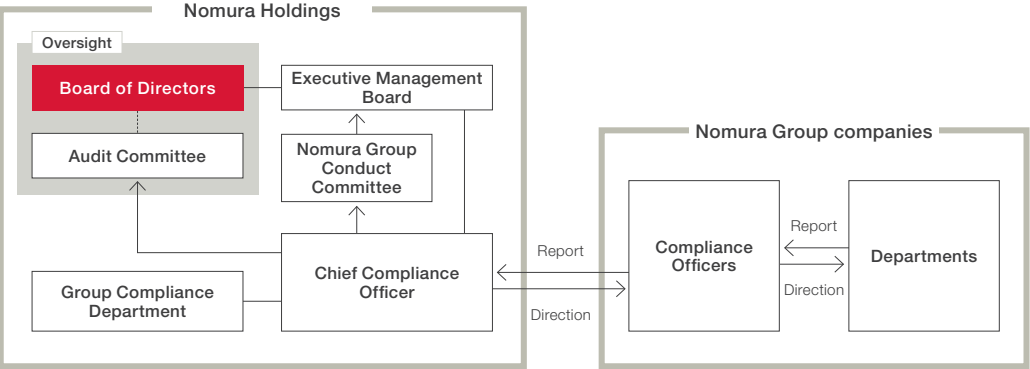
Recognizing compliance and conduct risk management to be critical to overall management, Nomura Group has established the "Conduct Program," a fundamental document that contains the frameworks and initiatives targeting compliance and appropriate conduct. This document is a key part of the Group's framework for achieving a high level of compliance and conduct risk management that transcends legal compliance.

Nomura Group engages in a variety of initiatives based on the Conduct Program to ensure that each and every member of the Group can act appropriately in accordance with the Nomura Group Code of Conduct, the guidelines stipulating the behavior required of professionals in a financial services group.

Compliance and conduct risk management system

All Group companies and departments establish thorough compliance, and establish adequate control frameworks to ensure that their members do not engage in activities suspected of being in violation of laws or regulations. In the event that such issues arise, they are reported to members of senior management and handled appropriately.

Based on the Conduct Program, Nomura Group has a Group Conduct Committee comprising executive officers which deliberates on organizational aspects and important matters related to compliance and conduct risk management. The committee also verifies the effectiveness of the Conduct Program through monitoring and other measures.



Matters that have been discussed by the Group Conduct Committee are reported to the Executive Management Board. In addition, the Board of Directors periodically asks members of senior management to provide reports and provide opinions as needed, and otherwise manages the committee from both executive and supervisory angles, to ensure that initiatives are implemented appropriately in accordance with the Conduct Program. A Chief Compliance Officer has been appointed to oversee compliance for Nomura Group as a whole. In addition, all Group companies and overseas regions have a Compliance Officer. The Chief Compliance Officer, through instructions to the Group Compliance Department, works with the Compliance Officers of each Group company and overseas region to strengthen internal controls in response to global business development, and to develop and maintain the respective compliance structures of each Group company, including overseas offices.

For its part, Nomura Securities has established the post of Internal Administration Supervisor to be responsible for managing conduct risk in line with Japan Securities Dealers Association rules, as well as Sales Managers and Internal Administrators for each sales unit. Compliance Officers are also appointed in each branch and department, and are tasked with raising compliance awareness among employees and promoting legally-compliant business operations. The Compliance Division, which is responsible for conduct risk management, formulates internal rules and makes sure that all employees understand them, and monitors the status of compliance with rules at each department and branch. If problems are found, improvement measures such as re-educating employees or correcting rules are implemented. Through this entire process, the Compliance Division strengthens and improves legal and regulatory compliance as well as the internal control system.

Approach to conduct risk management

- Compliance risk refers to the risk of incurring financial losses, including fines, or damage to reputation, as a result of violations of laws or regulations, actions that undermine the fairness and equality of financial markets, or improper conduct that adversely impacts client protection.
- Compliance risk includes conduct risk, which is the risk that the conduct of any member of Nomura Group deviates from the social norms and ethics required of a financial institution, and, as a result, adversely affects client protection and the soundness of the market.

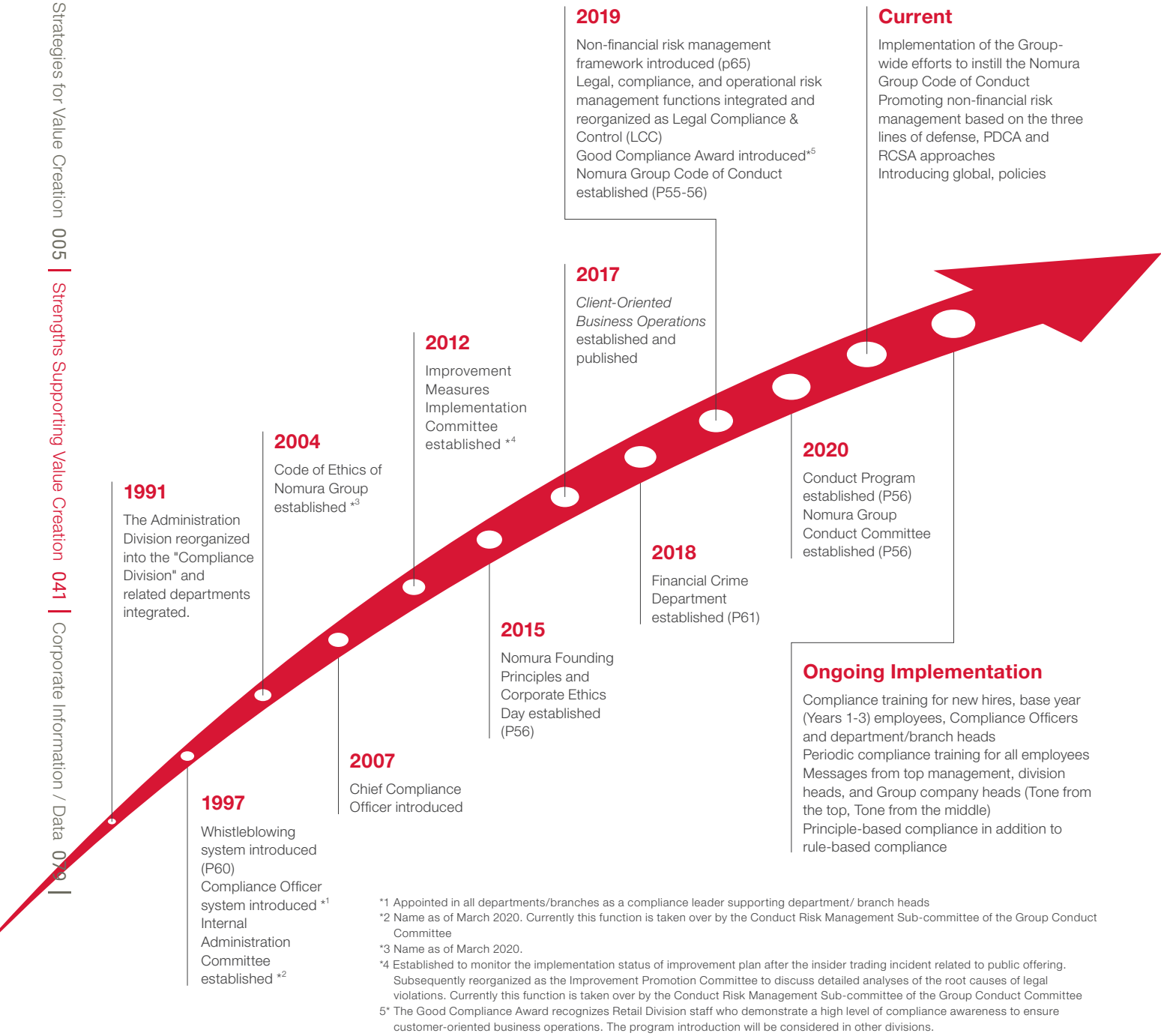
Based on the non-financial risk management framework, Nomura Group has stipulated the approach and policies for conduct risk management in the Risk Appetite Statement and the Conduct Program. Based on the three lines of defense approach, as the first line of defense, division heads are responsible for managing conduct risk in their respective divisions. Each division has a Senior Conduct Officer, whose job is to assist the division head in managing conduct risk and keep the division head in check. Compliance and conduct-related departments are responsible for the second line functions. They provide advice and guidance with respect to the conduct risk management implemented by the first line of defense, keep the first line of defense in check, as well as

monitor and verify the effectiveness of the first line's measures. As the third line of defense, from an independent position, the Internal Audit Department studies and verifies the conduct risk management frameworks put in place by the first and second lines of defense, and gives advice for making improvements. Conduct risk management is conducted in accordance with the PDCA cycle approach. Under this approach, risks are identified, then assessed using the Risk and Control Self-Assessment (RCSA), controlled to prevent risks from materializing, and monitored using various indicators such as Key Risk Indicators (KRI).

Non-financial risks: Refer to P65
The three lines of defense: Refer to P63

Strengthening the conduct risk management framework

Nomura Group believes that compliance is not limited to legal compliance, but is also a means of satisfying society's expectations and engaging in common-sense behavior. We continuously work to strengthen our internal control system in order to achieve a level of compliance and conduct risk management surpassing legal compliance alone.



Compliance and conduct training

Nomura Group provides comprehensive compliance and conduct training for all executive officers and employees on topics such as combating money laundering and the financing of terrorism, managing conflicts of interest, preventing insider trading, complying

with firewall regulations, and managing client information. We are working to raise the level of legal and regulatory knowledge among executives and employees, raise compliance awareness, and foster a corporate culture of pursuing appropriate business practices.

Compliance Hotline

The firm has established the Nomura Group Compliance Hotline in order to maintain and ensure an effective compliance framework at each Nomura Group company. This Compliance Hotline is a means for all persons working at a Group company (including contract employees, temporary staff, etc.) who become aware of a potential legal or regulatory violation, an action that infringes on the Nomura Group Code of Conduct, or a suspicious action related to accounting or accounting audits, to directly report such information to specified persons, including outside attorneys, designated by Nomura Group (informants may also report through channels provided by specialist outside entities and have the option of remaining anonymous). The Compliance Hotline is accessible 24 hours a day, seven days a week, and is available in English and Japanese. Matters reported through the

Compliance Hotline are investigated under the direction of the person who received the report, while maintaining strict confidentiality for the reporting individual. If a problem is found, appropriate corrective measures are taken, and strict measures are in place to ensure that there is no retaliation against informants. Internal documents and the intranet are used to ensure that employees are familiar with the Compliance Hotline and to encourage them to use this system as necessary. By promoting the use of the Compliance Hotline, we are working to foster an environment in which anyone who senses something strange can speak up about it. In FY2019/20, there were 101 calls received via the Compliance Hotline, and in all cases a thorough review was conducted and appropriate measures were taken. In November 2019, Nomura was registered its whistleblowing system under the Japan Consumer Affairs Agency's "Whistleblowing Compliance Management System ("WCMS")."

WCMS: Under this system, companies evaluate their own whistleblowing programs and apply to have them registered. Each program is then reviewed by the designated registration organization to determine whether it meets the certification standards set forth by the Consumer Affairs Agency in its guidelines. If the application is approved, the company is registered and granted the right to use the official WCMS symbol.



Compliance Hotline Flow Chart



Segregation of customer assets and information security

In accordance with 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.

Proper segregation of customer assets
Nomura Securities properly segregates the assets of its customers from the assets of Nomura Securities itself. Nomura Securities has requested that EY Shin Nihon LLC provide "Assurance related to legal compliance with segregated management of customer assets" in accordance with Practical Guideline No. 54 of the Industry Committee of the Japanese Institute of Certified Public Accountants. As of March 31, 2020, Nomura Securities had received from the auditor a written assurance to the effect that management's arguments in the management report on the segregation of customer assets were consistent with laws and regulations in all material respects. For more information, visit our website.

Effective protection of clients' personal information and other information assets of the Group

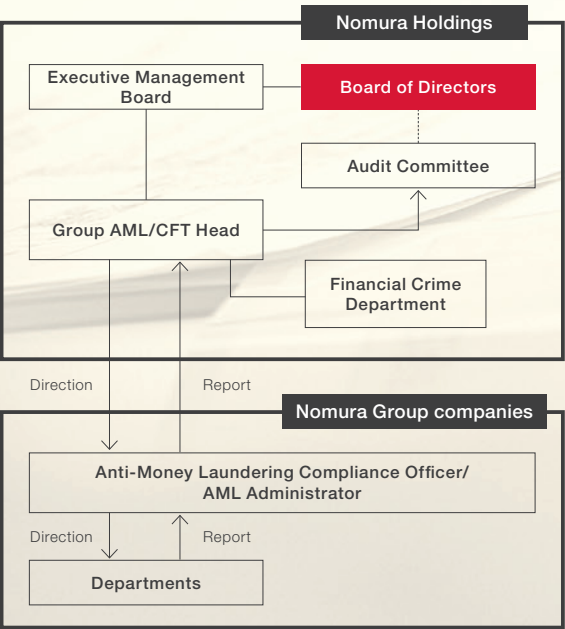
The Nomura Group Information Security Policy provides the basic principles for appropriately protecting information assets. Each Group company has its own information security related regulations in accordance with this basic policy. We are also working to enhance the management of information provided to customers in accordance with the characteristics of each company's business activities. In particular, customer-related personal information is handled in line with rigorous standards set out in the Nomura Group Privacy Policy and other information security-related rules, and is handled in full compliance with the Personal Information Protection Act and other related laws and regulations. For further information, please refer to our website. We are considering introducing and using various IT tools required in the course of promoting new work styles such as telecommuting and web conferencing, from the perspective of making sure that data are properly managed.

- Nomura's Segregation Management
<https://www.nomura.co.jp/guide/system/bunbetsu/>
- Nomura Group Privacy Policy
<https://www.nomuraholdings.com/policy/privacy.html>

Ensuring fair financial business practices

Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT)

The Nomura Group Code of Conduct sets forth the basic policy of preventing money laundering and combating the financing of terrorism (AML/CFT) with a high level of control to prevent proceeds from criminal activity from flowing into the financial and capital markets or to be used to finance terrorism. Nomura has also established the "Nomura Group Anti-Money Laundering and Combating the Financing of Terrorism Policy," a global policy on AML/CFT that stipulates the common rules to be established in each region and at each subsidiary. We have also established specific standards that apply across the entire Group in areas of particular importance, such as client due diligence and responding to economic sanctions. Nomura Group is working to strengthen its AML/CFT management system throughout the Group by complying with the laws and regulations of each country and by closely monitoring international regulatory developments, including recommendations by the Financial Action Task Force (FATF). The Group AML/CFT Head is responsible for establishing and maintaining the effectiveness of Nomura Group's AML/CFT management system.



The Financial Crime Department was established to assist the Group AML/CFT Head in maintaining an effective AML/CFT management framework. Each Nomura Group company designates an Anti-Money Laundering Compliance Officer who is responsible for that company's AML/CFT management framework. Nomura Securities appoints AML/CFT Officers in each department and branch to oversee the planning and implementation of the AML/CFT management framework.

Concrete measures to prevent money laundering

Using a risk-based approach, Nomura Group has established a range of measures aimed at preventing money laundering and other illegal activities.

Examples of Nomura Securities' measures

Customer due diligence

Due diligence when clients open accounts and continuous updates of client information, etc.

Transaction monitoring

Introduction of a system to monitor abnormal transactions

Formulating, implementing, verifying, and reviewing policies, procedures, plans, etc.

Verification and check of the status of AML/CFT, and reconsideration and improvement of the management framework

Three lines of defense

Implementation of risk mitigation measures through the first line (sales departments), checks and balances through the second line (compliance-related departments), and independent verification through the third line (Audit Division)

Group-wide management framework

Established the "Nomura Group Anti-Money Laundering and Combating the Financing of Terrorism Policy" to strengthen the internal control system throughout the Group. In addition, regular training and education on AML/CFT are conducted to foster awareness within the firm. Training is provided to all employees and Group companies, as well as to employees by position and department.

Elimination of transactions with anti-social forces

In order to eliminate transactions with anti-social forces, the Nomura Group Code of Conduct, the guideline that all Nomura people must abide by, stipulates that Nomura must reject all transactions with anti-social forces or groups, with a basic policy of eradicating all ties with anti-social forces.

Prevention of bribery and corruption

The Nomura Group Code of Conduct stipulates that all executives and employees must understand and comply with all applicable laws and regulations, including laws regulating bribery and tax evasion. Suspected violations of laws and regulations, including bribery, and acts in violation of The Nomura Group Code of Conduct are subject to reporting under the Nomura Group Compliance Hotline. Nomura Securities has established the "Guidelines for Gifts and Entertainment" applicable to entertaining public officials as well as officers and employees of private sector organizations, and strives to prevent bribery and ensure fair transactions by carrying out continuous training to make sure all people in the company are aware of and understand these guidelines. We also monitor the use of entertainment expense accounts to ensure that they are used appropriately.

Prevention of insider trading

In accordance with laws and regulations, Nomura Securities prohibits accepting orders knowing that they violate or are likely to violate insider trading laws and regulations. Also, in order to prevent insider trading, we have prepared an insider registration card. When accepting an order from a related party of a listed company (an insider), we first confirm that the order will not be an insider trade or the party in question does not possess undisclosed material information. Furthermore, Nomura Securities has established the "Regulations on Corporate Confidential Information Management," and the "Regulations on Material Nonpublic Information

obtained from Public Officials." These regulations stipulate the systems for managing and reporting undisclosed corporate information and undisclosed material information, as well as the prohibited acts such as soliciting securities if in possession of such information.

Measures to prevent conflicts of interest

Nomura Group provides global financial services through numerous Group companies. We have established a conflict of interest management system based on the "Nomura Group Conflicts of Interest Management Policy" to ensure that conflicts of interest with customers do not materialize. Specifically, each Group company develops its own system to appropriately manage conflicts of interest. Nomura Holdings' Group Compliance Department, which is in charge of managing conflicts of interest, determines whether a risk of conflicts of interest exists within Nomura Group. If there is concern about a conflict of interest, the Nomura Holdings Group Compliance Department appropriately manages the situation to prevent any conflicts of interest from materializing.

Examining market manipulation and other unfair transactions

Nomura Securities examines transactions on a daily basis to determine whether there is a risk that our own transactions, or those we execute on behalf of clients, could constitute unfair trading, such as market manipulation, intentional market formation, or insider trading. Based on the review, we interview and give warnings to those persons who have engaged in transactions that are suspected of being unfair. unfair. We continuously monitor transactions in accounts for which we deem there to be a risk of recurrence of suspicious trades. If no improvements are seen, we stop executing received orders, and take other appropriate measures. In addition, we periodically analyze the results of examinations, verify the effectiveness of the examinations and the soundness of the examination system as part of our effort to build and maintain an appropriate trading management framework.



RISK MANAGEMENT

Nomura Group promotes integrated risk management as part of the firm's management strategy to control various risks inherent in daily operations, secure capital soundness in any economic environment, achieve business plans, protect customers and comply with laws and regulations.

Risk culture

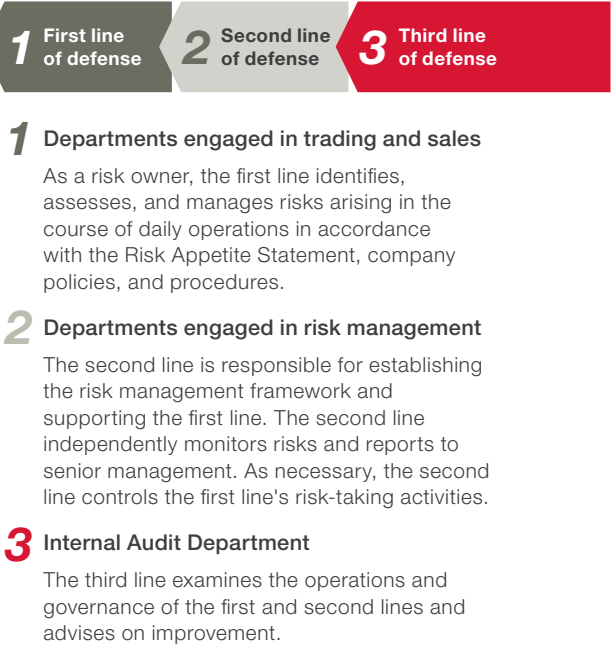
Fostering a sound risk culture is essential for Nomura Group to maintain its social credibility and sustain its business activities. At Nomura Group, all employees, irrespective of their function or geographic location, must understand their specific responsibilities related to risk management, and actively work to manage risks.

Risk management policy

All executives and employees of Nomura Group, irrespective of their function, actively engage in risk management. Nomura Group aims to identify the risks that could lead to significant losses by categorizing the types of risks associated with its business activities, as well as the impacts of risks and their likelihood of occurrence. In principle, Nomura Group avoids risks that are difficult to identify and manage. Nomura Group recognizes that there are risks that cannot be identified at present. As financial professionals, all executives and employees of Nomura Group must expand their knowledge of risks, and foster a corporate culture that appropriately recognizes, evaluates and manages risks.

Three lines of defense

All executives and employees of Nomura Group actively engage in the risk management through the three lines of defense framework.



Risk appetite

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. It is important for us to maintain capital adequacy and achieve business plans under any type of economic environment, to protect our clients, and to comply with laws and regulations. Nomura Group has defined the types and

levels of risk (risk appetite) that the firm is to take, as documented in the Risk Appetite Statement. Our Risk Appetite Statement is approved by the Executive Management Board, and risks are monitored daily against the risk appetite. If by any chance risk levels exceed the risk appetite, senior management consults with those directly involved and takes actions to eliminate excessive risk as necessary.

Categories for which risk appetite is established

Capital adequacy and liquidity	Nomura Group defines the level of capital adequacy and sound liquidity as risk appetite, taking into account the regulatory requirements, funding capacity, and business environment.
Financial risk	Nomura Group allocates financial resources to each business in order to achieve corporate strategies and business plans, while remaining within the bounds of the risk appetite for capital adequacy and liquidity. Nomura Group defines the types and levels of financial risks that each business takes within its allocated resources as financial risk appetite. In setting the financial risk appetite, Nomura Group classifies market and credit risks into segments according to the nature of business, and uses quantitative metrics or qualitative indicators as well as processes to capture these characteristics.
Non-financial risk	Non-financial risks exist in daily activities and processes, and can result in a financial loss or significant adverse impact on Nomura Group, our clients and financial markets. It is therefore everyone's responsibility to manage non-financial risks in line with Nomura Group's risk appetite.

Nomura Group's major financial risk

Mark to market risk	Risk of incurring losses due to a change in the value of assets or liabilities resulting from movements in interest rates, currencies, and prices of stocks and other securities
Market liquidity risk	Risk that trading costs will increase due to the time taken to close positions, or that trading will become unfeasible due to rapid changes in the market.
Default risk	Risk of incurring losses when a counterparty or issuer fails to meet its obligations.
Event risk	Risks inherent in specific financial transactions, such as losses from events caused by discontinuous changes in the market. Events may or may not result from fluctuations in financial markets.
Model risk	Nomura Group uses models for valuation of financial instruments, for measurement of key risks including Value at Risk and counterparty exposure, for estimating liquidity, and for asset price verification. Model uncertainty due to simplification, incorrect use of a model, or reduced model suitability in the current market environment can lead to financial losses and failure to satisfy regulatory requirements. This is called model risk.

Non-Financial Risk

Non-financial risk includes Operational Risk and Reputational Risk.

Operational Risk

Risk of financial loss or non-financial impact arising from inadequate or failed internal processes, people and systems, or from external events.

Nomura Group's approach to operational risk management includes four core processes: operational risk event reporting, risk and control self-assessment (RCSA), monitoring using key risk indicators (KRI), and scenario analysis. Managed operational risks are divided into the 10 categories below.

Risk Category	Definition
Compliance	Risk of financial loss or reputational damage due to violations of financial services laws, rules or regulations, and improper conduct which disrupts the integrity of the financial markets and causes unfair client treatment.
Legal	Risk of financial loss or reputational damage due to (i) ambiguity and/or insufficiency in contractual terms to secure Nomura's legal rights and/or enforceability of the contractual terms; (ii) failure to comply with applicable laws and regulations; and/or (iii) failure to adopt to changes in laws and regulations.
IT and Cyber Security	Risk of financial loss or reputational damage due to (i) poor performance or unavailability of IT systems; (ii) data corruption and/or; (iii) unauthorised or improper access to IT systems and data from within or outside the institution.
Business Resilience	Risk of financial loss or reputational damage due to inability to resume normal business operations during a business disruption event and damage to or unavailability of physical assets from natural disasters and other events.
Third-Party	Risk of financial loss or reputational damage due to failure of third-party to perform in line with expectations
Financial Reporting & Tax	Risk of financial loss or reputational damage due to material misstatement or omission in the firm's (i) external financial reporting, regulatory reporting or internal financial management reporting; and/or (ii) external tax reporting or payments.
People	Risk of financial loss, staff impact or reputational damage due to acts inconsistent with employment or health and safety laws or employment norms and agreements.
Transaction Lifecycle	Risk of financial loss or reputational damage due to failures in transaction processing and/or process management.
Prudential Risk Frameworks	Risk of financial loss or reputational damage due to inadequate prudential risk management frameworks.
Fraud	Risk of financial loss or reputational damage due to intent to defraud, misappropriate property or conduct unauthorized activity by an internal or third party.

Reputational Risk

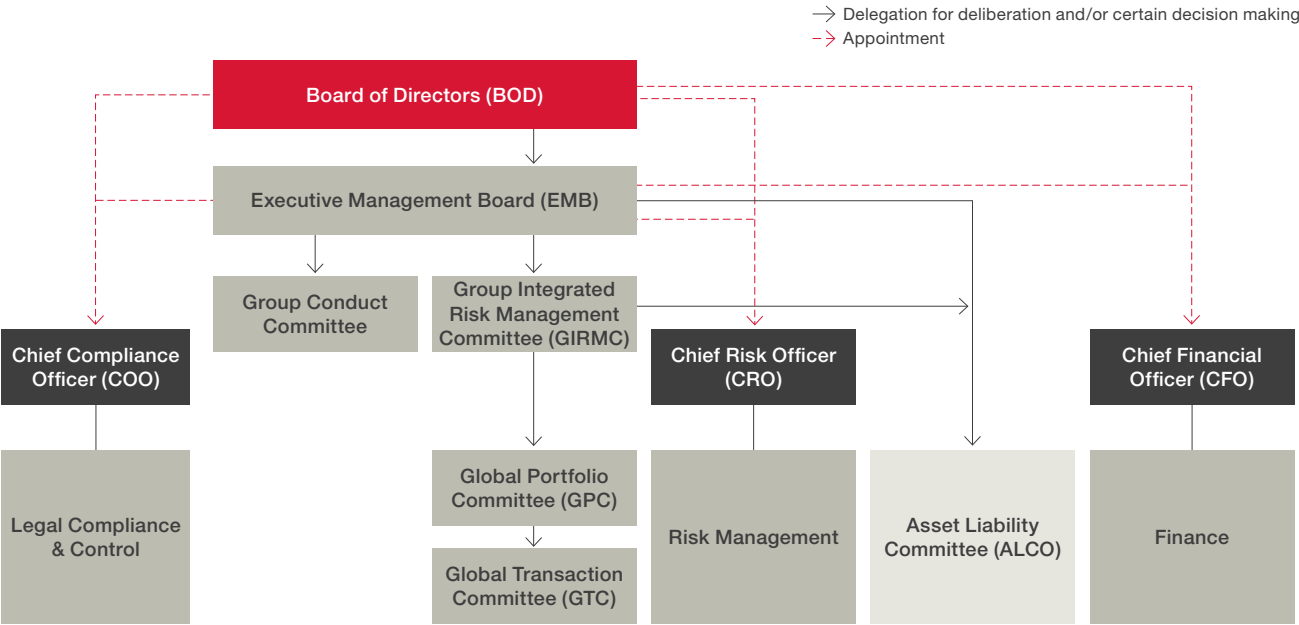
The possible damage to Nomura's reputation and associated risk to earnings, capital or liquidity arising from any association, action or inaction which could be perceived by stakeholders to be inappropriate, unethical or inconsistent with

Nomura Group's values and corporate philosophy. All personnel must consider the impact of their actions or inactions on Nomura's reputation and apply high standards to their behavior as set out in the Nomura Group Code of Conduct.

Risk management governance and oversight

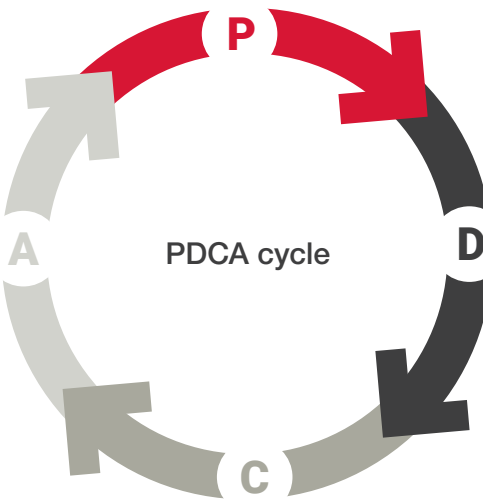
Risk management oversight is carried out by the committees comprising members of senior management. The Group Integrated

Risk Management Committee, for example, deliberates and decides on risk management issues material to the firm.



Risk management activities

Based on the concept of PDCA cycle (Plan, Do, Check and Action), all executives and employees of Nomura Group conduct risk management activities as three defensive lines or committees to ensure that the various risks inherent in daily operations do not exceed the level of risk appetite.



Plan

In order to realize Nomura Group's corporate philosophy, the Executive Management Board formulates business plans and establishes risk appetite taking into account the business environment and the state of management resources. These are reviewed annually or as needed.

Do

Each business division carries out its business plans in accordance with the risk appetite and the Code of Conduct.

Check

The first line of defense identifies, assesses and manages risks that may exceed the risk appetite, and the second line of defense advises, supports and checks the first line of defense through monitoring, analysis, stress testing and predictive management. The third line of defense examines and advises on these from an independent position.

Action

Each business division works to improve risks that may exceed the risk appetite, as well as carries out activities based on the advice, support and checks received from the second line of defense.

BUSINESS CONTINUITY MANAGEMENT

Nomura Group regards natural disasters such as earthquakes and typhoons, man-made disasters such as fires and terrorism, infectious diseases like coronavirus, system failures, and information asset leaks as the key types of crises that must be prepared

Business continuity framework

The Group Crisis Management Committee is tasked with preparing for crises, and under the committee's leadership the Group has been continually strengthening the crisis management program and the business continuity framework both in Japan and overseas. The Group Crisis Management Committee is chaired by a senior officer appointed by the Group CEO, and comprises senior officers from Group companies. Resolutions passed by the committee are reported to the Executive Management Board. In the event of a major disaster, the committee functions as the Command Center to lead the Group's response. As a specific example of this business continuity framework, a system has been enforced so that operations can be continued at backup offices in the event that key offices are rendered unusable due to an earthquake or other disaster. We also have a remote backup data center that protects critical data and applications in the event of a data center failure. Furthermore, we have bolstered our infrastructure, which includes power generators, so that in the event of a power down affecting a wide area, such as a powerful earthquake directly beneath the Tokyo metropolitan area, we can continue our critical functions to avoid systemic risk and to

for. In the event for such crisis, we have established a global business continuity framework and work on a wide range of measures, including educating our people about our disaster response measures.

protect our clients from being impacted. Similar infrastructure have also been put in place at our key overseas offices. In response to the coronavirus pandemic, and in accordance with Group guidelines, we worked to prevent the spread of the virus before significant outbreaks occurred in Japan and overseas by restricting travel and other activities that could accelerate its spread. When the Japanese government declared a state of emergency we temporarily suspended business operations at domestic branches. We have also enhanced the remote work capability and established a work system that has allowed us to both continue our business operations and prevent the spread of coronavirus. At our key overseas offices, we have ensured business continuity through remote work. In Japan, the Crisis Management Committee Office regularly conducts employee safety confirmation drills, disaster prevention drills, and business continuity drills to ensure that we are able to respond quickly should a crisis occur. At overseas offices, these exercises are carried out by the Business Continuity Management Team in each location. Through these and other efforts, we aim to become more proficient at handling crises and strengthen our systems for managing them.

Business continuity initiatives		
1	Strengthen the business continuity framework	Maintain/enhance backup offices / Secure emergency response personnel / Maintain/enhance emergency communication equipment / Enhance telework environment
2	Periodic drills and training	Employee safety confirmation drills / Drills based on business continuity plan (BCP) / Initial response training and drills simulating earthquake with epicenter directly under Tokyo or other massive earthquake / Nankai Trough earthquake response training at branch offices
3	Strengthen collaboration between Group companies in Japan and overseas	Enhance information-sharing with Group companies in Japan / Enhance information-sharing framework with overseas Group companies
4	Business Continuity Plan	Review and revise the Business Continuity Plan for the scenarios of a massive natural disaster or a massive system failure

CYBER SECURITY

Nomura Group has for some time been undertaking security measures to protect systems against cyber-attacks. However, in light of the increasingly serious cyber security threats throughout the world, we recognize that our current countermeasures may not be sufficient in the future. In addition, in the financial sector, digitalization is proceeding at an accelerating pace. The connection of all financial systems to networks may increase the cyber security risk. In order to ensure that clients' information and assets are securely

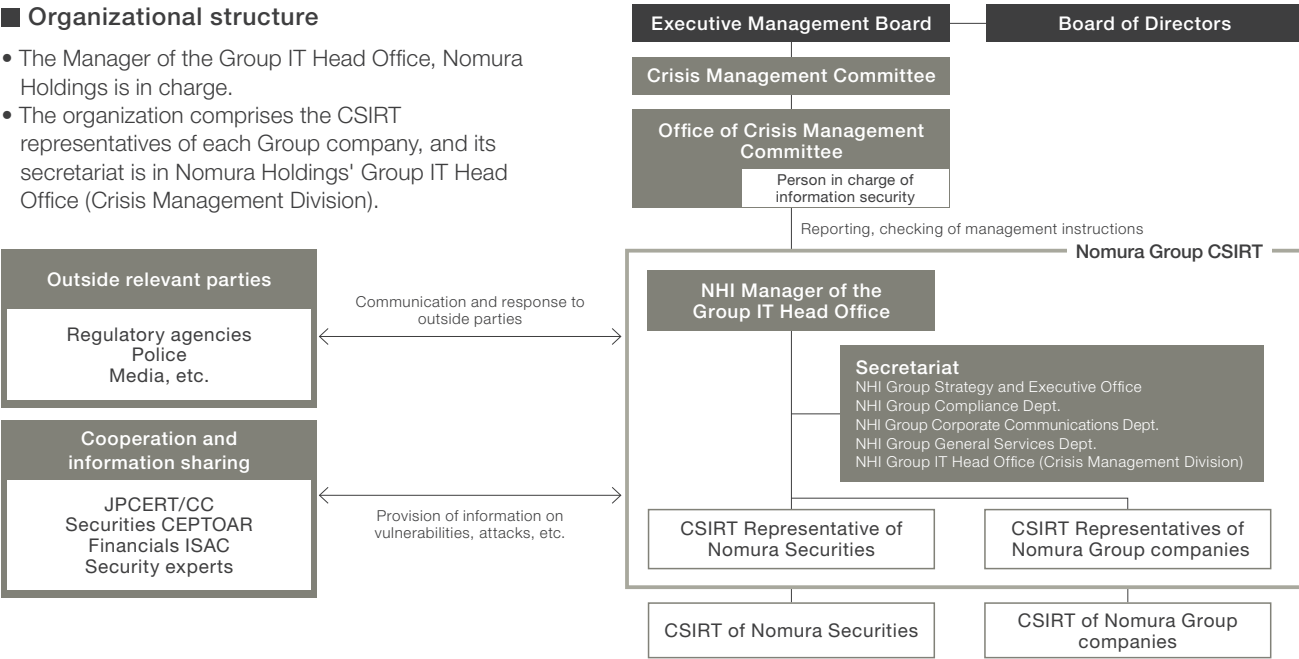
protected from these increasingly challenging cyber security threats, and to enable clients to conduct transactions with peace of mind, Nomura Group is working to strengthen its cyber security platform, using the Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc. of the Financial Services Agency, and the Cybersecurity Management Guidelines of the Ministry of Economy, Trade and Industry based on ISO27001 and ISO27002, as references.

Cyber security system

Nomura Group, as a whole, has established a global organizational structure to deal with incidents stemming from cyber-attacks and to minimize potential damage. The Nomura Group Computer Security Incident Response Team (CSIRT), formed within Nomura Holdings, has spearheaded the formation of a CSIRT in Nomura Securities and other Group companies, and governs the CSIRT in each Group company. Each CSIRT works to protect its company's operational and information assets, as well as systems, promoting cyber security measures from four vantagepoints: organizational management, system security measures, human-level response, and coordination with outside organizations.

Organizational structure

- The Manager of the Group IT Head Office, Nomura Holdings is in charge.
- The organization comprises the CSIRT representatives of each Group company, and its secretariat is in Nomura Holdings' Group IT Head Office (Crisis Management Division).



Organization management	At normal times, we take part in cyber security drills, conduct Threat-Led Penetration Test, assess cyber risks and monitor actions taken by overseas subsidiaries and outside contractors in a constant effort to heighten our readiness. In the case of an incident such as obtaining dangerous vulnerability information or detecting a cyber-attack, the CSIRT leads the efforts to analyze the cause, minimize damage, and quickly restore systems.
System security measures	We adopt 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.
Human-level response	In accordance with the Nomura Group Information Security Policy, relevant seminars and training programs are regularly provided to all executives and employees and they are kept alert in order to raise their awareness and knowledge about cyber security.
Cooperation with outside organizations	Nomura is cooperating with information sharing organizations such as Financial ISAC Japan and FS-ISAC and cyber security vendors to gather and share information on the cyber attackers and their approaches.



SUSTAINABILITY

To fulfill our social responsibilities as a corporate citizen, Nomura Group actively engages in ESG activities to contribute to the development of financial markets through our business activities as well as works to achieve sustainable growth and resolve social challenges.

Working with all of our stakeholders, including clients, business partners, and employees, the entire Nomura Group promotes activities to realize a sustainable society.

ESG execution process

Our ESG Committee is a management-level decision-making body that plays an integral role in Nomura Group's sustainable growth and our aim to contribute to resolving social issues. Nomura Group executives in charge of businesses and corporate affairs comprise the ESG Committee. The Committee is responsible for developing business policies on ESG-related risks and opportunities for Nomura Group as a whole and for approving and deciding on related activities. The ESG Committee's activities are reported to the Board of Directors and the Executive Management Board as the occasion demands. The Committee also considers specific business operations that will contribute to the Sustainable Development Goals (SDGs) established by the United Nations.

As a subordinate body of the ESG Committee, we have established separate subordinate organizations consisting of members from related groups which examine business opportunities and risks related to ESG, including climate change and Nomura Group's efforts to reduce environmental impact.

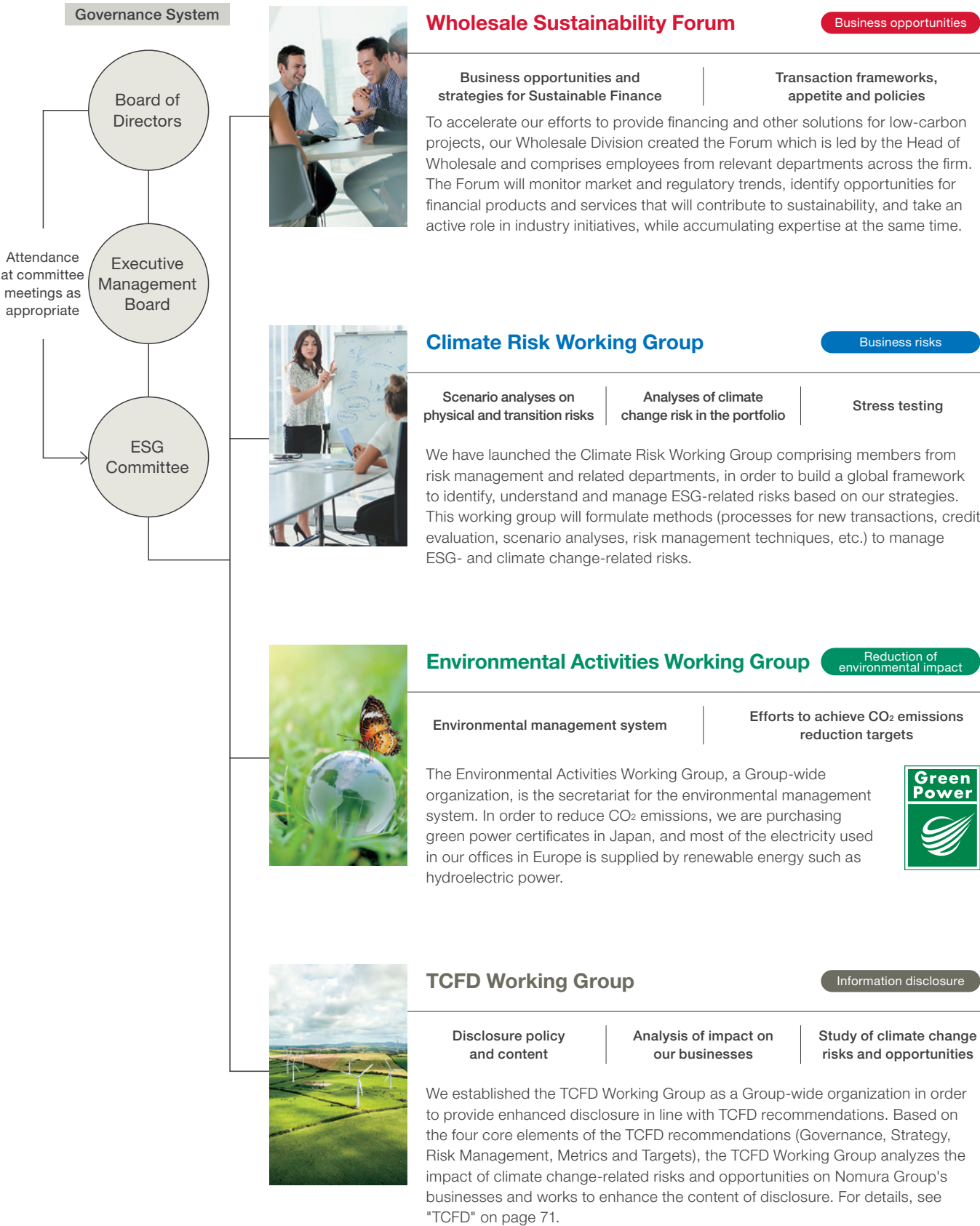
Summary of ESG Committee meetings

In FY2019/20, two ESG Committee meetings were held to realign important ESG issues (materiality) and discuss TCFD disclosure.

Number of meetings	2 (from April 1, 2019 to March 31, 2020)
Agenda items	<ul style="list-style-type: none">● Important ESG Issues (materiality)● Matters related to TCFD● Reports related to climate change
Overview of discussions	<ul style="list-style-type: none">● Realignment of key ESG issues (materiality)● Establishment of the TCFD Working Group● Risks and opportunities related to climate change● Trends in Sustainable Finance in Japan and overseas● Matters related to UNEP FI PRB signing

Efforts to Achieve Sustainable Management

-ESG Governance Structure and Activities of Subordinate Groups-







TCFD Task Force on Climate-related Financial Disclosures


As a good corporate citizen, Nomura Group recognizes the importance of disclosing climate-related financial information. Nomura supports the Task Force on Climate-related Financial Disclosures (TCFD) and we are committed to consistent and effective disclosures aligned with the TCFD recommendations.

Strategy and Risk Management

We will work to expand our business opportunities in response to growing interest in the transition to a low-carbon society, as well as identify and appropriately manage risks associated with climate change.

Opportunities			Risks		
Type of financial service	Example of initiative	Details	Risk type	Assumed risks	Response
 Advisory/ Financing	Strengthen ESG-related advisory and financing through the acquisition of Greentech Capital Advisors	Support the transition of social infrastructure (energy, transportation, food, water, waste, etc.) to more sustainable systems	Physical risk	Risk of extreme weather events, natural fires, flooding and other climate change-driven events damaging the business infrastructure of Nomura Group, our clients and business partners	We are focusing in particular on the following areas: ■ Strengthening processes for new transactions
	Establishment of the Nomura Research Center of Sustainability	Provision of information and proposals on sustainability			■ Looking into introducing a process to analyze physical and transition risks when conducting credit evaluations
 Financial products	Expansion and sales of ESG/SDGs-related investment products	Provision of products seeking both investment gains and the resolution of social problems	Transition risk	Impact of more stringent laws and regulations and other changes in external environment associated with the transition to a low-carbon society on Nomura Group's operating environment	■ Scenario analyses ■ Developing risk management techniques that factor in ESG risks

TCFD Disclosure Roadmap

2018 - 2020		2020 - 2021	
Efforts to date		Future initiatives	
Governance	· Commitment to support TCFD  · Participation in the TCFD Consortium · Group-wide TCFD Working Group established under the ESG Committee · Creation of the Wholesale Sustainability Forum under the ESG Committee (studies ESG-related opportunities) · Creation of the Climate Risk Working Group under the ESG Committee (studies ESG-related risks)	Risk Management	Strengthen the following processes, taking ESG factors into consideration · Process for new transactions · Credit evaluation · Scenario analysis
	Strategy		· Strengthen primary services and advisory services related to ESG · Provide value-added information on sustainability closely linked to the financial and capital markets, and enhance proposals · Encourage greater awareness and understanding among investors about sustainable finance
Disclosure		Disclosure	
Published the Nomura Group TCFD Report		Update the Nomura Group TCFD Report	

Metrics and Targets

Sustainable finance targets

Greentech Capital Advisors, which was acquired in April 2020, has completed more Clean Energy and Energy Smart M&A transactions than any other advisor, and has raised \$4 billion of growth capital for

private innovation companies over the past 10 years. Now as part of Nomura, Greentech seeks to help clients raise capital equal to or greater than this amount over the next five years.

Reducing CO₂ emissions in business activities

In December 2018, Nomura established group-wide CO₂ emission reduction targets for the medium and long term. As of March 2020, we had already achieved a 41.7% reduction in CO₂ emissions, which exceeds our medium-term target level. We will continue to work toward achieving our long-term target.

Area	Target type	Base year	Target year	Level of reduction
Global	Absolute	FY2012/13	Medium-term	FY2030/31 32%
			Long-term	FY2050/51 65%

For the full text of Nomura Group's disclosure based on TCFD recommendations, please refer to the "Nomura Group TCFD Report."



 Nomura Group TCFD Report
<https://www.nomuraholdings.com/investor/library/tcfd/2020/pdf/all.pdf>

TCFD Initiatives in the Asset Management Division

Nomura Asset Management supports the TCFD, and through its engagement activities Nomura Asset Management actively encourages portfolio companies to support the TCFD, disclose climate-related financial information, and integrate climate-related risks and opportunities into management strategies. For more information, please refer to Nomura Asset Management's "Responsible Investment Report."



 Responsible Investment Report 2019
https://global.nomura-am.co.jp/responsibility-investment/pdf/ri_report_2019.pdf



FINANCIAL LITERACY

Increasing financial literacy leads not only to enhanced asset formation and improved living standards, but also contributes to the healthy development of capital markets and the proper circulation of capital. Nomura Group has been providing financial and economics education to different generations of people, so as to raise individuals' knowledge and understanding of finance and economics.

Financial literacy for a wide range of people

Nomura Group was among the first companies in Japan to provide financial and economics education to young people who will be the leaders of the future. In 2001, we began offering courses for university students, and today more than 400 employees from our branches throughout Japan provide lectures. We also provide classes at elementary schools, junior high schools and high schools nationwide. Requests to provide classes have been increasing against the backdrop of the Japanese government's curriculum guidelines which will be gradually implemented from FY2020/21 which aim to enhance career education, entrepreneurship, and financial education, and the lowering of the age that people are recognized as adults in Japanese society. In addition to the "Money and Your Future" class which teaches the basics of asset-building, we are providing other classes including our entrepreneurship education program called the "NOMURA Business Challenge." On top of improving students' financial literacy, our people talk with students to help them better understand different

careers. Since spring break, when the spread of coronavirus became a concern, in addition to continuing to provide free educational materials to schools, which we have been doing for quite some time now, we have been delivering free educational materials to families as a way to give parents and children an opportunity to learn about the economy together. As of June 30, 2020, we have sent these learning materials to more than 1,500 households, helping people learn how society works through the economy. We also provide employees of private companies and government employees with opportunities to enhance their financial literacy, including life planning seminars and workshops on defined contribution pension plans for individuals. In November 2018, we launched the "Nomura Financial Academy," a tuition-based program open to the general public that helps participants systematically learn about life planning, asset management, and other aspects of personal finance which they can put in to practice in their own lives. Starting in FY2020/21, classes are available online, and students can select

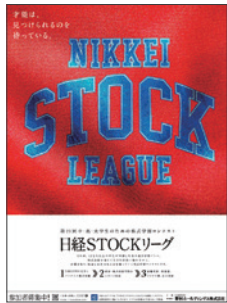
the courses they want to take from among all of the offered classes, which are designed for different age groups and purposes. Nomura Group will continue to proactively endeavor to improve financial literacy and contribute to the "from savings to asset formation through investment" trend in Japan. The smooth circulation of money, which is said to be the lifeblood of society, is essential

Nikkei Stock League

Nomura Holdings has supported "Nikkei Stock League" (a contest for learning about stocks hosted by Nihon Keizai Shimbun) as a special partner since its inaugural year in FY2000/01. In FY2019/20, the 20th year of the Nikkei Stock League, more than 7,000 students from junior high schools, high schools, and universities participated, creating virtual stock portfolios based on their own investment themes and submitting reports. Every year, more than 100 Nomura Group employees volunteer to read and judge reports, evaluating the originality of investment themes and the participants' level of understanding of economic and social mechanisms. Employees look forward to reading students'

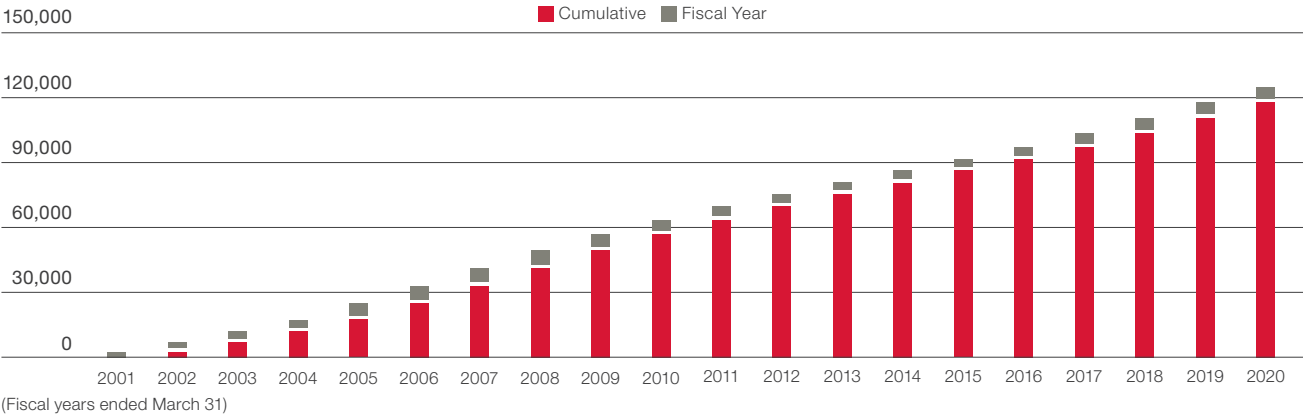
for the achievement of all of the SDGs, and a correct understanding of finance and the economy is also the foundation for achieving all of the SDGs. To achieve the SDGs, Nomura Group will continue to teach people about the role and value of money in society, and offer financial and economics education to help people lead independent lives.

reports, as students evaluate Japanese companies from a fresh perspective based on their sensibilities as young people. Participating in the Nikkei Stock League prompts students to consider what type of future and society they find to be ideal. They learn the significance of investing in companies that will help make that kind of future a reality, and come to the realization that through investment they can solve social problems, form sound capital markets, and support a prosperous society. In the 21st edition of the Nikkei Stock League, new initiatives such as webinars are being launched. We look forward to continuing to support the ever-evolving Nikkei Stock League.



The 21st Nikkei Stock League
A finance and economics education program for junior high, high school, and university students. Participants learn about companies and gain a better understanding of how society works by examining the living economy.

Nikkei Stock League Participants



Special Seminar for Women

On "Securities Investment Day" in October 2019, Nomura Holdings held a special seminar for women entitled "Get the Power to Shine!" At this seminar, organized by the Nihon Keizai Shimbun and co-hosted by Nomura Holdings, a Nomura Securities employee gave a lecture about basic investment knowledge, while a special lecture on aromatherapy was given by an aroma fragrance designer. Approximately 200 people attended the event where, in addition to gaining an understanding about the need for diversified investing and hearing about

investment techniques and shareholder benefits, they learned about how to use fragrances in business situations and what kind of effect doing so can have. We will continue to provide opportunities for people of all ages to casually and enjoyably learn about investing.

(Right) Special seminar lecturer Ms. Ayako Terada, Equity Market Strategist, Investment Research-Retail Dept., She spoke to the attendees about how to build assets as an investment in one's future. (Left) The hall was filled with sweet fragrances from the aromatherapy fragrance exhibit.

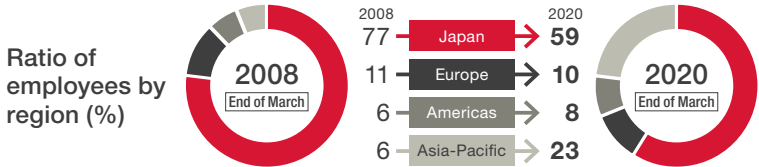


HUMAN RESOURCES STRATEGY

Individuals of more than 90 nationalities are currently employed in Nomura Group. This diverse group of people represents our greatest asset. Nomura Group provides equal opportunities, builds a healthy work environment and, under the Nomura Group Code of Conduct, forbids discrimination based on nationality, ethnic origin, gender, gender identity, gender preference, beliefs, social standing, disability or any other attribute, so that each and every employee can be active and successful in utilizing her or his capabilities and personal strengths.

Global human resources system

Nomura Group takes an integrated approach to talent management by employing professionals around the world who are capable of providing financial services that meet the diverse needs of clients. Having a pool of employees with a wide variety of career paths and values within the Group, we seek to manage our talent in a flexible and appropriate manner so that each and every one of our employees can thrive as they collaborate with each other and contribute their abilities to the workplace.



Introduction of new personnel system

Nomura Securities introduced a new personnel system in April 2020. In an operating environment marked by great change, such as diverse work styles and digital innovation, we aim to be a company that continues to attract competent and motivated talent. The new personnel system is designed to help expand opportunities for talented employees to leverage their abilities regardless of their age or the number of years working in Group, and to support each individual in building a professional career that leverages their unique aptitudes.

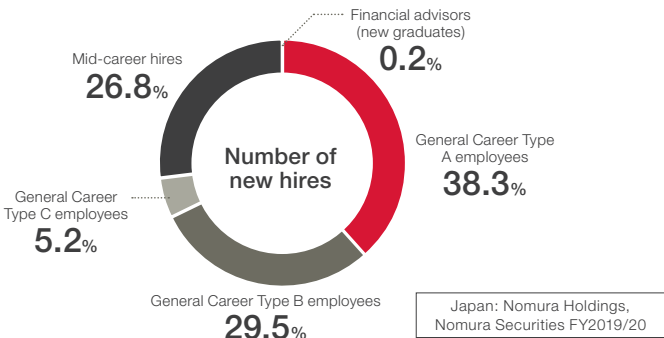
Proper evaluation and compensation

To properly evaluate performance and further the development of personnel, the Group adopts an integrated personnel evaluation system. From this fiscal year, we have further incorporated compliance and conduct into evaluations. Depending on the division, the Group also undertakes a 360-degree evaluation for certain personnel in managerial-level positions. Every employee is provided, in principle once a year, with the 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 executive officers and employees in order to secure, retain, motivate and nurture outstanding personnel.

Compensation Policy of Nomura Group
<https://www.nomuraholdings.com/csr/employee/capability.html>

Recruiting and hiring talented people

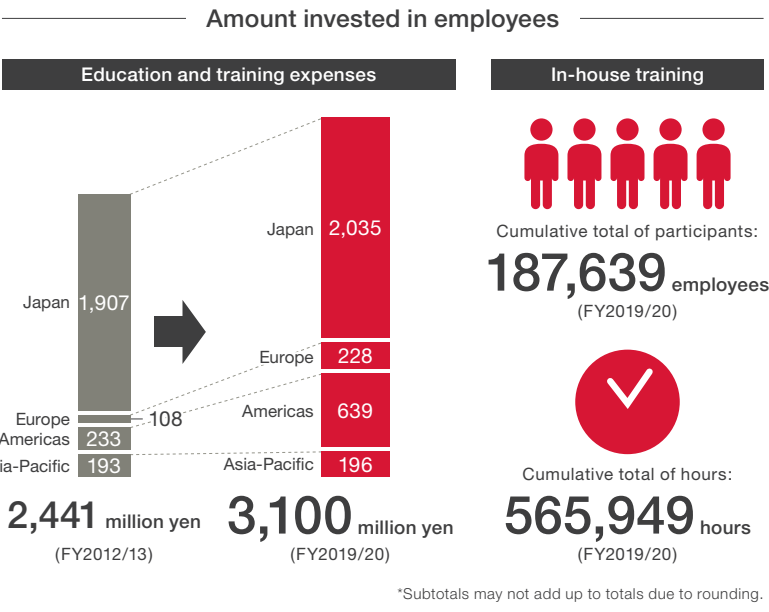
Recognizing that people are our greatest asset, since our founding we have placed particular emphasis on recruitment. In our constant efforts to secure the most talented people, we continue to follow a policy of recruiting people regardless of nationality, gender, or other attributes. We strive to recruit outstanding and diverse people by increasing contact with students in a variety of ways, including the use of our "Career Support System" for new graduate recruitment, enhancing our internship programs, and participating in international student recruitment events. In addition, we are also focusing on mid-career hires who can contribute immediately. We are also seeking to acquire human resources in a variety of ways, such as through the reemployment of retired employees and the



"Nomura Passport" recruitment program for doctoral students in science and engineering. In addition, we are making efforts to provide job seekers with a variety of ways to interact with our firm, such as hiring throughout the year and holding some recruitment events and interviews online. By making sure to place these diverse people in positions they are best suited for, we take a personnel management approach that allows each employee to display their capabilities to the fullest.

Personnel development

To ensure that people with diverse career backgrounds and values can demonstrate their talents, the Group believes that, in addition to human resources development, developing and enhancing a structure for organizational development aimed at fostering a vibrant and unified corporate culture is important. Accordingly, we provide diverse education and training programs to help employees at all levels proactively 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 independent-minded employees. In the Retail Division, a trainer (managerial-level employee) is appointed to work with instructors to train sales staff (partners). The Nomura Training Curriculum was introduced in April 2019 to enable partners to acquire the skills and knowledge required to provide services to customers in a given period of time. To make each employee's development more visible, Nomura has established a framework that brings together the necessary actions and skills for improving performance and achieving targets, and this framework is utilized in dialogue between employees and their evaluators to clarify the skills that employees should develop. In addition to introductory training for new hires, our core training programs in Japan



include annual online and in-person group training by years of service, job position or according to title, and human resource development through on-the-job training. We have also created a self-study support system comprising a large number of e-learning and correspondence education to support employees in their efforts to develop skills on their own. At the same time, we have established various overseas training programs to develop human resources who can play an active role on the global stage.

Communication with employees

Nomura organizes various forums for direct dialogue between management and employees around the world. Town hall meetings and employees gatherings are held regularly in each region to provide opportunities for senior management to share the firm's vision, strategy, and philosophy, and for employees to engage in active dialogue with senior management with the aim of deepening mutual understanding.

As part of our continued efforts to understand how our employees feel about Nomura, we periodically conduct surveys of all Group employees to monitor the status of communication within the organization and the level of employee satisfaction. From FY2020/21, Nomura Group will further enhance its dialogue with employees by measuring their awareness of the Nomura Group Code of Conduct, including their views on ESG and diversity.



Work Style Innovation 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 Chief Health Officer (CHO) to maintain and improve the health of employees. In addition, since 2017, Nomura has launched the "Nomura Work Style Innovation" initiative, which comprises "Work Style Reform" and "Health & Productivity Management," and has been developing an environment that enables diverse employees to demonstrate their talents and play active roles. In this regard, we have developed and internally announced guidelines with quantitative targets. Nomura has further promoted these initiatives by posting messages from top management and positive examples on the internal website and by appointing people in charge of advancing initiatives in each division. We are currently facing a challenging environment due to the spread of

coronavirus, and the number of employees working remotely has increased dramatically in a short period of time. We will continue to promote all forms of digitization, such as streamlining operations using technology and centralizing operations. At the same time, as we move towards a new normal, we will pursue additional productivity improvements by addressing new challenges and by listening to new ideas.



Diversity and Inclusion strategy

Nomura Group is promoting Diversity and Inclusion (D&I) based on the belief in creating new value through respect for diversity and collaboration transcending organization and position. In 2016, we established a Group-wide organization*¹ to deliberate the promotion of D&I at the management level, and adopted a declaration to create a work environment that makes use of diverse employees. Under the slogan "NEXT D&I," we are working to further promote diversity management.

Supporting women's careers

Nomura Securities revised the Action Plan for the Promotion of Women's Participation and Advancement established in 2015, to a new Action Plan based on the new management vision and new personnel system with the aim of advancing the firm to a higher stage. To achieve this, the firm is taking further steps to create an environment in which women can play active roles. In addition, in order to create a comfortable work environment for employees who have time constraints due to childcare and/or family nursing care, the firm provides information on support for work-life balance and encourages men to take childcare leave, among other initiatives.

Various types of diversity

In April 2019, Nomura Holdings became the first company in the Japanese financial services industry to sign the "UN Standards of Conduct for Business for Tackling Discrimination against LGBTI*² People." Nomura Securities is working to increase the number of LGBTI supporters (allies) and to support employees with disabilities and those undergoing cancer treatment to balance their work and treatment.

Employee networks

Nomura Group has voluntary employee networks*³ operating at its offices globally. These employee networks provide information, hold events, and offer opportunities for internal and external exchange regarding diversity.



- Our People
<https://www.nomuraholdings.com/csr/employee/>
- External evaluations
<https://www.nomuraholdings.com/csr/evaluations/>

External evaluations



Kurumin
(Nomura Securities)



Kurumin
(Nomura Asset Management)



Tomonin
(Nomura Securities)



2020
健康経営優良法人
ホワイト500
Nomura was named as one of the Organizations Recognized under the 2020 Certified Health & Productivity Management Outstanding Organizations Recognition Program (White 500) (Nomura Holdings / Nomura Asset Management)



Eruboshi
(Nomura Trust and Banking)



work with Pride
Pride Index, Gold grade
(Nomura Holdings)



NADE SHIKO
Semi-Nadeshiko
(Nomura Holdings)

Employment of people with disabilities

In recent years, the desire to work for persons with disabilities has increased rapidly, and it has become a corporate responsibility to provide them with opportunities to develop their careers. Nomura Kagayaki Co., Ltd., a subsidiary of Nomura Group, was established on October 1, 2019 to provide a more flexible work environment for people with disabilities so that they can work with peace of mind. This includes ensuring work that takes into account the special characteristics of people with disabilities, improving the work environment, and assigning appropriate specialist staff. Nomura Kagayaki provides opportunities for career development in Nomura Group to people with disabilities while creating a work environment where they can work with a sense of security. The name of the company embodies Nomura's strong desire to be a company that shines and thrives forever, along with the strong wish for each and every one of our employees with disabilities to continue to thrive and shine. On January 23, 2020, Nomura Kagayaki Co., Ltd. was designated as a special subsidiary company under the Act on Promotion of Employment of Persons with Disabilities. Nomura Group aims to realize a symbiotic society by further promoting and stabilizing the employment of persons with disabilities.

*1 Refer to "Structure to Implement Conduct" on page 56 for the structure.
*2 Refers to sexual minorities: lesbian, gay, bisexual, transgender, and intersex.
*3 In Japan, there are three networks: Women in Nomura (WIN), which works to raise awareness about career advancement for women; Life & Family (L&F), which focuses on work-life management; and Multi-Culture Value(MCV), which promotes the understanding of diverse values such as multiculturalism, LGTB, and people with disabilities.

Financial review and analysis of the fiscal year ended March 31, 2020

Business environment

The global economy slowed down in 2019 towards the summer. Concerns around U.S.-China trade friction have destabilized financial markets and forced major central banks to resume monetary easing. In the U.S., the Federal Reserve Board (FRB) introduced a precautionary interest rate cut in July, and in the euro area, the European Central Bank (ECB) decided on an easing program in September, including a deeper rate cut into negative interest rates and the resumption of quantitative easing. In the fall, the expectation of a global economic recovery increased as the U.S. and China moved toward a trade agreement. However, in 2020, the global spread of the coronavirus pandemic weighed on the global economy, and economic growth in the first quarter declined sharply.

In the U.S., the growth rate of real GDP in 2019 was +2.3% indicating a moderate economic recovery. In the first half of 2019, concerns about an economic slowdown heightened due to an increase in tariffs on Chinese products and the expansion of the tariff eligible items, but in the latter half of 2019, the U.S. and China moving toward a trade agreement, and concerns about trade friction eased. However, starting in early 2020, the coronavirus pandemic has caused a major economic downturn, and in March, the FRB launched a significant monetary easing program. The Dow Jones Industrial Average declined 15% from \$25,929 at the end of March 2019 to \$21,917 at the end of March 2020. The yield on 10-year U.S. Treasuries also fell by 174bps, from 2.41% at the end of March 2019 to 0.67% at the end of March 2020.

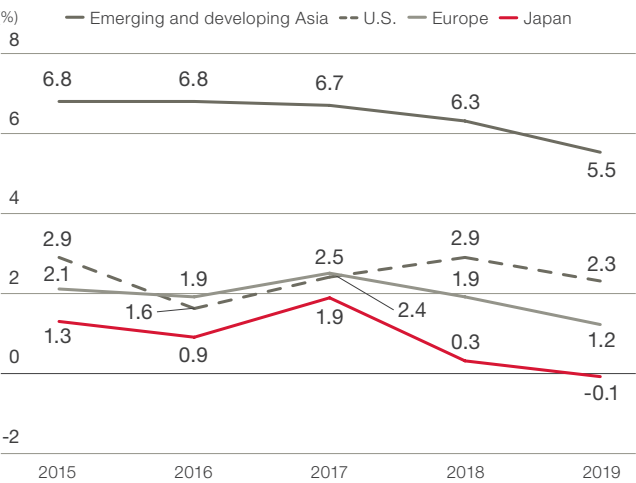
Although the Euro area economy also maintained positive growth, the stronger environmental regulations on newly produced vehicles in the autumn of 2018 negatively affected demand for new vehicles, and manufacturing production in the automobile industry. Responding to the economic

downturn, the ECB announced in September 2019, a policy rate cut and resumed quantitative easing. Even after leaving the EU in January 2020, the U.K. decided to maintain their existing economic relationship through the end of 2020. This helped mitigate downside risks in the Eurozone economy. However, due to the coronavirus pandemic in Europe, 2020 first quarter real GDP in the euro area experienced its worst downturn since 1999, and the ECB announced the expansion of its quantitative easing policy in March.

In Asia, the 2019 real GDP growth rate of China was 6.1% greater than the previous year, although the pace of growth was slower in recent years. Although monetary policy easing has remained in place since the end of 2018, private companies' fund-raising activities in the capital markets remained sluggish. On the other hand, the Chinese government had undertaken aggressive economic recovery measures in response to the spread of coronavirus. The rest of Asia had achieved solid economic growth in 2019, but the economy slowed in March 2020 due to the impact of the coronavirus pandemic.

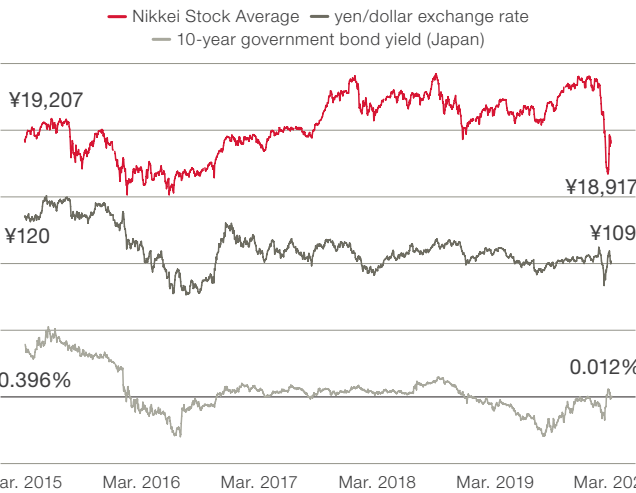
In Japan, domestic demand remained solid in the first half of 2019 on the back of capital investment and last-minute consumption before the consumption tax increase. Following that rate increase in October, domestic consumption and demand declined significantly, only to be made worse by the slow of economic activities caused by the 2020 coronavirus pandemic. The Nikkei Stock Average fell 10.8%, from ¥21,205.81 at the end of March 2019 to ¥18,917.01 at the end of March 2020. In the bond market, the Bank of Japan maintained its quantitative and qualitative monetary easing framework with interest rate controls, and bond yields generally remained around the 0% range.

Real GDP of the United States, Europe, Emerging and Developing Asia, and Japan over the past five years*1



*1 Source: U.S. Department of Commerce; Europe, eurostat; Emerging and Developing Asia, IMF; Japan, Cabinet Office. Fiscal year in Japan and calendar year in the other countries
*2 Source: Bloomberg

Yields on Japanese government bonds over the past 5 years: 10 years, dollar/yen exchange rate, and Nikkei average*2



Summary of consolidated results

Net revenue for the fiscal year ended March 31, 2020 was ¥1,287.8 billion up 15.3% from the previous fiscal year, and expenses other than financing expenses decreased 10.0% to ¥1,039.6 billion. Income before income taxes was ¥248.3 billion, net income attributable to Nomura Holdings

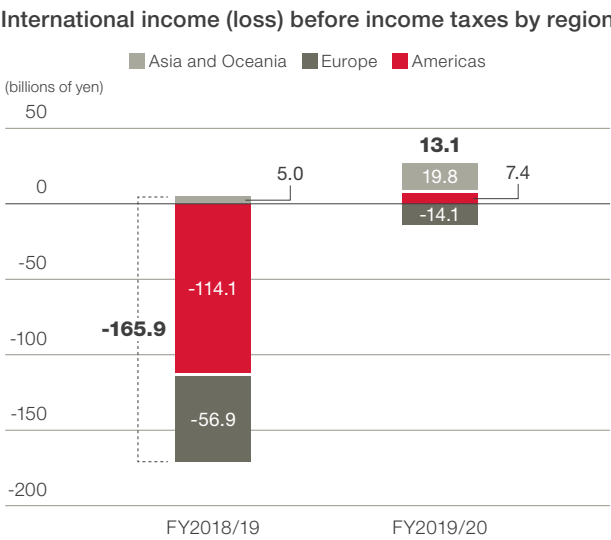
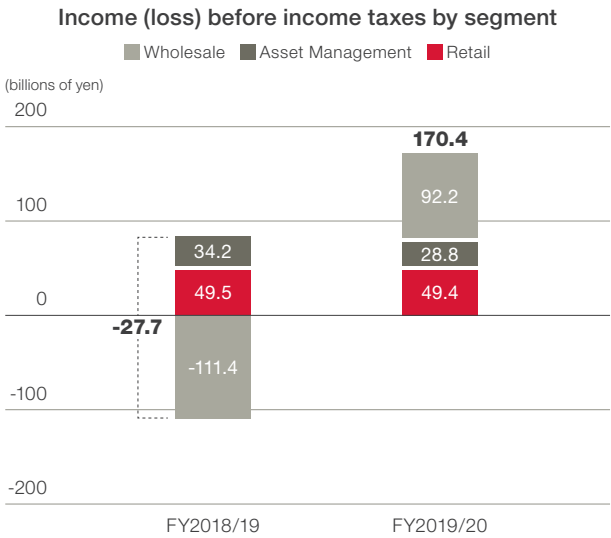
shareholders was ¥217 billion, ROE was 8.2%, and EPS (diluted earnings attributable to Nomura Holdings shareholders per share) was ¥66.20, all of which represented a significant recovery from the previous year.

(billions of yen)	FY2018/19	FY2019/20	Year-on-year	Comments
Commission	293.1	308.8	5.4%	Commissions from sales of stocks and investment trusts increased.
Fees from investment banking	101.5	103.2	1.7%	The solution business related to M&A and financing activity contributed to the improved profitability, but the market shock in the middle of February led to the cancellation or postponement of IPO projects.
Asset management and portfolio service fees	245.5	238.2	-3.0%	While funds continued to flow into Defined Contribution Pension Plans and ETFs, the sharp market decline in the fiscal fourth quarter resulted in a decline in AUM and management fees.
Net gain (loss) on trading	343.0	356.6	4.0%	Fixed Income business mainly contributed to the increase in revenues.
Gain (loss) on private equity and debt investments	1.0	-0.1	-	
Interest and dividends	777.0	794.5	2.3%	
Gain (loss) on investments in equity securities	-7.0	-14.7	-	
securities Other	81.1	166.0	104.7%	Gain on the sale of shares in Nomura Research Institute contributed to the increase in profitability
Total revenue	1,835.1	1,952.5	6.4%	
Interest expenses	718.3	664.7	-7.5%	
Net revenue	1,116.8	1,287.8	15.3%	
Non-interest expenses	1,154.5	1,039.6	-10.0%	This decline was mainly due to the absence of a one-time impairment of ¥81.4 billion on goodwill attributable to Wholesale segment that had been recognized in the previous year
Income (loss) before income taxes	-37.7	248.3	-	
Net income (loss) attributable to Nomura Holdings shareholders	-100.4	217.0	-	

✓ Net interest income, calculated as interest income and dividends less interest expenses, depends on the level and composition of total assets and liabilities, including trading assets, repurchase agreements and reverse repurchase agreement transactions, as well as term structures and volatility of interest rates, remains an integral part of trading activities. For the year ended March 2020, revenue from financing activities, including dividends from American Century Investments, increased 2%, and interest expenses decreased 8%. As a result, net interest income for the year ended March 2020 increased from the year ended March 2019.

Performance by Business Segment

Retail Division Net revenue for the fiscal year ended March 2020 decreased 0.9% to ¥336.4 billion, and income before income taxes decreased 0.1% to ¥49.4 billion. Based on the purpose of "enriching clients by responding to their concerns about assets," the Retail Division works closely with each and every client to provide consulting services with the aim of becoming "the most trusted partner". In this fiscal year, we were able to maintain the same level of profitability as in the previous fiscal year, with an increase in bond and investment trust sales, despite a decrease in share offerings compared to the previous fiscal year, when there were large-scale primary deals. In the summer of 2019, we reassigned many of our sales partners and consolidated our branches in order to provide the best service to meet the preferences of our clients. We are also enriching our digital capabilities in addition to face-to-face communications to reach more clients.



Asset Management Division Net revenue for the fiscal year ended March 2020 were ¥92.6 billion, a decrease of 5.4% from the previous fiscal year, primarily due to a valuation loss on shares of American Century Investments. Income before income taxes decreased 15.8% to ¥28.8 billion. In the investment trust business, inflows continued into products that contribute to the formation of assets for "100 years of life", products provided for Defined Contribution Pension Plans, and ETFs. In the investment advisory business, we continued to see inflows from clients such as public pension funds; in the past year, cash inflows totaled approximately ¥2 trillion. In response to the market downturn in March, the balance of assets under management at the end of March 2020 was ¥49.3 trillion, a decrease of ¥2.1 trillion from the end of March 2019, though the business remains solid.

Wholesale Division Net revenue for the fiscal year ended March 2020 was ¥648.6 billion, a year-on-year increase of 16.8% driven by a significant recovery in Fixed Income revenue. This growth across Rates, FX/EM products was supported by increased client activity and higher volatility. Non-interest expenses decreased 16.6% to ¥556.4 billion primarily due to a \$1 billion (Approx. ¥110 billion) cost reduction initiative that has progressed faster than originally planned, the absence of previous year's goodwill impairment losses attributable to Wholesale, and restructuring charges associated with a business portfolio review. As a result, income before income taxes recovered to ¥92.2 billion, a turnaround from the loss in the previous year.

Overseas Business

International income before income taxes for the year ended March 2020 was ¥13.1 billion, a significant improvement from the previous year. The improvements largely were attributable to a recovery in Fixed Income earnings, mainly from Rates, FX/EM in AeJ, the successful implementation of cost reduction measures such as the concentration of management resources in areas with competitive advantage through the review of the business portfolio, and the absence of one-time charges (impairment loss of goodwill attributable to Wholesale, restructuring costs associated with business portfolio review, legal costs related to past transactions, etc.) recorded in the previous year. By geographic segment, the Americas and Asia/Oceania reported profits, while Europe posted a loss of ¥14.1 billion, due to valuation losses on loan related positions caused by significant market movements in March 2020.

Consolidated Capital Adequacy Ratio

The consolidated Common Equity Tier1 ratio as of March 31, 2020 was 15.34%, down from 17.11% as of March 31, 2019. The main factor was an increase in risk-weighted assets, the denominator of the ratio, as primarily market risk increased in response to the rise in volatility and widening

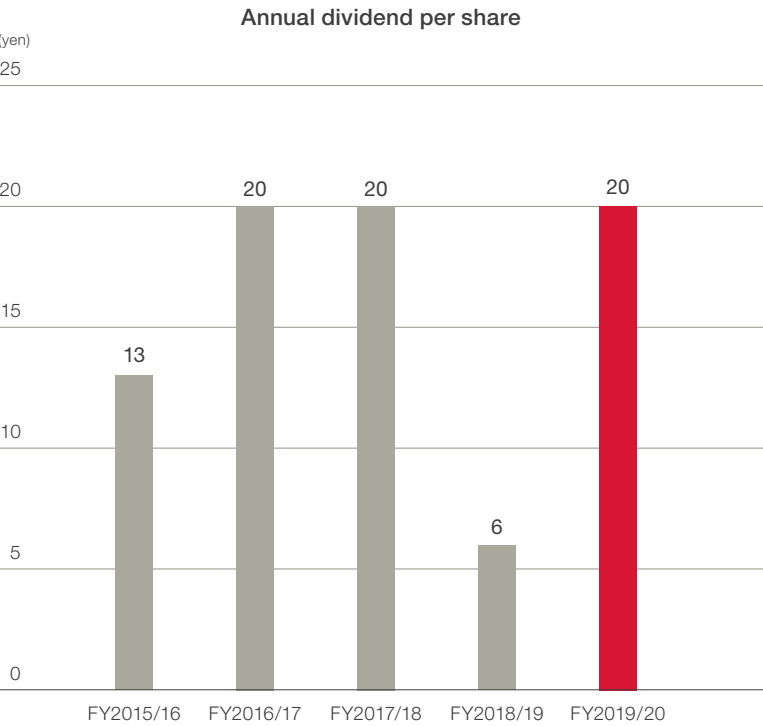
of credit spreads in March 2020. Nomura has set a medium-term target of a consolidated Common Equity Tier1 ratio of at least 11% and has maintained a sufficient capital level. The consolidated leverage ratio declined slightly to 4.83% from 5.03% at the end of March 2019.

(billions of yen)	March 2019	March 2020	Year-on-year
Capital			
CET1 capital	2,440	2,405	-35
Tier1 capital	2,606	2,572	-34
Total capital	2,652	2,602	-50
Risk-weighted assets			
Credit risk-weighted assets	7,527	7,635	107
Value obtained by dividing market risk equivalent assets by 8%	4,211	5,549	1,338
Value obtained by dividing the operational risk equivalent assets by 8%	2,513	2,491	-23
Total risk-weighted assets	14,252	15,675	1,423
Consolidated capital adequacy ratio			
CET1 capital ratio	17.11%	15.34%	-1.77%
Tier1 capital ratio	18.28%	16.40%	-1.88%
Consolidated capital adequacy ratio	18.60%	16.60%	-2.00%

Return to shareholders

Our fundamental policy is to return profits to shareholders by continuously increasing shareholder value and paying dividends. Regarding dividends, the consolidated dividend payout ratio of 30%, based on semiannual consolidated results, is one of the important indicators. The dividend amount for each fiscal year will be determined by comprehensively taking into account the trends in the regulatory environment, including the strengthening of the Basel requirements, in Japan and overseas, as well as consolidated business results. Dividends are, in principle, paid twice a year (base dates: September 30, March 31). Total shareholder return policy, including share buybacks, is at least 50%.

Based on the above policy regarding dividends from surplus, we paid a dividend of ¥15 per share with a record date of September 30, 2019 and a dividend of ¥5 per share with a record date of March 31, 2020. As a result, the annual dividend is ¥20 per share. We also decided to repurchase our own shares on June 18, 2019 and repurchased approximately ¥150 billion of our own shares by February 21, 2020.



Key Financial Data

(billions of yen)						
P/L	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19	FY2019/20
Net revenue	1,604.2	1,395.7	1,403.2	1,497.0	1,116.8	1,287.8
Income (loss) before income taxes	346.8	165.2	322.8	328.2	(37.7)	248.3
Net Income (loss)*	224.8	131.6	239.6	219.3	(100.4)	217.0

* Net income (loss) attributable to Nomura Holdings shareholders

Segment information		FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19	FY2019/20
Net revenue	Retail	476.5	435.6	374.4	412.9	339.5	336.4
	Asset Management	92.4	95.4	99.4	127.3	97.8	92.6
	Wholesale	789.9	720.3	739.3	715.3	555.4	648.6
	Subtotal	1,358.7	1,251.3	1,213.1	1,255.6	992.7	1,077.6
	Other	220.8	165.1	183.5	239.5	131.3	231.6
	Unrealized gain (loss) on investments in equity securities held for operating purposes	24.7	(20.7)	6.6	1.9	(7.2)	(21.3)
	Net revenue	1,604.2	1,395.7	1,403.2	1,497.0	1,116.8	1,287.8
Income (loss) before income taxes	Retail	161.8	127.6	74.8	103.1	49.5	49.4
	Asset Management	32.1	36.7	42.3	66.2	34.2	28.8
	Wholesale	82.2	15.4	161.4	100.6	(111.4)	92.2
	Subtotal	276.1	179.7	278.6	269.9	(27.7)	170.4
	Other	46.0	6.1	37.6	56.4	(2.8)	99.2
	Unrealized gain (loss) on investments in equity securities held for operating purposes	24.7	(20.7)	6.6	1.9	(7.2)	(21.3)
	Income (loss) before income taxes	346.8	165.2	322.8	328.2	(37.7)	248.3

							(billions of yen)
Geographic information*		FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19	FY2019/20
Income (loss) before income taxes by region	Japan	363.2	244.8	234.7	328.8	128.2	235.2
	Americas	(27.6)	(32.0)	50.0	(8.8)	(114.1)	7.4
	Europe	(23.5)	(67.4)	14.4	(14.7)	(56.9)	(14.1)
	Asia and Oceania	34.6	19.8	23.7	22.8	5.0	19.8
	Subtotal	(16.4)	(79.6)	88.1	(0.7)	(165.9)	13.1
	Consolidated	346.8	165.2	322.8	328.2	(37.7)	248.3

* Region information is based on US GAAP. Revenue 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	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19	FY2019/20
ROE	8.6%	4.9%	8.7%	7.9%	-	8.2%

(billions of yen)						
B/S	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19	FY2019/20
Total assets	41,783.2	41,090.2	42,852.1	40,343.9	40,969.4	43,999.8
Total Nomura Holdings shareholders' equity	2,707.8	2,700.2	2,789.9	2,749.3	2,631.1	2,653.5
Gross leverage (times)	15.4	15.2	15.4	14.7	15.6	16.6
Net leverage* (times)	9.3	9.6	8.6	8.8	9.0	10.6

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

(billions of yen)						
Funding and liquidity	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19	FY2019/20
Liquidity portfolio*	6,064.0	5,947.1	4,970.3	4,628.4	4,870.5	5,354.4
Short-term unsecured debt	2,557.0	3,303.8	1,883.0	2,107.0	2,518.8	3,072.3
Long-term unsecured debt	6,509.4	6,593.6	5,918.9	5,218.9	6,483.5	6,344.0

* 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	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19	FY2019/20
Basic-net income attributable to Nomura Holdings shareholders per share (EPS)	61.66	36.53	67.29	63.13	(29.90)	67.76
Diluted-net income attributable to Nomura Holdings shareholders per share (EPS)	60.03	35.52	65.65	61.88	(29.92)	66.20
Nomura Holdings shareholders' equity per share (BPS)	752.40	748.32	790.70	810.31	794.69	873.26
Dividends per share (DPS)	19.0	13.0	20.0	20.0	6.0	20.0
Dividend payout ratio	30.8%	35.6%	29.7%	31.7%	(20.1)%	29.5%

(billions of yen)						
Consolidated capital adequacy, etc.*1	March,31 2015	March,31 2016	March,31 2017	March,31 2018	March,31 2019	March,31 2020
Tier1 capital	2,459.2	2,577.5	2,689.8	2,666.4	2,605.9	2,571.5
Tier2 capital	361.2	323.1	109.6	66.1	46.0	30.9
Total capital	2,820.4	2,900.6	2,799.4	2,732.5	2,651.9	2,602.4
RWA	18,929.2	15,970.5	13,977.9	15,122.3	14,251.6	15,674.5
Tier1 capital ratio	12.9%	16.1%	19.2%	17.6%	18.3%	16.4%
CET1 capital ratio*2	12.9%	15.4%	18.2%	16.5%	17.1%	15.3%
Consolidated capital adequacy ratio	14.8%	18.1%	20.0%	18.1%	18.6%	16.6%
Consolidated leverage ratio*3	3.82%	4.28%	4.63%	4.74%	5.03%	4.83%

(trillions of yen)						
HQLA*4	—	6.2	4.5	4.0	4.3	4.2
LCR*4	—	175.8%	180.0%	153.6%	198.4%	201.1%

*1 Based on Basel III
*2 CET1 capital ratio is defined as Tier1 capital minus minority interests divided by risk-weighted assets.
*3 Tier1 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 2015	March,31 2016	March,31 2017	March,31 2018	March,31 2019	March,31 2020
Number of shares outstanding (thousands)	3,822,563	3,822,563	3,822,563	3,643,563	3,493,563	3,493,563
Share price (fiscal year-end) (yen)	706.2	502.9	691.9	615.3	400.2	457.8
Market capitalization (trillions of yen)*	2.7	1.9	2.6	2.2	1.4	1.6
PBR (times)*	0.94	0.67	0.88	0.76	0.50	0.52
PER (times)*	11.45	13.77	10.28	9.75	-	6.76

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

		FY2009/10	FY2010/11	FY2011/12	FY2012/13	FY2013/14	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19	(Millions of yen) FY2019/20
Operating results:												
Revenue:	Commission	395,083	405,463	347,135	358,210	473,121	453,401	431,959	327,129	373,313	293,069	308,805
	Fees from investment banking	121,254	107,005	59,638	62,353	91,301	95,083	118,333	92,580	101,663	101,521	103,222
	Asset management and portfolio service fees	132,249	143,939	144,251	141,888	168,683	203,387	229,006	216,479	245,616	245,519	238,202
	Net gain (loss) on trading	417,424	336,503	272,557	367,979	476,356	531,337	354,031	475,587	442,885	342,964	356,609
	Gain (loss) on private equity and debt investments	11,906	19,292	25,098	8,053	11,392	5,502	13,761	1,371	(869)	1,007	(93)
	Interest and dividends	235,310	346,103	435,890	394,007	416,350	436,766	440,050	441,036	585,675	776,964	794,472
	Gain (loss) on investments in equity securities	6,042	(16,677)	4,005	38,686	15,156	29,410	(20,504)	7,708	2,683	(6,983)	(14,726)
	Other	37,483	43,864	563,186	708,767	179,485	175,702	156,460	153,626	221,192	81,057	165,991
	Total revenue	1,356,751	1,385,492	1,851,760	2,079,943	1,831,844	1,930,588	1,723,096	1,715,516	1,972,158	1,835,118	1,952,482
	Interest expense	205,929	254,794	315,901	266,312	274,774	326,412	327,415	312,319	475,189	718,348	664,653
Net revenue		1,150,822	1,130,698	1,535,859	1,813,631	1,557,070	1,604,176	1,395,681	1,403,197	1,496,969	1,116,770	1,287,829
Non-interest expenses:	Compensation and benefits	526,238	518,993	534,648	547,591	570,058	596,593	574,191	496,385	530,641	497,065	479,420
	Commissions and floor brokerage	86,129	92,088	93,500	91,388	111,849	129,977	123,881	94,495	99,868	82,637	106,123
	Information processing and communications	175,575	182,918	177,148	179,904	192,168	192,300	189,910	175,280	184,781	166,865	170,317
	Occupancy and related depreciation	87,806	87,843	100,891	91,545	80,142	76,112	78,411	69,836	67,895	64,940	72,986
	Business development expenses	27,333	30,153	48,488	49,010	38,485	35,230	35,892	35,111	36,762	36,915	31,885
	Other	142,494	125,448	496,227	616,463	202,754	227,205	228,238	209,295	248,864	306,049	178,837
	Total non-interest expenses	1,045,575	1,037,443	1,450,902	1,575,901	1,195,456	1,257,417	1,230,523	1,080,402	1,168,811	1,154,471	1,039,568
Income (loss) before income taxes		105,247	93,255	84,957	237,730	361,614	346,759	165,158	322,795	328,158	(37,701)	248,261
Income tax expense (benefit)		37,161	61,330	58,903	132,039	145,165	120,780	22,596	80,229	103,866	57,010	28,894
Net income (loss)		68,086	31,925	26,054	105,691	216,449	225,979	142,562	242,566	224,292	(94,711)	219,367
Less: Net income (loss) attributable to noncontrolling interests		288	3,264	14,471	(1,543)	2,858	1,194	11,012	2,949	4,949	5,731	2,369
Net income (loss) attributable to NHI shareholders		67,798	28,661	11,583	107,234	213,591	224,785	131,550	239,617	219,343	(100,442)	216,998
Balance sheets (Period end):												
Cash and cash deposits		1,352,244	2,150,453	1,953,677	1,652,752	2,189,310	2,096,596	3,898,843	2,972,088	2,959,046	3,261,869	3,874,948
Loans and receivables		2,071,714	2,227,822	2,211,423	2,629,875	2,570,678	2,948,424	2,969,578	3,097,428	3,875,199	3,882,038	5,116,913
Collateralized agreements		12,467,213	15,156,318	13,742,646	14,115,257	17,347,001	16,719,520	15,077,660	18,729,825	16,237,743	17,306,959	15,907,112
Trading assets and private equity and debt investments		14,700,282	15,241,931	14,123,594	17,124,349	18,714,314	17,308,848	16,410,002	15,192,364	14,980,156	14,385,789	16,898,100
Other assets		1,638,975	1,916,466	3,665,972	2,420,206	2,699,011	2,709,848	2,734,084	2,860,373	2,291,803	2,132,784	2,202,742
Total assets		32,230,428	36,692,990	35,697,312	37,942,439	43,520,314	41,783,236	41,090,167	42,852,078	40,343,947	40,969,439	43,999,815
Short-term borrowings		1,301,664	1,167,077	1,185,613	738,445	602,131	662,256	662,902	543,049	743,497	841,758	1,486,733
Payables and deposits		1,528,419	2,103,608	2,437,370	2,413,801	2,836,873	3,398,600	4,249,118	3,708,435	3,567,655	3,768,038	4,397,082
Collateralized financing		11,216,481	13,686,438	12,519,274	15,409,383	17,111,999	15,379,803	16,605,591	19,061,091	16,696,994	16,684,403	18,028,339
Trading liabilities		8,356,806	8,688,998	7,495,177	8,491,296	11,047,285	10,044,236	7,499,335	8,191,794	8,202,936	8,219,811	8,546,284
Other liabilities		494,983	552,316	1,165,901	978,163	1,141,750	1,217,099	1,200,647	1,308,510	950,534	858,867	1,034,448
Long-term borrowings		7,199,061	8,402,917	8,504,840	7,592,368	8,227,063	8,336,296	8,129,559	7,195,408	7,382,507	7,915,769	7,775,665
Total liabilities		30,097,414	34,601,354	33,308,175	35,623,456	40,967,101	39,038,290	38,347,152	40,008,287	37,544,123	38,288,646	41,268,551
Total NHI shareholders' equity		2,126,929	2,082,754	2,107,241	2,294,371	2,513,680	2,707,774	2,700,239	2,789,916	2,749,320	2,631,061	2,653,467
Noncontrolling interests		6,085	8,882	281,896	24,612	39,533	37,172	42,776	53,875	50,504	49,732	77,797
Total equity		2,133,014	2,091,636	2,389,137	2,318,983	2,553,213	2,744,946	2,743,015	2,843,791	2,799,824	2,680,793	2,731,264
Total liabilities and equity		32,230,428	36,692,990	35,697,312	37,942,439	43,520,314	41,783,236	41,090,167	42,852,078	40,343,947	40,969,439	43,999,815
Cash flows:												
Net cash provided by (used in) operating activities		(1,500,770)	(235,090)	290,863	549,501	457,426	(77,028)	1,238,372	1,305,025	(445,690)	(361,165)	(15,943)
Net cash provided by (used in) investing activities		(269,643)	(423,214)	9,942	(160,486)	(103,195)	12,337	(23,711)	(118,051)	(56,172)	(112,503)	216,336
Net cash provided by (used in) financing activities		2,176,530	1,284,243	(844,311)	(701,623)	289,385	(178,206)	986,387	(2,130,644)	373,168	761,191	332,062
Effect of exchange rate changes on cash and cash equivalents		964	(26,246)	(6,314)	47,175	41,089	68,513	(40,195)	4,249	(53,504)	44,741	(27,277)
Net increase (decrease) in cash and cash equivalents		407,081	599,693	(549,820)	(265,433)	684,705	(174,384)	2,160,853	(939,421)	(182,198)	332,264	505,178


Environment, social and governance (ESG) Data

Corporate governance								
Members of the Board	Unit	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	
Board of Directors	No. of people	12	11	10	10	10	10	
Outside Directors	No. of people	7	6	6	6	6	6	
	Ratio (%)	58	55	60	60	60	60	
Non-Japanese Directors	No. of people	3	3	1	2	2	2	
	Ratio (%)	25	27	10	20	20	20	
Female Directors	No. of people	1	1	1	2	2	2	
	Ratio (%)	8	9	10	20	20	20	
Officers (Executive Officers and Senior Managing Directors)	Unit	April 1, 2015	April 1, 2016	April 1, 2017	April 1, 2018	May 1, 2019	April 1, 2020	
Men	No. of people	26	27	33	34	33	38	
Women	No. of people	2	2	1	1	1	3	
Ratio of women	%	7	7	3	3	3	8	
Board of Directors meetings	Unit	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19	FY2019/20	
No. of times held	No. of times	10	10	11	10	10	11	
Average attendance rate	%	99	100	99	100	100	100	
Average term of office	Year	3.8	3.2	3.3	2.7	3.7	4.7	
Contributing to Sound and Sustainable Capital Markets								
Caseload at Customer Help Desk								
Department (Nomura Securities)	Unit	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19	FY2019/20	
Total	No. of cases	5,540	5,767	6,003	7,054	7,843	6,961	
	Complaints	No. of cases	2,537	2,771	2,531	2,479	2,542	2,315 ^{*2}
	Inquiries	No. of cases	2,766	2,749	3,267	4,147 ^{*1}	4,852	4,180
	Opinions and requests	No. of cases	81	128	98	270	237	323
	Other	No. of cases	156	119	107	158	212	143
^{*1} The increase in the number of inquiries in FY2017/18 is due to system changes.								
^{*2} Of this total, 25 complaints were related to personal information								
Results of customer satisfaction surveys at branch offices (Nomura Securities)	Unit	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19	FY2019/20	
Average Satisfaction	Point	4.21	4.22	4.29	4.34	8.49	8.56	
Note: Figures represent the average score from among the overall company satisfaction ratings received from customers who visited our branches via postage-paid return postcard. From FY2014/15 to FY2017/18, a scale of 0 (worst) to 5 (best) with six ratings was used, while from FY2018/19 a scale of 0 (worst) to 10 (best) with 11 ratings has been used.								
Sustainable Finance	Unit	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19	FY2019/20	
Bonds issued	Number	9	13	15	33	47	72	
Proceeds	Millions of yen	180,967	94,961	394,886	552,464	1,916,593	1,270,819	
^{*SDG Bonds (Green, Social, Sustainability bonds) in which Nomura Securities is involved}								
Sustainable Investment (Asset Management Division)	Unit					March 31, 2019	March 31, 2020	
Sustainable investment ratio	%					74	73	
^{*To determine the sustainable investment ratio for our assets under management we include the following investment approaches: 1 Best in Class (Investment in leading companies in each industry from an ESG perspective), 2 ESG Thematic Investment, 3 Impact Investment, 4 ESG Integration, 5 Active Share Ownership, including the exercising of proxy voting rights and direct engagement with investee company management. In addition, to ensure an accurate assessment of our sustainable investment activities, we exclude investment strategies from the overall universe for which our company is unable to directly undertake sustainable investment decisions.}								

Contributing to Sustainable Communities

Community contribution expenditures	Unit	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19	FY2019/20
Total	Millions of yen	1,457	1,325	1,704	1,224	1,717	2,053
Education	Millions of yen	530	562	451	407	410	308
Arts, culture, and sports	Millions of yen	333	102	567	157	476	932
Science and academic achievement	Millions of yen	114	120	116	109	230	241
Community contribution	Millions of yen	161	162	189	261	277	237
Welfare and health	Millions of yen	85	79	53	33	46	48
Environment	Millions of yen	34	29	71	59	69	62
Human rights and labor	Millions of yen	19	39	12	6	16	41
Disaster relief	Millions of yen	68	56	61	9	18	12
Other	Millions of yen	113	176	184	185	175	173

*Subtotals may not add up to totals due to rounding.


Participants and materials in financial and economics education	Unit	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19	FY2019/20
Visiting classes (elementary, junior and high schools, universities, teachers) since 2008	No. of schools	265	304	346	442	393	287
	No. of participants	9,836	9,637	15,317	19,377	18,919	13,847
Financial courses for universities since 2001	No. of schools	108	106	104	106	102	101
	No. of participants	11,000	11,000	11,200	11,000	11,200	10,924
Financial courses for the general public since 2003	No. of schools	566	412	304	270	256	212
	No. of participants	24,712	14,958	10,926	8,105	7,421	7,100
Nikkei Stock League Since 2000	No. of teams	1,361	1,429	1,618	1,832	1,792	1,726
	No. of members	5,167	5,587	6,462	7,180	7,103	6,892
 Number of educational materials supplied*	No. of schools	527	440	434	470	730	804
	No. of copies	39,550	27,305	30,167	37,163	61,581	62,698

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

Developing human resources who respect diversity

Education and training expenses	Unit	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19	FY2019/20
Total	Millions of yen	2,972	2,880	2,767	2,987	3,225	3,100
Japan	Millions of yen	2,076	2,020	2,094	2,093	2,004	2,035
Europe	Millions of yen	115	225	161	228	280	228
Americas	Millions of yen	573	426	299	435	694	639
Asia-Pacific	Millions of yen	208	209	213	230	247	196

* Subtotals may not add up to totals due to rounding.

 Participation in education and training	Unit	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19	FY2019/20
Total	Aggregate no. of hours	507,639	499,386	501,377	530,869	537,323	565,949
	Aggregate no. of participants	132,672	211,014	195,819	277,824	302,460	187,639
Japan	Aggregate no. of hours	333,305	307,295	303,854	298,571	332,570	440,867
	Aggregate no. of participants	14,398	16,294	15,581	14,896	18,879	22,451
Europe	Aggregate no. of hours	48,434	47,709	33,638	49,288	43,787	29,407
	Aggregate no. of participants	41,654	62,077	44,325	70,240	77,539	41,030
Americas	Aggregate no. of hours	15,439	17,589	15,848	23,139	15,983	9,127
	Aggregate no. of participants	12,255	25,122	19,816	38,169	35,932	17,393
Asia-Pacific	Aggregate no. of hours	110,461	126,793	148,037	159,871	144,983	86,548
	Aggregate no. of participants	64,365	107,521	116,097	154,519	170,110	106,765

* Certain subsidiaries and affiliates were not included in the number of participants in internal education and training in Europe, the Americas and Asia-Pacific as the data was compiled based on persons registered through the Wholesale Division's internal training system.

Developing human resources who respect diversity

Composition of employees*1	Unit	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19	FY2019/20
Total	No. of employees	28,672	28,865	28,186	28,048	27,864	26,629
	Ratio of male employees (%)	62	62	61	61	60	60
	Ratio of female employees (%)	38	38	39	39	40	40
Japan	No. of employees	15,973	16,083	16,227	15,819	15,852	15,748
	Ratio of male employees (%)	58	58	58	57	56	57
	Ratio of female employees (%)	42	42	42	43	44	43
Europe	No. of employees	3,485	3,424	3,026	3,057	2,909	2,691
	Ratio of male employees (%)	71	71	70	70	69	68
	Ratio of female employees (%)	29	29	30	30	31	32
Americas	No. of employees	2,449	2,503	2,314	2,362	2,357	2,120
	Ratio of male employees (%)	74	74	74	74	74	73
	Ratio of female employees (%)	26	26	26	26	26	27
Asia-Pacific	No. of employees	6,765	6,855	6,619	6,810	6,746	6,070
	Ratio of male employees (%)	61	61	59	60	59	59
	Ratio of female employees (%)	39	39	41	40	41	41
Number of new hires*2	Unit	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19	FY2019/20
Total	No. of employees	2,934	2,868	2,763	2,901	2,779	2,416
	Ratio of male employees (%)	67	65	57	61	59	60
	Ratio of female employees (%)	33	35	43	39	41	40
Japan	No. of employees	845	932	1,107	1,008	1,100	1,004
	Ratio of male employees (%)	57	58	53	54	51	59
	Ratio of female employees (%)	43	42	47	46	49	41
Europe	No. of employees	510	405	283	376	346	286
	Ratio of male employees (%)	76	71	67	69	67	65
	Ratio of female employees (%)	24	29	33	31	33	35
Americas	No. of employees	510	424	318	355	333	251
	Ratio of male employees (%)	75	74	71	74	76	71
	Ratio of female employees (%)	25	26	29	26	24	29
Asia-Pacific	No. of employees	1,069	1,107	1,055	1,162	1,000	875
	Ratio of male employees (%)	67	64	54	60	59	57
	Ratio of female employees (%)	33	36	46	40	41	43
Composition of managers*3	Unit	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19	FY2019/20
Total	No. of employees	8,329	8,535	9,110	9,174	9,187	8,734
	Ratio of male employees (%)	85	84	85	84	83	82
	Ratio of female employees (%)	15	16	15	16	17	18
Japan	No. of employees	3,673	3,615	4,672	4,493	4,493	4,267
	Ratio of male employees (%)	94	93	92	91	90	89
	Ratio of female employees (%)	6	7	8	9	10	11
Europe	No. of employees	1,790	1,838	1,559	1,624	1,568	1,473
	Ratio of male employees (%)	83	82	81	81	80	79
	Ratio of female employees (%)	17	18	19	19	20	21
Americas	No. of employees	1,343	1,399	1,279	1,366	1,355	1,257
	Ratio of male employees (%)	81	80	80	80	81	80
	Ratio of female employees (%)	19	20	20	20	19	20
Asia-Pacific	No. of employees	1,523	1,683	1,600	1,691	1,771	1,737
	Ratio of male employees (%)	71	71	70	70	68	67
	Ratio of female employees (%)	29	29	30	30	32	33

*1 Employee composition: The Nomura Group is the scope of the totaling (on a consolidated basis).
*2 New hire composition: The Nomura Group is the scope of the totaling (on a consolidated basis). Data for FY2015/16 and prior fiscal years for Japan cover Nomura Holdings and Nomura Securities. Data for FY2015/16 and prior fiscal years for Asia-Pacific cover consolidated subsidiaries with certain exceptions, such as Capital Nomura Securities Public Company Limited and Nomura Asset Management Taiwan Ltd which were added to the scope of consolidation in FY2014/15.
*3 Management composition: The Nomura Group is the scope of the totaling (on a consolidated basis). Data for FY2015/16 and prior fiscal years do not cover certain subsidiaries in Japan. Refer to standards for calculation (<https://www.nomuraholdings.com/csr/data/>).

Our environment

GHG emissions		Unit	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19	FY2019/20
Scope 1: Direct emissions* ¹	Japan	t-CO ₂	2,107	1,986	2,005	1,968	1,901	1,895
	Europe	t-CO ₂	797	752	772	784	683	675
	Americas	t-CO ₂	69	72	72	73	74	69
	Asia-Pacific	t-CO ₂	143	169	173	167	201	175
Scope 2: Indirect emissions* ¹	Japan	t-CO ₂	40,965	39,065	36,783	35,302	34,126	30,709
	Europe	t-CO ₂	14,164	12,822	11,786	10,031	8,364	6,880
	Americas	t-CO ₂	6,406	6,966	6,168	5,510	5,361	4,728
	Asia-Pacific	t-CO ₂	22,007	21,892	20,942	19,800	17,207	16,251
Scope 1, 2: Emissions per employee* ¹	Japan	t-CO ₂	2.9	2.7	2.5	2.4	2.3	2.1
	Europe	t-CO ₂	4.6	4.3	4.2	3.6	3.2	2.9
	Americas	t-CO ₂	2.6	2.8	2.7	2.4	2.3	2.3
	Asia-Pacific	t-CO ₂	4.3	4.2	4.2	3.8	3.2	3.1
Scope 3: Emissions from employee travel* ² (Air, rail, and automobile travel)	Japan	t-CO ₂	20,823	22,013	22,936	24,554	23,417	19,476
	Europe	t-CO ₂	8,127	7,651	7,023	7,929	5,774	4,342
	Americas	t-CO ₂	4,349	4,966	4,343	5,547	5,147	4,205
	Asia-Pacific	t-CO ₂ * ³	10,575	11,587	11,041	12,196	11,628	8,711
Energy consumption		Unit	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19	FY2019/20
Direct energy consumption (Natural gas, etc.)	Japan	MWh	11,229	10,573	10,654	10,402	10,054	10,008
	Europe	MWh	4,438	4,201	4,329	4,374	3,804	3,791
	Americas	MWh	340	355	359	360	368	340
	Asia-Pacific	MWh	611	732	743	720	862	758
Indirect energy consumption (Purchased electric power)	Japan	MWh	72,780	70,520	68,372	67,360	66,807	62,574
	Europe	MWh	30,836	30,133	30,713	30,135	31,666	28,233
	Americas	MWh	22,148	21,882	20,236	18,883	18,345	17,273
	Asia-Pacific	MWh	27,862	26,720	25,577	24,200	24,996	23,912
	Including, renewable power* ⁴	MWh	32,626	34,652	35,033	34,193	35,560	32,564
	Percentage of renewable power	%	21.2	23.2	24.2	24.3	25.1	24.7
(Purchased cooling and heating power)	Japan	MWh	12,400	11,971	12,320	11,680	11,335	10,289
	Europe	MWh	0	0	0	0	0	0
	Americas	MWh	238	140	198	254	284	202
	Asia-Pacific	MWh	1,694	1,617	1,723	1,824	1,832	1,656
Environmental resource efficiency		Unit	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19	FY2019/20
Water consumption	Japan	Thousand m ³	171	170	168	161	161	153
	Europe	Thousand m ³	97	115	107	111	109	103
	Americas	Thousand m ³	26	30	29	30	30	27
	Asia-Pacific	Thousand m ³	48	36	35	53	45	47
Copy paper consumption* ⁵	ton	1,041	1,083	1,018	1,002	1,018	990	
Amount of waste generated* ⁶	ton	2,281	2,540	2,658	2,403	2,341	2,206	

The scope 1, 2, and 3 classifications follow The Greenhouse Gas Protocol (GHG Protocol):<https://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 (<https://www.nomuraholdings.com/company/group/>)
Europe: Offices in London, Paris, Frankfurt, Zurich, Madrid, Milan, Luxembourg, and Cape Town
Americas: Offices in New York and Instinet offices
Asia-Pacific: Offices in Hong Kong, Singapore, India, Dalian, Bangkok, Seoul, and Australia

*1 The Cape Town office was included in the scope for Europe from FY2017/18. The Seoul office and Australia office were included in the scope for Asia-Pacific from FY2019/20.
*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, Bangkok and Seoul offices in Asia include emissions from automobiles used on a daily basis (The Seoul office was added to the scope of calculation from FY2019/20).
*3 Assurance-verified data for Asia totaled 8,512 t-CO2 in FY2019/20. (Offices in Hong Kong, Singapore, India, Bangkok, Seoul, and Australia.)
*4 Data for FY2014/15 comprise Japan, as well as the London, Frankfurt, Zurich and the Millan offices in Europe. The Luxembourg and Paris offices were included in the scope of calculation for Europe from FY2015/16, while the Madrid office data was added from FY2019/20.
*5 Data for Japan were compiled based on paper purchased from specified suppliers by Nomura Securities for (all types of copy paper), Europe data comprise paper consumed by the London office, while Asia data comprise paper consumed by India, Hong Kong and Bangkok offices.
*6 FY2014/15 data comprise data for Tokyo (the Nihonbashi Head Office building, Dai-ni Edobashi Building and the Urbannet Otemachi Building), the Osaka Branch, the Nagoya Branch, the Kyoto Branch and the Okayama Branch, as well as the London, Paris, Frankfurt, Zurich, Luxemburg, Hong Kong and India offices. From FY2015/16, data for the Nomura Asset Management Head Office building in Tokyo was added to the scope.

Corporate Data

Company name	Nomura Holdings, Inc.
Date of incorporation	December 25, 1925
Head office	1-9-1, Nihonbashi, Chuo-ku, Tokyo 103-8645, Japan
Paid-in capital	¥594,493 million
Group employees	26,629
Common stock issued	3,493,562,601 shares
Number of shareholders	349,668 (Unit shareholders:326,975)
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.
Securities code	8604 (Tokyo Stock Exchange), NMR (New York Stock Exchange)
Transfer agent and registrar	Mitsubishi UFJ Trust and Banking Corporation Corporate Agency Department
Depository for American Depositary Receipts (ADRs)	The Bank of New York Mellon
Date of record for dividend payments	September 30, March 31

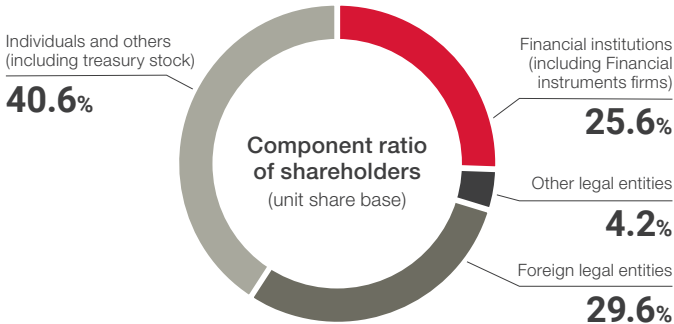
Share Information

(As of March 31, 2020)

Major shareholders (Top 10)*1

Name of shareholder	Number of shares owned (thousands)*2	Owenership (%)**
The Master Trust Bank of Japan, Ltd. (Trust Account)	228,152	7.5%
Japan Trustee Services Bank, Ltd. (Trust Account)	163,096	5.4%
Japan Trustee Services Bank, Ltd. (Trust Account 5)	70,680	2.3%
JP Morgan Chase Bank 385151	53,546	1.8%
Northern Trust Co. (AVFC) Re Silchester International Investors International Value Equity Trust	51,872	1.7%
Japan Trustee Services Bank, Ltd. (Trust Account 7)	50,758	1.7%
State Street Bank West Client-Treaty 505234	49,110	1.6%
Northern Trust Co. (AVFC) Re U.S. Tax Exempted Pension Funds	39,176	1.3%
Japan Trustee Services Bank, Ltd. (Trust Account 1)	36,260	1.2%
SSBTC Client Omnibus Account	34,172	1.1%

*1The company has 454,625 thousand shares of treasury stock as of March 31, 2020 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.



Total Shareholder Return

(TSR*1)

Holding Period*2	1 year	2 years	3 years	4 years	5 years
Nomura Holdings	73.1%	102.6%	94.6%	65.0%	76.0%
TOPIX	89.2%	102.3%	118.5%	112.5%	101.8%

*1 Ratio obtained by dividing investment amount (stock price) by return (dividend and capital gains).
Calculated based on Cabinet Office Order on Disclosure of Corporate Affairs
*2 Figures based on the last price of March 31, 2015

Credit Ratings

(As of June 30, 2020)

	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-2	BBB+	A-2
Fitch Ratings	A-	F1	A-	F1

Basic Information in the Report

Period covered	April 1, 2019 to March 31, 2020 (Some content may be outside this time frame.)
Reporting cycle	Once a year
Previous	August 2019
Current	August 2020
Entities covered	Nomura Holdings, Inc. and its major subsidiaries and affiliates https://www.nomuraholdings.com/company/group/ Numerical data are presented alongside information on the scope of companies covered.

- Reference guidelines
- GRI Sustainability Reporting Standards (GRI Standards)
Please access the following URL on our corporate website for our GRI Guidelines Index.
<https://www.nomuraholdings.com/csr/gri/index.html>
 - International Integrated Reporting Frameworks recommended by the International Integrated Reporting Council and the World Intellectual Capital Initiative
 - Guidance for Collaborative Value Creation of Japan's Ministry of Economy, Trade, and Industry
 - Environmental Reporting Guidelines (2018 Version) of Japan's Ministry of the Environment



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

July 15, 2020

TO:

Mr. Kentaro Okuda
President and Group CEO
Nomura Holdings, Inc.

Kenji Sawami
Engagement Partner
Ernst & Young ShinNihon LLC
Tokyo, Japan

We, Ernst & Young ShinNihon LLC, 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, 2020 as included in “ESG Data” (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—ESG Data—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, which is based on the fundamental principles of integrity, objectiveness, professional competence and due care, confidentiality, and professional behavior
In addition, 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.
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 and, with respect to GHG emissions, *Assurance Engagements on Greenhouse Gas Statements (“ISAE 3410”)*, issued by the International Auditing and Assurance Standards Board.
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, and 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 Company and major subsidiary's 2 sites;

Performing analytical procedures concerning the Indicators at the Company and major subsidiary's 2 sites;

Testing, on a sample basis, underlying source information and conducting relevant re-calculations at the Company and major subsidiary's 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 Report 2020

Inquiries

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