

## Nomura Holdings, Inc. Nomura Report 2014



### **Editorial Policy**

In FY2012/13, we began publishing the Nomura Report, an integrated version of our annual report and our citizenship report, which detailed our CSR initiatives. We hope that this integrated report helps readers gain a broader understanding of our activities to support sustainable development and aim to grow and develop together with our stakeholders, including our shareholders and customers, as Asia's global investment bank.

L	Report Period	April 1, 2013 to March 31, 2014
		(Some content may be outside this time frame.)
l	Previous Report	September 2013

- | Next Report August 2015
- Entities Covered

Nomura Holdings, Inc. and its major subsidiaries and affiliates (http://www.nomuraholdings.com/company/group/) Numerical data are presented alongside information on the scope of companies covered.

### | Reference Guidelines

• Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI)

This report contains information regarding the standard disclosure items contained in the fourth edition of the GRI Sustainability Reporting Guidelines. Please access the following URL on our corporate website for our GRI Guidelines Index.

### http://www.nomuraholdings.com/csr/gri/

- Environmental Reporting Guidelines (2012 Version) of Japan's Ministry of the Environment
- Charter of Corporate Behavior of Keidanren

### **External Recognition**

Nomura's CSR initiatives and its ESG (Environmental, Social, and Governance) information disclosure practices have been widely recognized outside the Company. Nomura Holdings has been selected for inclusion in the Dow Jones Sustainability Indices and the FTSE4Good Index, both socially responsible investment (SRI) indexes.



### MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM (

Involvement in External ESG Initiatives

- Principles for Responsible Investment (UN PRI)
- Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century)
- Banking Environment Initiative
- CSR Asia

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## Nomura Is a Global Financial **Services Group Based in Asia**

The Community



### Principal Economic Developments

1904

1906

Bulletin

1878

trading

1882

Nomura's asset management business centered around Nomura Asset Management Co., Ltd., is global in scope. Individual investors and institutional investors in Japan and overseas entrust the management of their assets to Nomura, and Nomura responds through investment advisory investment trust, and other related

• Japan's largest asset management

• Offering creative products • High-quality portfolio management

Supported by the Nomura Group

## **Overall Issues and Prospects Going Forward**

- Social implications of Japan's declining birthrate and aging of the population
- · Responding properly to the regulatory environment surrounding global financial institutions
- Contributing to the community and to society as a member of regional societies

Separation of roles of Nomura Holdings and Nomura Securities with the transition to a holding

Nomura Holdings stock listed on the New York Stock Exchange



### 2008

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

Stockholders

and Investors

2011

Started "Nomura Net & Call" after the combination of "Hot Direct" and "Nomura Jov"

Took initiatives to offer clients solutions through the use of differentiated financial functions and services

Secondary market trading in the

2013 Monetary easing policy adopted under "Abenomics"

## **Image: Second S**



\*1 Net income per share attributable to Nomura Holdings shareholders after full dilution

\*2 Share of wholesale revenue of the nine plus Nomura: Bank of America, Barclays, Citi, Credit Suisse, Deutsche, Goldman Sachs, J.P. Morgan, Morgan Stanley, and UBS

\*3 Includes persons in managerial and key positions as well as persons with the positions of Managing Director, Executive Director, and Vice President (As of March 2014)

# "Place Clients at the Heart of Everything We Do"

## **Financial Highlights (US GAAP)**

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

	FY2009/10	FY2010/11	FY2011/12	FY2012/13	FY2013/14
MAJOR FINANCIAL DATA					Billions of yen
Net revenue	1,150.8	1,130.7	1,535.9	1,813.6	1,557.1
Income before income taxes	105.2	93.3	85.0	237.7	361.6
Net income*1	67.8	28.7	11.6	107.2	213.6
Total assets	32,230.4	36,693.0	35,697.3	37,942.4	43,520.3
Shareholders' equity*2	2,126.9	2,082.8	2,107.2	2,294.4	2,513.7
Short-term unsecured debt	2,153.5	2,634.3	3,009.1	2,293.3	2,969.3
Long-term unsecured debt	6,024.6	6,466.9	6,373.0	6,457.3	6,218.6
Total risk-weighted assets*3	11,525.7	11,629.5	14,681.0	17,546.7	17,425.9
PER SHARE DATA					Yen
Net income—diluted	21.59	7.86	3.14	28.37	55.81
Shareholders' equity	579.70	578.40	575.20	618.27	676.15
Cash dividends	8.0	8.0	6.0	8.0	17.0
MAJOR MANAGEMENT INDICATORS					%
ROE	3.7	1.4	0.6	4.9	8.9
Gross leverage (times)	15.2	17.6	16.9	16.5	17.3
Leverage after adjustments (times)*4	9.3	10.3	10.4	10.4	10.4
Consolidated capital adequacy ratio*3	24.3	22.2	16.5	13.9	15.6
Tier 1 ratio*3	17.3	16.4	14.2	11.9	13.2

\*1 Net income attributable to Nomura Holdings, Inc. shareholders

\*2 Total Nomura Holdings, Inc. shareholders' equity

\*3 Figures for FY2009/10 and FY2010/11 were based on Basel II capital adequacy standards. Figures for FY2011/12 were prepared under Basel 2.5, and figures for FY2012/13 were prepared under Basel III standards.

\*4 Total assets minus securities purchased under agreements to resell and securities borrowed, divided by Nomura Holdings shareholders' equity.

	FY2009/10	FY2010/11	FY2011/12	FY2012/13	FY2013/14
INCOME (LOSS) BEFORE INCOME TAXES BY REGION					Billions of yen
Americas	3.6	4.4	(24.6)	25.7	29.5
Europe	19.0	(43.6)	(91.5)	(93.1)	(48.9)
Asia-Pacific	13.0	(16.3)	(12.9)	(12.1)	(5.2)
Sub-total	35.6	(55.5)	(129.1)	(79.4)	(24.7)
Japan	69.7	148.8	214.1	317.2	386.3
Consolidated	105.2	93.3	85.0	237.7	361.6

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

	FY2009/10	FY2010/11	FY2011/12	FY2012/13	FY2013/14
NUMBER OF EMPLOYEES					People
Total	26,374	26,871	34,395	27,956	27,670
Japan	15,053	14,918	21,609	16,030	16,037
Europe	4,369	4,353	4,014	3,618	3,461
Americas	1,781	2,348	2,420	2,271	2,281
Asia-Pacific	5,171	5,252	6,352	6,037	5,891





### Total risk-weighted assets and Tier 1 ratio\*



\* Please refer to note \*3 on page 2.

Income (loss) before income taxes by region

## Message from the CEO

## Placing clients at the heart of everything we do: Continuing to evolve with the changing needs of our clients

We are working to improve stakeholder satisfaction while contributing to economic growth and social development as Asia's global investment bank.

### FY2013/14 Performance

All three divisions-Retail, Asset Management, and Wholesale-reported solid growth in FY2013/14 with firm-wide net income increasing 99% from FY2012/13, to ¥213.6 billion, representing earnings per share (EPS) of ¥55.81.

When I was appointed Group CEO in August 2012, I set a target of achieving EPS of ¥50 by the year ending March 2016. Since then, we have worked to further strengthen our domestic businesses, improve the profitability of our Wholesale Division, and ensure resources are allocated optimally. As a result, we achieved our EPS target of ¥50 two years ahead of target and remain focused on driving sustainable growth.

Nomura Report 2014

### Sustainable Growth

### Promoting the shift from savings to investments

As Japan transitions from deflation to inflation, retail investors are expected to move their personal financial assets from savings and deposits to investments. We see it as our role to support this shift and drive further momentum in Japan's capital markets through the uptake of the Nippon Individual Savings Account (NISA) scheme introduced in January 2014.

As the population ages, Japan is experiencing growing demand from retail investors for accurate investment advice due to concerns over the public pension system and worries related to inheritances. In response, we are further developing our consulting-based sales approach to provide each client with advice matched to their individual requirements. We do this through our traditional offering of equities, bonds, investment trusts, and other products backed by a broad range of services related to insurance, inheritance, and business succession planning.

### Global strategy

Our global franchise grew significantly after the acquisition of Lehman Brothers' operations in Europe and Asia. We repositioned our business on the back of the ensuing global economic slowdown, and have since worked to improve profitability by focusing on businesses with client needs and areas where we have a competitive advantage, while reducing expenses by \$2 billion.

As some of our competitors are being forced to exit highly profitable businesses due to regulatory reforms, we are also focusing on businesses where our robust, highly liquid balance sheet gives us a competitive advantage. Looking ahead, we will continue to meet the needs of our clients and grow our global market share with the aim of returning all international regions to profitability by March 2015.

Asia is expected to continue growing strongly over the long term and account for half of global GDP by 2050. As countries in the region develop, we can expect to see increased demand for funding among the corporate sector coupled with an expansion of personal financial assets as the middle class grows. We have generated synergies and expanded our business in Japan through a successful business model that integrates our Retail and Wholesale operations. We believe we can reap the benefits of economic growth across Asia by rolling out a new integrated business model aligned to each market to connect the funding needs of corporates with the investment needs of investors in the East and West.

### **Diverse Workforce**

To continue meeting the changing needs of our clients, it is important to raise client satisfaction levels by leveraging the diverse backgrounds of our people in terms of age, gender, and nationality to create new value for our clients.

We currently have over 1,000 female managers working for Nomura globally, including an Outside Director and senior managing directors. In recognition of this, Japan's Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange jointly granted Nomura the "*Nadeshiko Brand*" designation in March 2014, which is awarded to companies that encourage women to play active roles in the workplace. In April, we appointed a woman as President of Nomura Trust and Banking, the first time a female has been appointed to run a bank in Japan. We have also expanded our management training program to offer midlevel managers a wide range of training opportunities.

## Corporate Responsibility through our Core Business

Corporate responsibility at Nomura is embedded in our core business. We believe in contributing to the sustainable development of society over the medium-to-long term. In Japan, it is particularly important to ensure the effective flow of personal financial assets through the economy. We have offered various financial and economic education programs for a broad section of the community in Japan since the 1990s with a focus on improving financial literacy and helping people make financial decisions for themselves. As of March 2014, we had taught a total of 630,000 students through Nomura-sponsored lectures at universities and classes for elementary and junior high school students.

and medical i new indust universities. strengths to development stakeholders. We see i contribute to development. our clients at t aim to establis global inves anniversary in Group CEO Koji Nagai

We also aim to address social issues through our core business. In FY2013/14, we distributed social bonds issued by the Asian Development Bank and other public organizations in which the proceeds were used for projects that address social and environmental challenges. We also put our financial expertise to work in the agribusiness and medical industries and helped incubate new industries in collaboration with universities. We will continue to use our strengths to contribute to sustainable development and grow together with all our stakeholders.

We see increasing opportunities to contribute to economic growth and social development. Under our philosophy of placing our clients at the heart of everything we do, we aim to establish a dominant position as Asia's global investment bank by our 100th anniversary in 2025.

## Message from the COO

Establishing dominant position as Asia's global investment bank through closer cross-divisional and cross-regional collaboration

Retail and Asset Management delivered solid earnings in FY2013/14 on the back of the market rally in Japan. Our Wholesale Division also reported stronger revenues across all regions and business lines, and significantly higher pretax income.



### Meeting the Diverse Needs of Our Clients

Spurred on by the Abenomics rally in Japan, Retail reported its best set of results in eight years. With the start of the Nippon Individual Savings Account (NISA) in January 2014, we have worked across the Group on initiatives such as holding a total of over 3,000 seminars nationwide since last year. As a result of these efforts, we had recorded 1.29 million NISA applications as of the end of March.

Our clients' needs are becoming increasingly sophisticated and complex as the environment changes. We believe it is important to provide services tailored to the exact needs of each client for every stage of life. That is why we emphasize asset planning and investment support for retail clients. For company owners, we advise on a broad range of issues from M&A to succession planning.

In addition to retail clients, our Asset Management Division continued to win investment mandates from international institutional investors and sovereign wealth funds during FY2013/14. Total assets under management at the end of March 2014 were ¥30.8 trillion. We will continue to focus on being a trusted partner to institutional investors around the world by providing products matched to their needs backed by detailed service, while further enhancing our investment processes.

### Wholesale Profitability on the Rise

Since I was appointed Wholesale CEO and Group COO in August 2012, we have repositioned our Wholesale strategy and taken out an additional \$1 billion of costs from the international business on top of a previous \$1 billion cost reduction in response to the challenging environment.

To enhance collaboration, we integrated our Fixed Income and Equities businesses in December 2012 to create Global Markets. In Investment Banking, we narrowed our global sector coverage to drive greater efficiencies. We also revised occupancy, IT system, and other expenses. As a result, we were able to complete our \$2 billion cost reduction program six months ahead of schedule. As costs steadily decline on a U.S. dollar basis, revenues have improved substantially, particularly in global fixed income and Japanese equities, positioning us well to achieve our FY2014/15 target of returning all international regions to profit.

We have seen well-balanced growth across our Fixed Income franchise from Rates and Credit to FX and Securitized Products, contributing to market share gains and more-consistent earnings. In addition, we have enhanced our M&A advisory business and built a track record in EMEA and the Americas in multi-product services, including financing and FX hedging associated with advisory transactions

In light of the progress our international Wholesale business has made to improve profitability, I handed over the Wholesale CEO position to Tetsu Ozaki in April this year. As the Group COO, I will continue to focus on overseeing all divisions and addressing Group-wide issues to create business opportunities through closer crossdivisional and cross-regional collaboration.

Group COO Atsushi Yoshikawa

### Positioned for Long-Term Growth

We regard Asia including Japan as our home market. Our aim is to grow in step with the region, expanding our client franchise and product offerings, and acting as the gatekeeper for flows into and out of Asia. To this end, we have taken a number of steps to build up our Asian operations. In April 2014, we acquired the local asset management unit of the ING Group in Taiwan, and in May we entered into a joint venture agreement with Shanghai Lujiazui Development (Group) Company Limited, with a view to entering the wealth business in the Shanghai Free Trade Zone. In June, we converted Capital Nomura Securities in Thailand into a consolidated subsidiary.

Under our philosophy of placing our clients at the heart of everything we do, our Retail business aims to win client trust while expanding its business, which means further developing our Retail client franchise through an intent focus on providing clients with consulting services. Asset Management aims to improve client satisfaction levels by enhancing its investment management and product development capabilities, while meeting the needs of its clients amid the constantly changing environment. Wholesale is committed to establishing the Nomura brand as a leader in Asia by moving swiftly to understand the evolving needs of our clients to ensure repeat business and by working with new clients around the world.

Looking ahead, we will continue to respond accurately to the needs of our global clients and establish a dominant position as Asia's global investment bank.



## Message from the CFO



## Allocating resources in line with the changing environment to build on our strengths as a global financial services group

Financial institutions increasingly require a robust financial position to stay competitive in today's changing environment. We are working to efficiently allocate management resources and improve communication with shareholders, counterparties, rating agencies, regulatory authorities, ESG research organizations,\* and other stakeholders in order to formulate and implement a broad financial strategy.

### **Robust Financial Position** and Revenue Growth

Regulatory reform of global financial institutions has been on the agenda since the 2007 financial crisis. As the tougher regulations start to be phased in,

some of our peers have been forced to rethink their business strategy.

After acquiring parts of the Lehman Brothers business in Europe and the full franchise in Asia, we were one of the first in the industry to enhance our financial position by raising capital through public offerings in 2009, before the full effects of the European sovereign debt crisis emerged. We then lowered our cost base, reduced less liquid assets, and took other steps to improve capital efficiency. By consolidating our financial position ahead of the competition, we are now well positioned to capitalize on new business opportunities arising out of the ongoing regulatory reforms.

costs

In FY2013/14, we made considerable progress in delivering consistent earnings. Our domestic businesses drove revenues on the back of the Abenomics market rally in Japan, and our international client franchise continued to grow as the regulatory reforms reshape the competitive landscape.

As of the end of March 2014, we had total assets of ¥43.5 trillion and shareholders' equity of ¥2.5 trillion. Our gross leverage was 17.3 times. Our Tier 1 ratio under Basel III was 13.2%, or 12.2% on a fully loaded 2019 basis, which places among the industry leaders.

The liability side of our balance sheet is dominated by long-term debt, and we have diversified our sources of funding across currencies. We also held a high quality liquidity portfolio of ¥6.1 trillion as of the end of March 2014. This allows us to continue operations for one year without the need for additional unsecured funding, including refinancing or asset liquidation even under stressed market conditions.

This robust financial position is a competitive advantage that directly benefits our clients by allowing us to deliver the best products and services tailored to their specific requirements. In addition, amendments to the Deposit Insurance Act of Japan mean that Nomura is covered in the event

We aim to deliver stable dividends using a full-year consolidated payout ratio of 30% as a key indicator. In determining dividend payments, we take into account a comprehensive range of factors, including our consolidated financial performance and global regulatory reforms, such as the new Basel regulations. Based on this policy, we paid an annual dividend of ¥17 per share in FY2013/14. In addition, we conducted a share buyback

Governance)

of a financial crisis, a factor behind Fitch's decision to upgrade the long-term ratings of Nomura Holdings and Nomura Securities to A- in September 2013. This has helped us expand our client business and will potentially lower our funding

### Shareholder Returns

program as part of our efforts to raise capital efficiency and ensure a flexible capital management policy. Looking ahead, we will invest in businesses with strong earnings and growth potential and deliver appropriate returns for our shareholders, taking into account our share price and regulatory capital requirements.

The cost reduction program we introduced in July 2011 targeting a total of \$2 billion was completed ahead of schedule in September 2013. This helped us achieve our FY2015/16 EPS target of ¥50 ahead of schedule. To build on this momentum, we will focus on maintaining our robust financial position and further expand our earnings capacity.

\* Organizations that provide information to investors and others on the performance of corporations in the areas of ESG (Environmental, Social, and

Chief Financial Officer Shigesuke Kashiwagi

## Feature From Savings to Investments

## Drawing on Our Full Capabilities to Promote NISA

The Nippon Individual Savings Account (NISA), which is small investment accounts that are tax-exempt up to a specified limit, was introduced in early 2014 to provide support to individual investors in Japan who wish to build their asset portfolios in the medium-to-long term. The NISA is expected to encourage the transition from savings deposits to securities investments and lead to a virtuous circle in the economy. At Nomura, the whole firm is working to promote the uptake of the NISA among individuals. Prior to the introduction of the NISA system, we held about 3,000 seminars and conducted other activities to promote the use of this system among as many clients as possible. As of the end of March 2014, Nomura clients had opened a total of 1,290,000 of these accounts.

### Financial Issues in Japan

How will the NISA system contribute

to addressing financial issues in Japan?



Naoyuki Yoshino, Ph. D. Professor Emeritus of Keio University and Dean of the Asian Developmen Bank Institute

To draw fully on the abundance of personal financial assets in Japan, which is one of the strengths of the Japanese economy, it will be important for these resources to be channeled to provide growth capital. In other words, it will be necessary to induce flows of funds by encouraging individuals to build asset portfolios that reflect risk taking appropriate to their respective life stages.

The policy of directing flows of funds that went formerly into savings deposits into capital markets through the introduction of the NISA will provide opportunities for changing the risk-averse consumer behavior that has been caused by the prolonged period of deflation. Accordingly, improving the performance of funds that have been channeled into capital markets through the NISA will be an important task for investment managers.

Individuals who are increasing their holdings in the NISA are looking for higher rates of return than on savings deposits by having their funds invested in growth areas and in countries and regions where growth is expected. Therefore, attaining a higher return than on savings deposits means that funds will be channeled into growth areas, and this will help the Japanese economy grow.

As the Japanese population ages, how to channel the financial assets that seniors have accumulated into high-yield investments will be a key to increasing consumer spending and realizing an economic recovery. To establish a flow of funds where household funds are channeled to provide growth capital, investment management companies and securities firms will be expected to provide investment products that respond to the asset formation requirements of people at various life stages.

### Nomura's Initiatives



We conducted research on similar systems overseas, including the Investment Savings Account system in the United Kingdom. We then provided information to the relevant government agencies in Japan and to industry associations. We also jointly sponsored seminars with specialists from various related groups.



To bring about a movement from savings deposits to securities investments through the introduction of the NISA system, we brought together the internal planning functions and other initiatives.

## Tomoo Sumida, Tatsuya Yoshikawa

To encourage the proactive efforts of individuals to build their asset portfolios, we considered ways of promoting the system and made suggestions to related parties in many

areas. We also conducted research on the system and did an awareness survey covering several tens of thousands of respondents. We also made suggestions to companies marketing the accounts and held training sessions, provided information, and conducted seminars for investors.



Maiko Mochimaru, Yuka Kasuya Nomura Securities, Retail Strategy Dept (NISA Team)

We are making a range of practical approaches regarding the NISA system to persons who lack experience in investing, including holding seminars and events.

Client proposals

We received many inquiries from interested clients, and felt that people really expected a lot from us. As the entranceway to securities investing, we are encouraging families to diversify their medium- to long-term investments.



We are taking particular care to explain the merits from the perspective of employee benefits and taxation, and by giving easy-to-understand explanations of methods for building asset portfolios as part of life plans.





In discussions with persons in charge in corporations, we inquired about the needs of employees, and are seeking to make use of this information to differentiate ourselves from other companies through our proposals for funds and other products.

Proposals for company emplovee





## **Company Segments**

### Retail

- Net revenue (after interest expense) (left scale)
- Non-interest expenses (left scale)
- ---- Income before income taxes (right scale)



### ⇒p. 16

⇒ p. 20

⇒ p. 24

### Summary

Nomura offers high-quality investment information and a diverse range of financial products and services through its domestic branch network, call center, Internet website, and other media to meet the increasingly diverse and sophisticated needs of its individual and corporate customers.

With the objective of unified operation of the wealth management business in Japan and the rest of Asia, Nomura set a business line of Wealth Management in Retail on July 1, 2014.

- Number of offices: 159 (including head office and branches)
- Retail client assets: ¥91.7 trillion

(As of March 31, 2014)

### Asset Management

- Net revenue (after interest expense) (left scale)
- Non-interest expenses (left scale)



### Summary

With Nomura Asset Management as its core, Nomura's asset management business operations are global in scope.

- Assets under management: Approximately ¥30.8 trillion (as of March 31, 2014)
- Investment trusts business: Offers a wide lineup of products to meet diverse clients' needs through a broad range of channels, including securities companies (including Nomura Securities), banks, Japan Post Bank, and post offices.
- Investment advisory business: Provides high-quality asset management services to a broad spectrum of institutional investors, including pension funds in Japan and overseas, government organizations, central banks, commercial banks, and insurance companies.

### Wholesale

- Net revenue (after interest expense) (left scale) Non-interest expenses (left scale)
- ----- Income (loss) before income taxes (right scale)



### ► Summarv

Wholesale comprises the Global Markets and Investment Banking, which provide a wide spectrum of services to such customers as domestic and overseas industrial corporations, government organizations, and financial institutions.

- Global Markets: Provides research; syndication, sales, and trading in various financial products; and other services on a global scale mainly to domestic and overseas institutional investors.
- Investment Banking: Provides various investment banking services, including underwriting services for bonds, equities, and other securities; proposals for risk solutions; and M&A advisory services to a wide range of clients in Japan and overseas.

## Value Creation Flow



\* Please refer to page 28

### **Review of Operations**

### Retail

The Retail Division is working to ensure that the Nomura Group will remain a trusted partner to its clients. Our initiatives include strengthening consulting-based sales, expanding service and product lineups to respond to diversifying client needs, and further enhancing the capabilities of our personnel.

Retail CEO

Nomura Securities 23% 5,144 thousand accounts NOMURA All accounts held at securities companies in Japan (22,076 thousand accounts) (As of March 31, 2014) Source: Japanese Securities Dealers As Toshio Morita

### Market Environment in FY2013/14

During FY2013/14, the market environment improved, particularly in the first half of the fiscal year. A supporting factor was the Bank of Japan's bold quantitative monetary easing policy, which resulted in the depreciation of the yen and improvement in corporate performance. In the second half of the year, the market became less active and transaction volume declined. Although there were periods of more robust activity before the security tax break was abolished, investors' risk appetite decreased as a result of the potential tapering of quantitative easing in the United States, the emergence of geopolitical risks, as well as other factors.

Amid this operating environment, Retail reported ¥511.9 billion in net revenue in FY2013/14, an increase of 29% year on year. Income before income taxes amounted to ¥192.0 billion, the highest level since FY2005/06 (¥197.2 billion), and the second highest level since Nomura began to disclose financial data by operating segment in FY2001/02.

Our clients' values and interests have been evolving. The aging population and changes to the tax system in Japan have increased the desire for families to transfer financial assets to future generations smoothly. As such, the need for tailored

### Place Clients at the Heart of Everything We Do

### Nationwide Contests for Financial Service Section's OTC Services

In January and February 2014, we held our first contest for the Financial Service (FS) Section's over-the-counter services. We selected 125 people from around the country who are responsible for providing face-to-face services to customers to participate in the contest. The competition included a "role-play" where participants were asked to act out their consulting techniques, with the goal of identifying the most effective techniques for interacting with customers. Each participating branch representative had six months to prepare and was instructed to consider questions including, but not limited to, "What do we really have to communicate to customers?" and "What questions should we ask our customers?" Nomura Directors and external consultants judged the contest. Going forward, we intend to hold similar competitions to help consultants share best practices, respond to customer needs, and build relationships as trusted advisors.



(Millions) 5.5

2000/10 2010/11 2011/12 2012/13 2013/14 (Fiscal year

Accounts with balances



Contest photo of the top selected personnel



Retail CEO Morita (center) and the selection panel

consulting advice has grown, and Nomura has refocused its consulting efforts to help clients meet their individual objectives. In addition, beginning in August 2012, we reformed our business model to target an expansion of client assets and recurring revenues with the goals of "winning client trust" and "business expansion."

Client accounts with balances increased by 120,000 during FY2013/14, to 5.14 million at the end of March 2014. Net asset inflows during the fiscal year were ¥870.0 billion, and Retail client assets, supported by good market conditions, rose to ¥91.7 trillion as of March 31, 2014.

The Nippon Individual Savings Account (NISA) program, which encourages individuals to establish tax-free investment accounts, was launched in January 2014. As of March 31, 2014, Nomura had received 1.29 million NISA account applications, the largest number of any Japanese financial institution. Despite the favorable market conditions of the past year, the percentage of Japan's household financial assets in securities investments increased marginally to 16%, from 14% at the end of the previous fiscal year-end, implying that Nomura's desired role in accelerating the transition "from savings to investments" is large.

### Enhancing Client Satisfaction

Since FY2010/11, Retail has held a monthly Customer Satisfaction (CS) Improvement Meeting, chaired by the Retail CEO and attended by Directors. During these meetings, Retail works to improve products, services, and systems based on complaints, opinions, and requests received by Nomura's Customer Help Desk Department, call centers, and website.

As a result of the initiative to enhance client satisfaction, we remodeled and installed Automated



External Defibrillators in 159 branches. We have also assigned assistants to nearly 80% of branches to help our elderly and physically challenged clients. Going forward, we expect our CS Improvement Meetings to continue to benefit our customers and community.

### CS Survey

Since January 2011, Nomura has periodically surveyed our Financial Services Specialists' clients. The survey asks clients to rate employee attitudes and the quality of service as well as the comprehensibility of product explanations. A total of 85,357 clients who had visited Nomura branches in December 2013 were surveyed by mail. For results of the survey, please refer to page 58.

In February 2013 and February 2014, we also conducted a CS survey of our individual sales staff. Those staff members whose clients held with particularly high regard received awards within the Retail Division and were introduced on the Nomura Securities website.

Please refer to our corporate website. WEB http://www.nomura.co.jp/service/consulting/ consultant/

All client surveys are taken seriously by management, Nomura headquarters, and Nomura branches and are used as a way to effect change and provide even better overall service.

### Looking Forward

We will continue to work toward the dual objectives of winning greater trust among clients and expanding business activities by offering highquality consulting based services.

We currently offer medium-to-long-term diversified investment portfolios that include investment trusts, SMAs (Separately Managed Accounts), and "Fund Wraps" designed to match each specific client's risk profile. We have also expanded our offerings to include global asset allocation products, and, for those more risk averse clients, we are enhancing our lineup of lower risk products, such as JGBs for individuals and insurances.

As a supplement to our face-to-face consulting services, clients are also provided with "Asset Design Services" that help them identify their specific needs. In addition, our periodic "Asset Portfolio Reports" enable our clients to understand the performance of their assets. Our salespeople distribute web-based timely information to our clients through their tablet terminals both on and off Nomura premises.

We are aiming to increase the balance of client assets through initiatives aimed at targeting the client experience. Asset growth is a barometer of client trust, which will result in increasing recurring revenues and build an even stabler earnings base. Through our principal business activities, Nomura management and staff intend to contribute to our customers' experience, the communities in which we conduct operations, and society.

### Approach to Nippon Individual Savings Account (NISA)

The NISA is an opportunity for individuals to start or to more actively participate in the securities markets and, therefore, is also an opportunity for Nomura to



### Place Clients at the Heart of Everything We Do

### Morning Pitches

In FY2012/13, Retail initiated "Morning Pitches," a once-a-week meeting at seven in the morning where we invite start-up businesses to make presentations to roughly 100 representatives of companies interested in identifying new business opportunities and have lively discussions. The objective of these meetings is to promote the development of young entrepreneurs and to encourage the alliance between venture businesses or small to midsized companies and large organizations.

Through these activities, we are aiming to promote the growth and development of small businesses and to encourage "open innovation," where companies looking to expand their business opportunities can listen to new, entrepreneurial ideas. Morning Pitches are currently being held in Tokyo and Nagoya. Going forward, we hope to provide customers with other similar value-added services.

broaden our investor base and contribute to their wealth accumulation. In accordance with a client's needs, assets contributed to NISA accounts are allocated to stocks, investment trusts, or Nomura's "Fund Ruito.\*"

Please refer to Nomura's NISA. WEB http://www.nomura.co.jp/nisa/

\* An investment vehicle that invests in stocks and investment trusts in predetermined amounts on a regular schedule

### Special Article about NISA $\Rightarrow$ p.12–13

### Further Expansion of Products and Services for an Aging Society

Retail is endeavoring to strengthen its lineup of investment products for senior citizens, including annuity insurance, which provides periodic insurance payments, whole life insurance, which responds to customer concerns about inheritance, and relatively low-risk investment trusts. To help earn the trust of seniors, we offer "Fund Wrap\*" and "Inheritance and Gift" seminars, which provide education and advice to clients through face-toface discussions. We also hold "Happy Life" seminars to assist senior citizens in planning for the future. These seminars are held in cooperation with companies that provide products and services targeted toward seniors. In addition, we offer a "Gift Raku Raku Service" that is intended to simplify the wealth transfer process.

\* Discretionary account



## **Asset Management**

To provide optimal investment performance, the Asset Management Division is working to strengthen its portfolio management and marketing capabilities and is responding nimbly to changing client needs. Differentiated by having its base in Asia, we aim to retain and increase the trust of investors around the world with its various products and services.



### Market Environment in FY2013/14

The investment climate continued to improve mainly in developed countries in FY2013/14. Factors supporting this were the Bank of Japan's bold monetary easing policy, implemented in April 2013, and maintained expectations of economic recovery overseas. As a consequence, the balance of investments in Japan's public investment trust market grew 10% over FY2013/14, to approximately ¥80 trillion.

Our investment trust business offers a range of products to meet client needs, and we made efforts to expand the balance of investments in existing funds during the fiscal year. Funds flowed especially into our "Selectable currency typed fund," which combines investments in global equities and Japanese stocks with FX transactions. We also listed new exchange-traded funds (ETFs) in the "NEXT FUNDS" family, including the JPX-Nikkei 400 ETF, which is linked to the JPX-Nikkei 400 ETF, and the R/N Fundamental Index ETF. This brought the total number of ETFs to 42, and the balance of assets under management in ETFs rose 52% year on year, to ¥4.0 trillion. At fiscal year-end, Nomura Asset Management's share (net asset basis) of Japan's public investment trust market stood at 22.9%. Sales of privately placed investment trusts, which meet clients' needs, sold principally through regional financial institutions, also rose.

### Place Clients at the Heart of Everything We Do

### Providing Support for Earthquake-Devastated Areas through the "East Japan Revival Support Bond Fund 1105"

NAM established an investment trust fund in May 2011 and is managing it with the aim of providing support for the recovery of the areas devastated by the Great East Japan Earthquake. In FY2013/14, we donated ¥63 million from a portion of the trust fees received in the fourth and fifth periods of the fund's operation (about 0.2% of total fund assets per year) for recovery work in the areas affected by the megaquake.

In addition, Nomura is making continuous donations to the "Iwate Educational Aspiration Fund," the "Great East Japan Earthquake Scholarship Fund for Children in Miyagi," and the "Great East Japan Earthquake Fukushima Children's Donation Fund" to provide assistance for the children orphaned by the earthquake disaster to find the opportunity to choose their life and career paths to provide for themselves. Donations will be made 10 times over the five-year period of the "East Japan Revival Support Bond Fund 1105."



\* Net after deduction duplications from total assets under management of companies that belong to the Asset Management Division

Share of public investment trust market in Japan (As of March 31, 2014)



Source: The Investment Trusts Association, Japan

### **Asset Management**

In investment advisory, assets under management, mainly of institutional investors in Europe and Asia, in Japanese equities, high-yield bonds, and other investment products increased. We also won mandates for managing Japanese equities from two leading asset management companies overseas and increased assets by providing UCITS\*-compliance funds investing in Japanese equities and U.S. high yield bonds to high net worth individuals overseas.

\* UCITS: Undertakings for Collective Investment in Transferable Securities. UCITS is based on unified criteria for Group investment trust businesses investing in transferable securities as defined in European Committee Directives

At fiscal year-end, total assets under management reached ¥30.8 trillion, up ¥2.9 trillion year on year. Net revenue, after deduction of interest expense, of ¥80.5 billion, rose 17% year on year. Income before income taxes was ¥27.1 billion, an increase of 28% year on year and the highest level since FY2007/08.

### Seminars for Distributors and Telephone Support Services

In the branches of Nomura Securities nationwide, as well as companies in securities marketing channels, including other securities companies, banks, and the Japan Post Bank, we hold seminars and organize study groups for retail investors and other securities dealers handling investment trusts. About 8,000 of these meetings are held annually, and our aim is to acquaint investors with the contents and risk of investment trust products and gather information on investor needs and interests.

Nomura Asset Management (NAM) provides a dedicated, toll-free telephone support service to respond to questions from investors and marketing companies. Opinions and requests obtained through this service are shared within NAM and used as inputs in product and service development.

### Responsible Investment

NAM is a signatory of Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century) and the United Nations-backed Principles for Responsible Investment (UN PRI), and its investment management meeting clients' needs is to be compliant with the viewpoint of ESG (Environmental, Social, and Governance). About NAM's policy related to ESG issues, Nomura's ESG Committee, chaired by the Chief Investment Officer (CIO), meets twice yearly for discussions. In May 2014, Nomura expressly accepted the "Principles for Responsible Institutional Investors: Japan's Stewardship Code," prepared by Japan's Financial Services Agency. As a responsible institutional investor, Nomura encourages the sustainable growth of its investee companies, and maintains a continuing dialogue with these companies to expand returns to clients and beneficiaries in the medium-to-long term.

Please refer to Responsibility Investment. http://www.nomura-am.co.jp/corporate/service/ responsibility\_investment/index.html

### Japan's Stewardship Responsibility: "Japan's Stewardship Code"

"Stewardship responsibility refers to the responsibilities of institutional investors to enhance the medium- to long-term return for their clients and beneficiaries (including ultimate beneficiaries) by improving and fostering the investee companies' corporate value and sustainable growth through constructive engagement, or purposeful dialogue, based on an in-depth knowledge of the companies and their business environment."

"This code defines principles considered to be helpful for institutional investors who behave as responsible institutional investors in fulfilling their stewardship responsibilities with due regard both to their clients and beneficiaries and to investee companies. By fulfilling their stewardship responsibilities properly in line with the Code, institutional investors will also be able to contribute to the growth of the economy as a whole."

Source: Sections in quotation marks were quoted from the Financial Services Agency (Council of Experts Concerning the Japanese Version of the Stewardship Code), Principles for Responsible Investors, page 1, version as of February 26, 2014.

### Looking Forward

### Delivering Highly Competitive Performance

Drawing on its active portfolio management capabilities, Asset Management is able to offer highly competitive performance. Capabilities include Japanese and other Asian equities with superior experience and performance, Asian bonds, emerging market equities with reinforced investment and research functions, J-REITs with good track records, and other investments.

We also strive to provide a wider range of investment solutions with an edge, including management of high yield and inflation-linked bond funds, which require advanced financial expertise, high alpha bond funds that seek absolute returns,

Shariah-compliant asset management services, which have high growth potential, and smart beta type fundamental index fund management.

### Encouraging the Shift from Savings to Investments through Investment Trusts

In investment trust business, we will deliver diverse investment opportunities to meet a broad range of retail investor needs to further strengthen our presence in the home market. We will also promote the shift from "savings to investments" by improving collaboration between sales channels, conducting high-quality marketing activities and providing customer support, and expanding the customer base as well as the investment trust market as a whole.

Especially with the launch of the Nippon Individual Savings Account (NISA) program in January 2014, we offer investment products and services in line with the objectives of the NISA program, drawing on the results of our past surveys of retail investors. We are also working toward the further expansion and development of defined contribution (DC) pension plans, and substantially expanding our lineup of investment products. Also, in April 2014, we realigned our investment trust sales system from by sales channel to by region. To be more responsive to changing customer needs and offer support suited to the needs of differing regions, in April 2014, we reorganized our marketing system from a channel orientation to a regional framework.

Special Article about NISA  $\Rightarrow$  p.12–13

### Place Clients at the Heart of Everything We Do

### Our Funds Received Awards from Outside Organizations

Investment trust funds managed by NAM have received high appraisals from outside fund assessment organizations. In the "R&I Fund Awards 2014," our "J-REIT Open (with four closings per year)" and other funds received best awards, and we received 13 awards in 10 divisions. Similarly, our "J-REIT Open (with four closings per year)" was selected for the best fund award presented by Morningstar's "Fund of the Year 2013" in the alternative and balanced category. In the "Lipper Fund Award Japan 2014" competition, we were selected to receive an award as the Best Management Company in the mixed-asset division, and seven of our funds received best awards.

http://www.nomura-am.co.jp/corporate/awpub/award/

### Further Expansion in Investment Advisory and Services for Overseas Funds

In investment advisory, we are offering proposals for management strategies that respond appropriately to national and regional characteristics and to the investment policies and objectives of differing clients. In Japan, as the conditions surrounding the National Welfare Pension Fund System are undergoing change, we will respond to a diversity of investment management needs and fulfill our fiduciary responsibilities.

Outside Japan, we are continuing to expand our assets under management entrusted from Sovereign Wealth Funds, central banks, large pension funds, and other major investors. By utilizing funds that meet UCITS criteria, we are working to expand our fund business overseas, especially in Europe. Our assets under management in UCITS funds expanded about 66% year on year in FY2013/14, and we are endeavoring to increase these further as we develop new funds to follow our UCITS flagship funds.

In Asia, where demand for asset management services from a wider range of income levels is expected to accelerate, we are aiming to raise our presence in the Taiwanese market using the base we purchased from the ING Group in April 2014. We will also work to expand other overseas business increasing our staffs in Australia, South Korea, and Dubai, including Shariah-compliant services, principally in Malaysia.



### **Wholesale**

" We are committed to focusing on our areas of competitive advantage and offering high value added products and services to meet the wide-ranging needs of our clients around the world. Our aim is to deepen client trust by providing optimal solutions developed through close cross-divisional and cross-regional collaboration.



### Wholesale

### **Market Environment** and Results of FY2013/14

Wholesale net revenues were strong at ¥765.1 billion in FY2013/14, 18.6% higher than last year, with balanced contributions from all regions, resulting from our focus on providing services and products best suited to client needs. Income before income taxes rose a sharp 56.0%, to ¥111.8 billion, as cost restructuring lowered the breakeven point.

In the first quarter, Japan drove revenues on the back of improved market conditions. Beginning with the second quarter, revenues in Japan weakened, but overseas revenues picked up, with all regions showing increases year on year, thus giving Wholesale stable revenues overall for the year.

### Looking Forward

In Wholesale, to diversify and expand revenues, we are continuing to optimize allocation of resources toward our areas of competitive strength, while observing changes in the macro and regulatory environments. We are paying particular attention to strengthening collaboration among divisions and regions to create business opportunities that offer new value added to clients and generate additional earnings.

### Place Clients at the Heart of Everything We Do

### Sponsoring the Nomura Investment Forum Asia to Bring Companies and Investors Together

Global Markets holds the "Nomura Investment Forum Asia" (NIFA) each year in Singapore. By providing opportunities for networking, the conference enables leading companies in Asia to join with investors. Beginning with the 2013 conference, we have expanded asset classes to include both Equities and Fixed Income, and the name of this event was changed to reflect this.

The 2013 forum, which was held with the theme "Globally Asia," focused on Abenomics. During the forum, a total of 3,326 meetings were held among representatives of 130 companies and 949 institutional investors. Also, during this event, individuals who have made outstanding social contributions in the region were presented with the "Nomura CARES Award."

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### Global Markets

### **Market Environment** and Results of FY2013/14

FY2013/14 saw the start of a bear market in Fixed Income, while Equities rebounded driven by signs of economic recovery and abundant liquidity from the large central banks. The year ushered in a period of increased market volatility driven first by the announcement by the Bank of Japan of its record quantitative easing (QE) program, followed by the Federal Reserve (Fed) indicating a possible tapering of its QE program in the latter part of the year, and exacerbated by rising geopolitical tensions. This set of events dampened investor sentiment, and, in particular, affected Rates, Emerging Markets, and Securitized Products.



\*\* AEJ=Asia except Japan



Asia ex-Japan giving a presentation at the forum

### **Wholesale**

In Fixed Income, the overall industry fee pool declined due to uncertain macroeconomic conditions driven by central bank policies and instability in Emerging Markets. Despite these conditions, Nomura Fixed Income remained firm driven by the strength of our client franchise and effective risk management, and delivered revenues at the same level as in FY2012/13. Among regions, Japan led revenue growth while overseas business remained steady amid market headwinds.

In Equities, revenues increased over the previous year, and we expanded our market share. Both Japan and overseas regions delivered growth, with Japan taking the lead in monetizing opportunities from Abenomics. Our client franchise strengthened further, generating nearly 20% higher client revenue over the previous year. We consolidated our execution capabilities with our subsidiary Instinet, offering our clients a seamless execution platform and associated services.

### Looking Forward

In Fixed Income, the persistence of the recent decline in volatility and flattening of the yield curve are likely to further dampen client activity. On the other hand, the ongoing "soft" rotation to equities is expected to continue as economic recovery takes root especially in the developed world. As the new regulatory landscape evolves further, market participants will be faced with challenges as well as new opportunities. With our integrated Global Markets platform, in December 2012 we are well positioned to take advantage of the shift in market dynamics across asset classes, and maximize the return on our resources. As Asia's leading



investment bank, we are rightly placed to leverage cross-border flows between various regions. We remain committed to providing enhanced services to clients and generating higher returns to shareholders, while optimizing costs and financial resources.

### Investment Banking

### Market Environment and Results of FY2013/14

The fiscal year saw a series of initial public offerings (IPOs) globally in a wide range of industries. In the U.S. and other markets, issues of equities and highyield bonds were quite active, and the level of fundraising in capital markets reached a high level. Amid this operating environment, Investment Banking revenues (gross) were ¥184.3 billion. We encouraged cross-divisional and cross-regional collaboration and were successful in providing a diversity of financial solutions.

In fund-raising activities, Nomura acted as bookrunner for major issues by industry-leading companies. Major deals included a global IPO for Suntory Beverage and Food Limited and the global public offerings of Mitsubishi Motors Corporation and Sharp Corporation. Major bond deals included underwriting the U.S. dollar and euro bond issues of SoftBank Corp. and the samurai bond issue of the European Financial Stability Facility. We also expanded our financial solutions business and deals during the year, including interest rate hedges accompanying arrangements for bond issuance and rights issues.

In businesses overseas, we utilized our domestic retail distribution network to act as joint global coordinator and joint bookrunner for the global IPO and sole bookrunner for POWLs (public offerings without listing) of the Belgium Post. We also acted as joint bookrunner of the IPO of major apparel manufacturer Moncler of Italy, and secured the mandate as sole bookrunner for its POWL.

In the M&A advisory business, we played major roles in many deals. These included advising Spanish company Grifols in its acquisition of the blood transfusion inspection division of Novartis International AG, of Switzerland, and working with the Yue Xiu corporate group, of China, in its acquisition of Chong Hing Bank, of Hong Kong.

### Looking Forward

We are working to expand our market share and enhance profitability by offering clients high value added solutions and focusing our resources in businesses such as the following.

### M&A Advisory

We will continue to concentrate on major industrial realignment activities in Japan and overseas and on assisting Japanese companies in entering overseas markets through the promotion of collaboration among regions. We will also continue to provide advisory services as well as related financing and foreign exchange services for cross-border M&A deals including those involving fast-growing Asian companies.

### Global Fund-Raising

We will continue to expand our fund-raising business. The market environment is gradually improving globally, and both financial institutions and corporates are expected to continue to have

### Place Clients at the Heart of Everything We Do

### Sponsoring the Nomura World Environment Conference

In November, Nomura Securities and Nomura Research & Advisory Co., Ltd., jointly sponsored the Nomura World Environment Conference 2013. We offered excellent opportunities for about 200 participants from a broad range of industries to actively exchange views, discover new business ideas, and explore the possibilities for business alliances. This program opened with a keynote speech by Mr. Yuko Yasunaga, planning coordinator of the Electric Power Reform Promotion Office of METI\*. This was followed by presentations by five environmental and energy companies covering such topics as offshore wind power generation systems and bio-fuels. We, as one means of expanding our finance business activities, are considering ways to contribute to the growth of the environmental energy industry through the transmission of accurate information, supporting the start-up of new businesses, and acting as intermediary to encourage collaboration between companies.

\* METI: Ministry of Economy, Trade and Industry

strong funding needs. For global offerings, foreign bond issues, and other fund-raising activities, we will continue to use our global platform to intermediate between issuers and investors.

### Expansion of Solutions, New Products, and Other Businesses

We will continue to meet the diverse financial needs of our clients by offering a range of new services. These will include solutions for clients arranging interest rate hedges in connection with their bond issues; providing tailor-made financing, such as rights issues and a new type of share options subject to the issuer's instruction on exercise; mezzanine finance in collaboration with Nomura ICG K.K.; and other new services.

### Broadening the Business Platform in the Americas

The Americas offer the world's largest fee pool, and a continuing high level of investments and exits by business corporations or PE funds are expected in the region. Nomura aims to expand its business platform in the Americas from a medium- to longterm perspective. Specific strategies will include strengthening our cross-border M&A advisory and leveraged financing services as well as our client base among corporations in the region.



## **Global Research**

The strength of Nomura's global research lies in its detailed, in-depth analyses and forward-looking insights that assist investors in making timely decisions. Our research analysts cover many topics and asset classes, including politics, economics, foreign exchange, interest rates, equities, credit, and quantitative strategies, which are essential for the business we conduct. About 400 professionals in 15 countries and regions around the world conduct Nomura's research, and they collaborate closely across regions and disciplines to track changes and spot trends that may shape the future.

### Leading Global Money Flows

The Nomura's researchers analyze over 40 economies, over 30 currencies, and all of the world's major stock price indexes and government bond markets. The breadth of our research allows us to cover 90% of global economic and financial indicators and enables us to provide value-added information on developments in the ever changing financial markets.

In FY2013/14, we set up a research team for strategic global asset allocation to provide investment strategies that encompass a broad range of asset classes, and Nomura is now even better positioned to influence global money flows.

We launched a full-fledged research initiative in U.S. equities in October 2010 and built teams focused on major sectors such as Finance, Telecommunications, Technology, Consumer goods, Services, Automobiles, and the Internet. Our research professionals now cover approximately 250 stocks in the U.S., 1,100 in Japan and the rest of Asia, and approximately 400 stocks in Europe.

The outcome from macroeconomic and individual stock research is also utilized in giving information to Japanese retail investors who are diversifying their portfolios globally.

### Global Coverage (As of May 2014)



### Award-Winning Research

Nomura's research is highly regarded in the market and was ranked number one in the Institutional Investor All-Japan Equity Research Team survey four years in a row. In addition, Nomura ranked number one in the U.S., number two in Asia, and number three in Europe, according to the Institutional Investor survey for foreign exchange research. We also placed first in the bond analyst and economist ranking, according to a survey conducted by Nikkei Veritas, the leading finance magazine in Japan.

### In-Depth Equity Research and Insights into the Emerging **Asian Markets and Economies**

A cornerstone of Nomura's equity research is its in-depth analysis of core global sectors. We focus on leveraging our Japanese and other Asian insights while looking for opportunities and identifying risks in sectors from a global perspective. For example, our research know-how in Japan and the U.S. provided a foundation for the completion of an in-depth analysis of recent trends within China's fast-growing Internet sector.

We also accurately forecasted the direction of global competition within the Automobile sector, stating in a report that "There is little possibility that price competition led by Japanese automobile manufacturers will occur."

In addition to sector research, we conduct macroeconomic analyses of economic developments over the medium-to-long term. Our early projection of the impact that Abenomics would have on the Japanese Yen is an example of how our research team develops themes that come to influence broad investor behavior. Other examples include "Japan Medium-Term Macroeconomic Outlook 2014," a study of Japan's growth potential, and "China's Property Sector over Investment," a scenario analysis of the structural market oversupply and the implications for economic growth in China. This type of research has attracted considerable attention.

## High-Quality ESG Information in Line with Global Trends

Investment putting thought into ESG (Environmental, Social, and Governance) issues has begun to take root in recent years, especially in Europe. In Japan also, the Ministry of the Environment issued its Principles for Financial Action towards a Sustainable Society in 2011, and in February 2014, the Financial Services Agency published Japan's Stewardship Code, which provides "principles for responsible institutional investors." Along with these ESG-related developments and expansion in ESG investments, we issue reports, make proposals for using ESG information, and provide investment ideas. We have recently published reports documenting the domestic trend and spread of ESG-related investment in Japan and an analysis of the JPX Nikkei 400 Index from an ESG perspective. Going forward, we will continue to offer useful ESG information to investors, including the development of an ESG-related stock index

### Offering a Broad Range of Investment Strategies and Indexes

In our quantitative strategy research, we respond to the needs of our clients for investment strategy proposals and prepare benchmark indexes for pension and other fund managers. "Nomura-BPI" and "Russell/Nomura Japan Equity Indexes," in particular, are widely used by institutional investors as benchmark indexes for domestic bonds and stocks. The quantitative research team also helps clients optimize their portfolios by providing bespoke investment advice and helping to create investible products.

In FY2013/14, Nomura published a series of research reports on topics including, but not limited to, cross-border M&A, shale gas, the tapering of quantitative easing in the U.S., the crisis in the Ukraine, and corporate governance. As interest in organizational sustainability has risen, we have expanded research areas on environmental issues, such as "smart grids," which can link renewable energy sources to the electric power grid.

## Contributing Solutions to Social Issues through Our Business

The Nomura Group, through its products and services, facilitates appropriate flows of funds, and believes its social role as a financial services company is to contribute to economic growth and sustainable development of society. By providing financial services based on the needs of customers and society and through dialogue with its stakeholders, Nomura contributes to the solution of many social issues around the world.

### Nomura Brings Issuers and Investors Together to Finance Activities that Contribute to Society

## Assisting the World's Sustainable Growth

The world today faces many social issues that demand solutions, such as global warming and obtaining sufficient water resources. To help provide these solutions, the Nomura Group acts as a conduit for financial resources by meeting the funding needs of projects that promote solutions to these issues by acting as a channel for funds from investors who want to contribute to society.



### The World Bank Issues "Green Bonds"



Global warming is a factor behind many environmental issues, including rising sea levels around the world, desertification, and abnormal weather conditions. In the developing countries, it is necessary to address global warming and economic development issues at the same time. In May 2014, Nomura acted as underwriter and distributor of the "Green Bonds" issued by the World Bank. The funds invested in these bonds are being lent to a range of projects related to the prevention of global warming. These will include developing renewable energy sources,

increasing the efficiency of energy use, and applying new technologies to agricultural systems. These projects are expected to provide relief to developing countries that are suffering from the effects of global warming.



© The World Bank

**Dealing with Water-Related Issues** Asian Development Bank Issues "Water Bonds"

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The number of people living in the emerging countries who have access to safe water supplies is limited, and solving issues related to water is important. In December 2013, Nomura underwrote an issue of "Water Bonds" for the ADB. The proceeds will be provided to finance many water-related projects in the Asia-Pacific region. These will include improving the efficiency of water usage, the management of water resources, and management of effluents from sewage treatment plants.



**Medical Services** 

Nomura Healthcare Co., Ltd.,

contributes to the revitalization of

communities and the creation of jobs

and to guaranteeing the peace of mind

of communities and the confidence that

regional residents place in their medical

services by offering solutions, including

consulting and finance in the medical

and nursing fields.

Hospitals

Contributing to Regional

**Consulting Services for** 

Medical Services through

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© ADB Photo Library

Nomura Holdings and Nomura Securities were selected as "business promoters" for the "University-Generated Industry Creation Center Project" in April 2013. In this capacity, Nomura Holdings and Nomura Securities are taking initiatives to create new industries based on intellectual assets of universities.

## Supporting Revitalization of Regional Economies for the Future Solutions for Making Japan "Healthy" Again

To revitalize Japan's regional areas, the Nomura Group is drawing on its network and specialized know-how and is undertaking innovative projects in areas that include agriculture and medical services. Nomura identifies projects where funds are needed and supports the growth of industries that will promote sustainable development in the medium-to-long term.



Drawing on the information obtained through Nomura's nationwide network and its financial know-how, Nomura Agri Planning & Advisory Co., Ltd., is supporting the transition toward the development of an agricultural industry in Japan with close ties to regional communities. In December 2013, with the support of the Ministry of Agriculture, Forestry and Fisheries, Nomura sponsored the "Symposium for Promoting Development of the Sixth Sector Industries," and prizes were awarded to examples of superior corporate activities.



Left: Senior Vice Minister of Agriculture, Forestry and Fisheries, Taku Eto, presents the Minister's Prize to Toshivuki Yamada, President of Koto Kvoto Co., Ltd. Right: Presentation by award-winning companies at the symposium

野村イノベーションマーケット

A consulting assignment was received for construction of a new health facility, the Nishi Memorial Port Island Rehabilitation Hospital in Kobe



**Programs** Bonds"

In September 2013, Nomura underwrote an issue of Education Support Bonds for the AfDB. The funds are being used to provide support for various education-related projects in Africa. These include investments in human capital today to build the necessary skills required to support infrastructure investments tomorrow, thereby supporting countries in their move up the global value chain.







Improving Educational

### African Development Bank **Issues "Education Support**



### **Development Assistance** JICA Bonds

In December 2013, Nomura underwrote and distributed an issue of bonds for the Japan International Cooperation Agency (JICA), which is Japan's government agency providing official development assistance. These bonds were issued as part of initiatives to broaden JICA's funding sources and to make JICA's roles and activities-which include improving the infrastructure in emerging and developing countries and providing various development assistance-better known to the general public.



© African Development Bank



Urban railway projec in India (Photograph provided by Shinichi Kuno)

A child receiving a polio accination in Pakistar

### **Collaboration between Industry and Academia**

### Matching Services for Linking Industrial Needs and Academic Ideas



Screen of the "Nomura Innovation Market Web," which is facilitating the matching of corporate needs and



### Support for Disaster **Recovery**

### **Project for Supporting Revitalization in Fukushima**

The Fukushima Branch is providing many kinds of assistance to local governments as well as universities and other interests. The aim of these activities is to promote recovery from the 2011 earthquake disaster and revitalize the regional economy. In FY2013/14, Nomura began to cooperate with Fukushima Prefecture in disseminating related information, and has assisted local governments in preparing economic revitalization plans.



The slogan of Fukushima Prefecture Fukushima" on display in the Fukushima Branch

### **Corporate Governance**

### Approach to Corporate Governance

Nomura Holdings recognizes that the enhancement of corporate governance is one of the most important issues in terms of achieving the management's goal of enhancing corporate value by deepening society's trust in the firm and increasing the satisfaction, beginning with clients, of stakeholders. The basic thinking concerning the governance of Nomura Holdings is as set forth below.

- Nomura Holdings has strengthened the supervisory function by separating management's supervisory and executive functions and has adopted the "Company with Committees" structure, a highly transparent governance structure, which has the following three committees: the nomination, compensation, and audit committees, each made up of a majority of Outside Directors.
- The Board of Directors will have a sufficient number of members/ composition that enables active discussion from diverse perspectives and will supervise effectively. A Director who does not concurrently serve as an Executive Officer will serve as the chairman. and, as a general rule, the majority of the Board of Directors will be Outside Directors meeting the "Independence Criteria for Outside Directors" established by the Company. Business execution decisions will be made flexibly and efficiently by Executive Officers to whom authority has been delegated by the Board of Directors.
- The Nomination Committee will, referencing the opinions of external evaluation institutions and others, strive to assess talented individuals and will decide on candidates for the office of Director based on certain election standards. For the election of candidates for the office of Outside Director, in addition to corporate management experience and expertise in law and accounting, diversity, including nationality and gender, will be considered.
- The Compensation Committee, in deciding the compensation of Directors and Executive Officers, will, on the basis of the general rule of paying compensation commensurate with business performance, seek to enhance objectivity and transparency based on analysis performed by external evaluation institutions and others. Moreover, by utilizing deferred compensation, such as equity-related compensation with a certain exercise limitation period, the interests of the Directors and Executive Officers will be matched with the

interests of shareholders, and long-term incentives will be increased. However, business performance-based bonuses and equity-based compensation will not be provided to Outside Directors.

- The Audit Committee will include at least one member who is a financial expert and transparency will be increased by having an Outside Director serve as chairman. To raise the effectiveness of legality/adequacy audits performed by the Audit Committee, a fulltime Director who does not concurrently serve as an Executive Officer from within the Company, who is well-versed in the affairs of the Company, will be a member of the Audit Committee or an Audit Mission Director, and a full-time support organization will be put in place.
- Regarding the internal control system, it will be developed based on resolutions adopted by the Board of Directors, and the effectiveness/ adequacy of the system will be secured through activities such as audits by the Audit Committee and activities of the Internal Audit Department that is independent from business execution. With a focus on the Internal Controls Committee in which both Audit Committee members and business execution managers participate. Nomura Holdings will strive to strengthen/enhance the internal control system.
- Regarding risk management, high standards are constantly pursued, and the Group Integrated Risk Management Committee has been put in place to heighten management effectiveness and will appropriately submit reports/recommendations to the Board of Directors.
- Regarding matters concerning a company's social responsibility beginning with compliance, the Code of Ethics of Nomura Group has been established as the rules of conduct that all Directors officers and employees of the Nomura Group must comply with, and the Nomura Group will strive to carry out its responsibilities to all stakeholders.

### Measures for Reinforcing Governance

When we adopted a holding company structure and listed on the New York Stock Exchange (NYSE) in 2001, we installed Outside Directors and established an Internal Controls Committee, a Compensation Committee (the majority of the members are Outside Directors), and an Advisory Board of distinguished persons from outside the Company, and further improved our information disclosure system, as part of our commitment to ensure management transparency.

In addition, in 2003, we further strengthened and increased the transparency of our oversight

functions and expedited the Nomura Group's decision-making process by adopting the Committee System, a system in which management oversight and business execution functions are clearly separated.

In 2004, we established the "Code of Ethics of Nomura Group," which specifies matters to be observed by each Director, officer, and employee of the Nomura Group with respect to corporate governance and corporate social responsibility, and are making a thoroughgoing effort in this regard. Moreover, our Code of Ethics is in line with the Universal Declaration of Human Rights and the OECD Guidelines for Multinational Enterprises. For further information on the Code of Ethics of Nomura Group.

Please refer to

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

### **Board of Directors**

In order to achieve effective oversight of business execution functions from multiple perspectives, we place importance on diversity within the Board of Directors. Each Director has a diverse background in terms of nationality, gender, professional experience, etc., and by utilizing their extensive experience in their respective fields, such as business manager, legal/accounting professional, and public servant, the Directors assist with the determination of important managerial matters and oversee business execution.

Additionally, six of the eleven Directors making up our Board of Directors are Outside Directors, and based on supervision with an emphasis on the external perspective, we are aspiring to put in practice management with a high level of

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### Management Structure



transparency. We emphasize the independence of Outside Directors from the Nomura Group, and in order to maintain such independence, we have established the "Independence Criteria for Outside Directors." As none of the Outside Directors fall under the categories for which independence is considered suspect, and since none of the Outside Directors have any conflicts of interests with the shareholders, we have reported that each of the six Outside Directors are independent Directors in our submission to the Tokyo Stock Exchange.

Please see our Annual Securities Report for more information on the Independence Criteria for Outside Directors.

Please refer to 6-k. WEB

http://www.nomuraholdings.com/investor/library/

Board of Directors (As of June 25, 2014)

de Directors	<b>54</b> % (6 of 11)
Japanese Directors	<b>27</b> % (3 of 11)
le Directors	<b>9</b> % (1 of 11)

Three Directors, including two Outside Directors

Determines the details of proposals on the election and dismissal of Directors for submission to a meeting of shareholders in accordance with a set criteria for character, insight, experience, and

Directors concurrently serving as Executive Officers are not members

Three Directors, including two Outside Directors
Audits the execution of duties by the Directors and Executive Officers, prepares audit reports, and determines details of proposals regarding the election, dismissal, and non-reelection of the Independent Auditor for submission to a meeting of shareholders

All committee members satisfy requirements for independent Directors as defined in the Sarbanes-Oxley Act of 2002

Three Directors, including two Outside Directors

 Determines policy with respect to the particulars of compensation for each Director and Executive Officer, as well as the individual compensation
Directors concurrently serving as Executive Officers are not members

### Advisory Board

stablished as a consulting body to the Executive Management Board, with the aim to bring an external perspective to the formation of our management strategy

Deliberates on and determines important matters concerning the integrated risk management of the Nomura Group

Deliberates on and determines matters concerning the establishment and assessment of internal control of the Nomura Group and promoting proper corporate behavior

### **Corporate Governance**

### **Business Execution**

The Board of Directors has broadly delegated decision making authority for business execution functions to the Executive Officers to ensure that they can execute the Company's business with speed and efficiency. Among the matters delegated to the Executive Officers by resolutions adopted by the Board of Directors, the most important matters of business must be deliberated and decided by specific management bodies within the Company, including the Executive Management Board, the Group Integrated Risk Management Committee, and the Internal Controls Committee. These management bodies are required to report to the Board of Directors on the status of their deliberations at least once every three months.

In order to further bolster our business execution framework for financial operations that are becoming increasingly sophisticated and specialized, we utilize a system whereby the Executive Officers delegate a part of their authority for business execution decisions to Senior Managing Directors (SMDs), who focus on individual business line activities.

### Internal Controls

We are committed to strengthening and improving our internal controls system to promote proper corporate behavior throughout the Nomura Group, from the viewpoints of ensuring management transparency and efficiency, complying with laws and regulations, controlling risks, ensuring the reliability of business and financial reports and fostering the timely and appropriate disclosure of information.

Furthermore, in order to ensure effective and adequate internal controls, the Group Internal Audit Department, which is independent from the business execution functions, and other similar audit sections placed in major subsidiaries, conduct internal audits of the Company and its subsidiaries. The implementation status of internal audits is also reported to the Board of Directors and the Audit Committee.

In addition, to strengthen the independence of the internal audit sections from the business execution functions, implementation plans and the formulation of the budget of the Internal Audit Divisions, as well as the election and dismissal of





the Head of the Internal Audit Division require the consent of the Audit Committee. Audit Committee members may recommend changes to the implementation plan, etc., to Executive Officers.

### **Compensation for Directors** and Executive Officers

As Nomura has adopted a committee system for corporate governance, the Compensation Committee has prepared and approved the Compensation Policy of Nomura Group and Compensation Policy for Directors and Officers of Nomura Holdings, Inc.

### Compensation Policy of Nomura Group

To enable us to achieve sustainable growth, realize a long-term increase in shareholder value, deliver added value to our clients, compete in the global market and enhance our reputation, Nomura has developed the Compensation Policy of Nomura Group applicable to regular employees, including senior management. The policy is broadly divided into six key themes.

- 1. Align with Nomura values and strategies
- 2. Reflect firm, division, and individual performance
- 3. Establish appropriate performance measurement with a focus on risk
- 4. Align employee and shareholder interests
- 5. Establish appropriate compensation structures
- 6. Ensure robust governance and control processes

Please refer to our corporate website. http://www.nomuraholdings.com/investor/cg/ compensation.html

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

The compensation of Directors and Executive Officers comprises base salary, an annual bonus, and a long-term incentive plan. The Compensation Committee has approved the following matters related to compensation of Directors and Executive Officers:

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### 1. Base Salary

Base salary is determined based on factors such as professional background, career history, responsibilities, and compensation standards of related business fields. A portion of base salary may be paid in the form of equity-based compensation with a certain non-exercise period to ensure that the interests of Directors and Executive Officers are closely aligned with those of shareholders.

### 2. Annual Bonus

Annual Bonuses of Directors and Executive Officers are determined by taking into account both quantitative and qualitative factors. Quantitative factors include performance of the Group and the division results, while qualitative factors include achievement of individual goals and subjective assessment of individual contributions. Depending on the level of bonus payment, a portion of payment in cash may be deferred. In addition, a portion of deferred bonus may be paid in equitybased compensation with a certain non-exercise period in lieu of cash. Such deferred bonus may be unpaid or forfeited under specific circumstances.

### 3. Long-Term Incentive Plans

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

Please refer to Form 20-F. WEB http://www.nomuraholdings.com/investor/library/

### Directors

(As of June 25, 2014)



Nobuyuki Koga		Chairman of the Board of Directors, Chairman of the Nomination Committee		
Jun. 1995	Joined the Compa Director of the Con Managing Director	npany	Jun. 2003	Director, President & CEO of the Company (concurrently Director and Executive Officer and President of Nomura Securities Co., Ltd.)
Jun. 2000 Director and Deputy President of the Company Oct. 2001 Director and Deputy President of the Company (concurrently Director and Deputy President of	Apr. 2008	Director and Representative Executive Officer of the Company (concurrently Director and Chairman of Nomura Securities Co., Ltd.)		
	Nomura Segurities		Jun. 2008	Director and Chairman of Nomura Securities Co., Ltd.

Nomura Securities Co., Ltd.) Jun. 2011 Director and Chairman of the Company Apr. 2003 Director and President of the Company (concurrently Director and President of Nomura Securities Co., Ltd.)

### Masahiro Sakane Outside Director, Member of the Nomination Committee, Member of the Compensation Committee, Former Representative Director and President of Komatsu Ltd.

Apr. 1963 Joined Komatsu Ltd. Jun. 2001 Representative Director and President of Komatsu Jun. 2003 Representative Director and President & CEO of

Jun. 2007 Representative Director and Chairman of Komatsu

Komatsu I td.

Jun. 2008 Outside Director of the Company (Current) Jun. 2010 Director and Chairman of Komatsu Ltd. Apr. 2013 Director and Councilor of Komatsu I td. Jun. 2013 Councilor of Komatsu I td. (Current)

Securities Co., Ltd.) (Current)

(concurrently Director and Chairman of Nomura

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



### Takao Kusakari Outside Director, Member of the Nomination Committee, Member of the Compensation Committee, Former President of NYK Line

Apr. 1964 Joined Nippon Yusen Kabushiki Kaisha (NYK Line) Aug. 1999 President of NYK Line Apr. 2002 President, Corporate Officer of NYK Line Apr. 2004 Chairman, Corporate Officer of NYK Line

Apr. 2006 Chairman, Chairman Corporate Officer of NYK Line Apr. 2009 Director and Corporate Advisor of NYK Line Jun. 2010 Corporate Advisor of NYK Line (Current) Jun. 2011 Outside Director of the Company (Current)

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



### Tsuguoki Fujinuma Outside Director, Chairman of the Audit Committee, Certified Public Accountant, Former Chairman and President of the Japanese Institute of Certified Public Accountants

- Apr. 1969 Joined Horie Morita Accounting Firm
- Jun. 1970 Joined Arthur & Young Accounting Firm
- Nov. 1974 Registered as a Certified Public Accountant May 1991 Managing Partner of Asahi Shinwa Accounting Firm
- Jun. 1993 Managing Partner of Ota Showa & Co. (Ernst & Young ShinNihon (currently, Ernst & Young
- ShinNihon LLC))
- Jul. 2004 Chairman and President of the Japanese Institute of Certified Public Accountants Jun. 2007 Retired from Ernst & Young ShinNihon Jul. 2007 Advisor of the Japanese Institute of Certified Public

May 2000 President of the International Federation of Accountants

Accountants (Current) Jun. 2008 Outside Director of the Company (Current)

Mr. Fujinuma has held a number of significant positions, including President of the International Federation of Accountants, and his achievements and insights have been evaluated highly both within and outside of the Company. He is well-versed in international accounting systems and applying his high degree of expertise corresponding to a Sarbanes-Oxley Act of 2002 financial expert and extensive experience, Mr. Fujinuma contributes to the Company as an Outside Director.



### Toshinori Kanemoto Outside Director, Member of the Audit Committee, Attorney-at-Law, Of-Counsel, City-Yuwa Partners, Former President of ICPO-INTERPOL

- Apr. 1968 Joined National Police Agency
- Apr. 1992 Kumamoto Prefecture Police Headquarters, Director-General
- Aug. 1995 Director General of the International Affairs Department, National Police Agency
- Oct. 1996 President of ICPO-INTERPOL
- Aug. 2000 President, National Police Academy

### Hiroyuki Suzuki Member of the Audit Committee

- Apr. 1982 Joined the Company Apr. 2005 Senior Managing Director of Nomura Securities Co., Itd.
- Oct. 2008 Senior Managing Director of the Company Dec. 2008 Senior Managing Director of Nomura Securities Co.,
- Ltd.
- Apr. 2009 Senior Corporate Managing Director of Nomura Securities Co., Ltd.
- Jun. 2010 Senior Corporate Managing Director of the Company (concurrently Executive Managing Director and Senior Corporate Managing Director of Nomura Securities Co., Ltd.) Apr. 2011 Senior Corporate Managing Director of the Company (concurrently Executive Vice President of Nomura Securities Co., Ltd.)
- Apr. 2013 Advisor of the Company Jun. 2013 Director of the Company (Current)



### Dame Clara Furse Outside Director, Former Chief Executive of the London Stock Exchange Group

Feb. 1983 Joined Phillips & Drew (curre Jun. 1990 Non-Executive Director of the Financial Futures Exchange

Jun. 1997 Deputy Chairman of LIFFE May 1998 Group Chief Executive of Credit Lyonnais Rouse

Dame Clara Furse has held a number of significant positions, including Chief Executive of the London Stock Exchange Group, and she was also made Dame Commander of the Order of the British Empire. Her achievements and insights have been evaluated highly both within and outside of the Company. Applying her global and extensive experience with respect to financial businesses, Dame Clara Furse contributes to the Company as an Outside Director.

### Michael Lim Choo San Outside Director, Former Executive Chairman of PricewaterhouseCoopers, Singapore

Aug. 1972 Joined Price Waterhouse, Sir Jan. 1992 Managing Partner of Price Wa Oct. 1998 Member of the Singapore Pub Commission (Current)

Jul. 1999 Executive Chairman of Pricew Singapore

Sept. 2002 Chairman of the Land Transport Authority of Singapore (Current)

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

### David Benson

- Feb. 1997 Joined Nomura International Jul. 1999 Head of Risk Management, N plc
- Mar. 2005 Chief Operating Officer ("COC International plc
- Aug. 2007 Resigned from Nomura Intern Nov. 2008 Chief Risk Officer ("CRO"), Senior Managing Directo of the Company

### <Concurrently Serving as Executive Officers>





Securities Co., Ltd. Apr. 2009 Executive Managing Director President of Nomura Securitie Apr. 2011 Co-COO and Deputy Preside Securities Co., Ltd

Ltd.

Co., Ltd.

### Atsushi Yoshikawa Representative Executive Officer, Group COO

- Apr. 1978 Joined the Company Jun. 2000 Director of the Company Oct. 2001 Director of Nomura Securities Jun. 2003 Senior Managing Director of
- I td Apr. 2004 Senior Managing Director of (concurrently Executive Mana Nomura Asset Management (
- Apr. 2005 Senior Managing Director of (concurrently Executive Vice F Asset Management Co., Ltd.)
- Apr. 2006 Executive Vice President of N Management Co., Ltd.
- Apr. 2008 Director and President of Non Management Co., Ltd.
- Oct. 2008 Executive Managing Director of the Company (concurrently Director, President & CEO of Nomura Asset Management Co., Ltd.)





- Jan. 2007 Registered as Attorney-at-Law (Dai-ichi Tokyo Bar Association)
- Feb. 2007 Of-Counsel, City-Yuwa Partners (Current) Jun. 2011 Outside Director of the Company (Current)

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

ently UBS) e London International	Jan. 2001	Chief Executive of the London Stock Exchange Group
("LIFFE")	Jun. 2010	Outside Director of the Company (Current)
	Apr. 2013	External Member of the Bank of England's Financial
adit Lucanacia Deuse		Policy Committee (Current)

ingapore	Jun. 2011	Outside Director of the Company (Current)
laterhouse, Singapore	Nov. 2011	Chairman of the Accounting Standards Council,
ublic Service		Singapore (Current)
	Apr. 2013	Chairman of the Singapore Accountancy
waterhouseCoopers,		Commission (Current)

plc Nomura International	Jan. 2011	Senior Managing Director of the Company, Vice Chairman, Risk and Regulatory Affairs
O") of Nomura	Apr. 2011	Vice Chairman of the Company (Senior Managing Director)
	Jun. 2011	Director of the Company (Current)
national plc Senior Managing Director		

### Representative Executive Officer, Group CEO

es Co., Ltd. Nomura Securities Co.,	Apr. 2012	Senior Managing Director of the Company (concurrently Director and President of Nomura Securities Co., Ltd.)
	Aug. 2012	Representative Executive Officer & Group CEO of
r of Nomura Securities		the Company (concurrently Director and President of Nomura Securities Co., Ltd.)
Director of Nomura	Jun. 2013	Director, Representative Executive Officer & Group CEO of the Company (concurrently Director and
r and Executive Vice ies Co., Ltd.		President of Nomura Securities Co., Ltd.)(Current)
ent of Nomura		

es Co., Ltd.	Jun. 2011	Executive Vice President of the Company (concurrently CEO and President of Nomura Holding America Inc.)
Nomura Securities Co.,	Aug. 2012	Representative Executive Officer & Group COO of the Company (concurrently Chairman of Nomura Holding America Inc.)
laging Director of Co., Ltd.)	Jun. 2013	Director, Representative Executive Officer & Group COO of the Company (concurrently Chairman of Nomura Holding America Inc.)
I.) Nomura Asset	Apr. 2014	Director, Representative Executive Officer & Group COO of the Company (concurrently Director and Representative Executive Officer of Nomura Securities Co., Ltd., Chairman of Nomura Holding
omura Asset		America Inc.) (Current)
a falle a O a serie a serie		

## Interview with Masahiro Sakane, Outside Director

## Raising corporate value by working together as a group to place clients at the heart of everything the firm does

Build out the international franchise with a distinct business model

### Q1 What is most important for increasing Nomura's corporate value?

Komatsu Ltd., where I spent most of my career, defines corporate value as the sum total of the trust placed in the company by society and customers, first, and then shareholders, business partners, and employees. Customers are the most-important factor to increase corporate value as their trust translates directly into sales and profit, which is distributed to other stakeholders.

When Koji Nagai became CEO of Nomura, he adopted a philosophy of placing clients at the heart of everything the firm does, emphasizing the importance of clients. To further increase the Company's corporate value, Nomura must put more emphasis on society as a major stakeholder group. As a financial services company, Nomura must recognize the importance of its role in society and demonstrate to clients the high value added offered by its products and services. Nomura's corporate value will rise as it responds to change and gains the trust of society and clients.

### Q2 What does Nomura need to do to be Asia's global investment bank?

In Komatsu's case, the percentage of its business in emerging markets increased from the early stages. The company's business model calls for it to be the runaway leader in the industry. If you are the industry leader, all you need to succeed is employee motivation and teamwork. Teamwork is essential and is an area where Japan excels. So, for Nomura to succeed, it must have a leading business model,

continually improve its strengths, and maintain an advantage in the workplace.

Internationally, Nomura is growing stronger, and it must now focus on further developing its international strategy.

In Asia, Nomura should be able to leverage the traditional Japanese strengths found in its Retail business, such as attention to detail, teamwork, and focus on face-to-face client relations to deliver results. Nomura has made steady progress in developing its operations in Asia, alongside other Japanese companies, and offering financial services that respond to their needs.

As financial markets continue to evolve in Asia, Nomura's business model will come under increasing scrutiny. That is why we have discussed this issue extensively in board meetings. By tying up with local financial institutions and offering services based on local needs, Nomura will need to create a business model suited to the local markets.

### Q3 What is your view of Nomura over the six years since you became an Outside Director in 2008, and what are some of the specific events that have stood out during that time?

In the six years since I became an Outside Director, the objectives of Nomura's strategy have remained clear, which has created a sense of unity internally.

One event that stands out for me was the integration of Lehman Brothers. Opportunities for Nomura's globalization were emerging, and we had to make decisions involving risk. Although

### **Outside Director** Masahiro Sakane

Born in Shimane Prefecture in 1941, Mr. Sakane graduated from the faculty of engineering at Osaka City University in 1963 and joined Komatsu Ltd. in the same year. He became a member of the Komatsu Board of Directors in 1989. In 1991, he was appointed COO of Komatsu Dresser Company (currently, Komatsu America Corp.), and in 2001 he became President of Komatsu Ltd. After subsequently serving as the Chairman of the Board, he became Councilor of Komatsu Ltd. in April 2013. He has been Outside Director of Nomura Holdings since 2008 and is a member of the Nomination and Compensation com

conditions at the time were challenging, some very talented professionals joined Nomura through the integration. The decision to strengthen Nomura's overseas operations was the right one. The lessons from this experience will be useful in the future.

In my experience, managers who are not exposed to external views and opinions tend to become overconfident. So, it is essential to bring an outside view to board meetings. Despite this, many people are reluctant to speak out. But, as an Outside Director of Nomura, I don't hesitate to speak my mind.

For example, I expressed strong views on dealing with bad news. You can't avoid bad news when managing a large company. In today's world, the economy and accepted social norms are constantly changing. Many things that were not viewed as problems previously have become compliance issues today. It is important to report bad news to management as quickly as possible, ensure that management understands it, and then disclose it without trying to suppress it. This will help the company maintain trust.



### Q4 How can companies contribute to the development of society?

It is better for companies to contribute to society through their core businesses or by leveraging their expertise. Komatsu focuses on contributing to agriculture and forestry to revitalize primary industries in its home prefecture of Ishikawa.

Nomura has been offering financial education to students in primary school, junior high school, and universities for some time now. This is close to Nomura's core business and brings specific benefits for society. Nomura has also provided consulting and other services to help advance the "Sixth Sector" development model in Japan, which uses financing arrangements and integrates primary industries, such as agriculture with the manufacturing and service sectors to maximize value. I would like to see Nomura continue to contribute to society in this way.

### **Executive Management Structure**

(As of July 1, 2014)

	Group CEO	Koji Nagai
	President and Group COO	Atsushi Yoshikawa
Retail	Retail CEO	Toshio Morita
Wealth Management	Head of Wealth Management	Juntaro Kimura
Asset Management	Asset Management CEO	Kunio Watanabe
Wholesale	Wholesale CEO	Tetsu Ozaki
	Head of Global Markets	Steven Ashley
Global Markets	Co-Head of Global Markets	Naoki Matsuba
Investment Banking	Head of Investment Banking	Kentaro Okuda
American	Regional CEO, Americas	David Findlay
Americas	Regional Co-CEO, Americas	Toshiya Hasegawa
	Regional CEO, EMEA	Jeremy Bennett
EMEA	Regional Co-CEO, EMEA	Yasuo Kashiwagi
AEJ	Regional CEO, Asia ex-Japan	Minoru Shinohara
Banking	Banking (Concurrently Director and President of Nomura Trust & Banking)	Chie Shimpo (Toriumi)
	Chief of Staff	Shoichi Nagamatsu
	Chief Financial Officer	Shigesuke Kashiwagi
	Deputy Chief of Staff & Chief Legal Officer (CLO)	Noriaki Nagai
	Chief Risk Officer (CRO)	Lewis O'Donald
	Deputy CRO	Yuji Nakata
	Global Head of Human Resources	Kenji Kimura
	Head of Group Compliance and Wholesale Compliance Head	Hisato Miyashita
Corporate	Group Strategy & Executive Office	Yo Akatsuka
	Group CAO (Wholesale IT, Global Operations, Facility Management)	Paul Spanswick
	CIO	Masahide Nakamura
	Co-CIO	Naohiro Sako
	Chairman of AEJ and Wealth Management, Asia	Hiromasa Yamazaki
	Asia Strategy (China) (Concurrently President of Nomura Institute of Capital Markets Research)	Toshihiro Iwasaki
	Asia Strategy (China)	Noriaki Miyano
Internal Audit	Group Internal Audit	Junko Nakagawa

## Compliance

### **Fundamental Approach**

Compliance is a top management priority for the Nomura Group, and the Nomura Group Code of Ethics represents our fundamental policy on compliance. Once each year, the management and employees of the Group pledge to abide by the rules stated in this code. Also, Nomura Securities conducts an ethics training course once a year for management and employees. This course is intended to give all employees a substantially heightened understanding of workplace ethics through the exchange of views by employees and other means. Our management and employees always set their challenges related to professional ethics and compliance as part of the issues they plan to address determined at the outset of each fiscal year. If problems are found, the assessor provides proper guidance and reflects evaluation results in their pay scale.

### **Compliance Framework**

### **Compliance Framework**



We work to eliminate behavior that could result in legal or regulatory violations. Should such suspicions arise, corporate structures and systems have been put into place to effectively handle them, including the prompt delivery of all related information without exception to management.

Specifically, we have appointed a Group Compliance Head to oversee compliance for the Group as a whole along with a Group Compliance Department that provides support. A Wholesale Compliance Head has also been designated to strengthen our internal controls in response to global business expansion.

Compliance Officers who report on compliancerelated issues under the direction of the Head of Group Compliance are also assigned to each Group company, including overseas offices, to develop and maintain their respective compliance structures.



### Compliance

### Nomura Securities' Compliance Structure

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

A Compliance Committee chaired by the President oversees company-wide initiatives and is in charge of establishing and deliberating on important issues related to internal controls. In addition, the Company has assigned an Internal Administration Supervisor to monitor compliance issues and set up the Compliance Division.

The Compliance Division strengthens and improves legal and regulatory compliance as well as the internal controls system by formulating internal rules and disseminating them throughout the Company. It also monitors the status of compliance with respect to these rules in each department and branch office. Should any problems arise, the division takes remedial action, such as increasing awareness of the rules or revising them as needed.

### Nomura Securities' Primary Initiatives

- Protocols for preventing money laundering, including the identification and reporting of suspicious transactions
- Protocols for eliminating all transactions associated with criminal or unethical organizations or activities in violation of applicable laws, such as not allowing organized crime groups to participate in trading with Nomura Securities
- Managing conflicts of interest and insider information from a global perspective by concentrating information in the Group Compliance Department of Nomura Holdings

### Compliance Hotline

Employees in Japan who have become aware of potential legal or regulatory violations are able to report their concerns to persons designated by Nomura Holdings, including Outside Directors and outside legal counsel, through the Compliance Hotline (persons reporting have the option of remaining anonymous).

### Compliance Training

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

### Nomura Securities' Primary Initiatives

- Training for sales officers, internal controls officers, and employees of internal controls departments, as well as quality improvement training for securities sales representatives
- Training for branch managers, general administration managers, new employees, newly appointed personnel, and others, aimed at increasing knowledge and deepening the understanding of compliance
- Supplementary compliance education and drills during various training sessions and meetings
- Training for Compliance Officers
- Monthly Compliance Hour\* at branch offices and departments

\* To ensure that each and every employee throughout the Company understands the need for full compliance, training sessions are held once a month in the branches and offices of Nomura Securities.

### Enhancing the Quality of Financial Products and Services

Nomura Securities seeks to enhance the quality of financial products and services offered to customers under the Guidelines for Financial Instruments Business Supervision. Some of its initiatives include rigorous screening of account openings and securities underwriting practices as well as the provision of accurate and easy-tounderstand information. Nomura Securities' Primary Initiatives

- Appointing officers to oversee internal controls, compliance, etc., and developing systems to ensure compliance and the appropriateness of operations
- Thoroughly screening account openings and conducting proper examinations when underwriting securities
- Carefully reviewing product details and taking action to provide accurate and comprehensive information
- Conducting sales and solicitation activities in compliance with the Financial Instruments and Exchange Act and laws and regulations governing each operation with an overall understanding of the customer's knowledge of financial instruments and financial status
- Structure systems that establish guidelines for sales to senior customers and require compliance with these guidelines
- Ensuring thorough compliance with laws, regulations, and internal rules through compliance training

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### **Building Trust**

Following the series of insider trading incidents related to public offerings, Nomura Securities prepared and issued a series of business improvement measures to address these incidents on June 29, 2012, and these have now been fully implemented. Under these preventive measures, the personnel system and performance appraisals scheme now emphasize "Business Ethics/Compliance" as an important assessment criterion that ranks as more important than "Achievements and Results" and "Potential." Results of these qualitative assessments are reflected in the year-end assessments and compensation (bonus).

By thoroughly implementing the improvement measures and functioning effectively, we are working to prevent such incidents from occurring again and are striving to regain the public's trust. Looking ahead, to ensure that our efforts are maintained and sustained, each and every Executive Officer and employee must have the high level of business ethics that is demanded of professionals in the financial services industry. By working to prevent the occurrence of issues related to improper behavior in transmitting information to clients and recommending transactions, we are taking steps that will reinforce and improve our internal control systems.

### **Fair Business Practices**

The Nomura Group works to ensure fair business practices that are fully complied with by all management and employees as regards the prohibition of transactions with anti-social forces and also in reference to guidelines related to gifts to and entertainment of public officials and privatesector groups. These guidelines reply both to instances of responses where Nomura personnel are the recipients and to cases where they are the providers of such benefits.

### Information Security

The Nomura Group Information Security Policy is the basic document governing the effective protection of clients' personal information and other information assets of the Group.

Customer-related personal information is handled under stringent standards set out in the Nomura Group Privacy Policy and other information securityrelated rules, and in full compliance with personal information-related laws and regulations.

Please refer to Nomura Group Privacy Policy. WEB http://www.nomuraholdings.com/policy/privacy.

### **Risk Management**

### Fundamental Approach

The business activities of the Nomura Group are exposed to various risks such as market risk,\*1 credit risk,\*<sup>2</sup> operational risk,\*<sup>3</sup> model risk,\*<sup>4</sup> and other risks caused by external factors. We have established a risk management framework to provide comprehensive controls, monitoring and reporting of these risks in order to maintain financial soundness and the Company's corporate values.

### **Risk Management Systems**

The fundamental policy of the Nomura Group is to control risks arising in the course of business operations within the limits of its risk appetite (according to criteria based on the Group's business strategy, business targets, and financial position). In accordance with this policy, the Executive Management Board has delegated to the Group Integrated Risk Management Committee\*5 the responsibility of deliberating and determining important matters pertaining to integrated risk management.

The Chief Risk Officer (CRO) is responsible for maintaining the effectiveness of the risk management framework. Under the CRO, the risk management departments, which are independent from the business lines, work together globally to build Group-wide risk management frameworks and comprehensively manage risk through the use of stress testing and other methods.

In addition, to respond to higher-level financial regulations under Basel III, the Nomura Group has

### **Risk Management Structure**



applied its own internal model for measuring general market risk, specific risk, incremental risk, and comprehensive risk with the aim of more accurately calculating increasingly complex and diverse risks. To measure the amounts corresponding to credit risks in counterparty transactions, the Group applies the expected exposure method.

Moreover, to increase the effectiveness of internal controls, including the risk management systems, the Internal Audit Department, which is independent from business lines, conducts audits and makes assessments and then makes recommendations and proposals.

### Please refer to Form 20-F WEB

### http://www.nomuraholdings.com/investor/library/ar/

- \*1 Market risk: Risk of losses arising from fluctuations in values of financial assets and debts (including off-balance sheet items) due to fluctuations in market risk factors (interest rates, foreign exchange rates, prices of securities and others)
- \*2 Credit risk: Risk of losses arising from the decrease of asset values (including off-balance sheet items) due to deterioration in creditworthiness or default of an obligor or counterparty
- \*3 Operational risk: Risk of losses arising from inadequate or failed internal processes, people, and systems or from external events
- \*4 Model risk: Risk of losses arising from errors in the model or from illicit or inappropriate use of the model
- \*5 The Group Integrated Risk Management Committee is chaired by the Group CEO and comprised of the Group COO, business division CEOs, the Chief Risk Officer, the Chief Financial Officer, the Chief Legal Officer, the Deputy CRO, and other members appointed by the chairman

### Social and Environmental **Risk Management**

We believe that considering the social and environmental risks that may arise from various transactions is key to managing our reputational risk. As such, in executing our business operations we focus on these risks in the same way we are careful about legal compliance.

For example, for equity underwriting businesses, we review and confirm the issuer's awareness of any associated potential risks to society and the environment and that the issuer has taken appropriate steps to address such risks, including the disclosure of information about those risks.

### Assessment process



Impact on the environment and society, as well as financial condition, operating results, and other aspects, are included in the overall guidelines applied by relevant departments during the assessment process as vital items that must be confirmed when taking on underwriting deals.

### Crisis Management

The Nomura Group has established the Crisis Management Committee, comprised of crisis management officers of each Group company worldwide, to address any crisis that may occur. Chaired by an Executive Officer nominated by the Group CEO, this committee has established a system for managing crises and ensuring business continuity in the event of an emergency.

Under the crisis management system, the Crisis Management Committee reports to the Board of Directors regarding matters related to crisis management. In addition, this committee's secretariat regularly conducts employee safety verification drills, disaster prevention drills, and business continuity drills, in order to be fully prepared to check the status of all Nomura employees during

an emergency. As part of these efforts, the secretariat is also tasked with fostering greater awareness of crisis management as well as maintaining and strengthening our ability to respond to emergencies. This system and these measures are stipulated in the Nomura Group Crisis Management Policy. This policy covers a wide range of risks facing the Company, including natural disasters, fires, serious crimes committed against the

Company or its Executive Officers and employees,

system interruptions, transmittable diseases, and the leakage of information assets. We have delegated significant authority to crisis management officers to ensure they can promptly make decisions on-site should a crisis occur. The above policy dictates that crisis management officers be able to take the most appropriate actions necessary to ensure people's safety and minimize the spread of damage.

### Strengthening Our Response to Disasters

The Nomura Group has revised the risk scenarios it uses based on the lessons learned from the Great

• Bolstered the system to collect and share information with overseas branch offices

• Performed drills in accordance with the business continuity plan (BCP)

systems

### Security Measures for Online Services

In order to accommodate the diverse needs of its clients, the Nomura Group provides a wide range of its services over the Internet. These services use the latest, most advanced encryption technologies to ensure that important client information is always safeguarded. Furthermore, we have strengthened surveillance of our in-house systems and implemented new security systems in order to prevent illegal access from external parties or information leakages caused by cyberattacks, which have become increasingly threatening in recent years.

East Japan Earthquake in order to be fully prepared for other natural disasters, such as a major earthquake that may strike directly below the Tokyo area or in the Nankai Trough off the coast of Nagoya. We are also strengthening our organizational disaster preparedness measures on a global basis. In FY2012/13, we focused efforts on the following initiatives.

### 1. Increased supply stockpiles

• Maintenance of supplies of water, food, and other items at the head office and branch offices

• Provided additional supplies to branch offices located in areas likely to be damaged by a tsunami following the Nankai Trough Earthquake that experts think may occur

### 2. Strengthened collaboration between Group companies in Japan and overseas

• Enhanced information sharing with domestic Group companies

### 3. Conducted training drills

• Conducted drill based on the scenario of an earthquake striking directly beneath Tokyo

• Performed drills to verify the safety of employees

### 4. Increased awareness of crisis management among management and staff

• Implemented training for countermeasures for the Nankai Trough Earthquake

• Implemented training for initial measures to be taken in the event of the occurrence of a large-scale earthquake directly beneath the Tokyo metropolitan area.

### 5. Business continuity plan

 Analyzed degree of impacts on business operations • Revised BCP in conjunction with changes in core

## **CSR Management**

### Fundamental Approach

The Nomura Group believes that corporate social responsibility (CSR) is an important factor influencing corporate value and that CSR can become a source of both opportunities and risks. We recognize that appropriate CSR management can contribute to the creation of corporate value in the medium-to-long term, and we are taking steps to incorporate it into our management decision making, business processes, and community affairs.

In March 2010, we formulated "For Future Generations" as our key focus area to be shared among all of our Executive Officers and employees. The core role of any financial institution, and Nomura, in particular, as a capital market player, is to contribute to economic growth and the sustainable development of the economy and society by promoting sound capital markets through its products and services. As we look to the development of society into the future, we are working to play this role through our business activities and our initiatives that contribute to society.

Please refer to "For Future Generations," our corporate citizenship. WEB http://www.nomuraholdings.com/csr/group/

### Citizenship

To build relationships of trust with local communities, society, and stakeholders as good corporate citizens and to contribute to developing a sustainable society for future generations

### **CSR Framework**

The CSR Committee is the management-level decision-making entity for the corporate social responsibility program. Chaired by the Group CEO, the committee comprises six Executive Officers, and its roles include formulating policies for Nomura Group CSR initiatives as well as approving, reporting, and monitoring progress of these activities. Reports are made to the Board of Directors on the activities of the CSR Committee. The Corporate Citizenship Department serves as its secretariat, and, based on dialogue with stakeholders, after careful fact finding and consideration regarding the interests and expectations of society, it presents proposals regarding Group activities to the CSR Committee. The Corporate Citizenship Department also works closely with regional offices globally to ensure that business divisions maintain a consistent and proactive approach to their community affairs activities in line with their operations as well as the needs of the local community. In these activities, the Corporate Citizenship Department collaborates with Group offices in Japan, the rest of AEJ, EMEA, the Americas, and elsewhere and promotes a comprehensive range of activities. During FY2013/14, the CSR Committee held two meetings.

### **CSR** Framework



### Business for Sustainability

To provide innovation through our products based on market mechanisms to deliver long-term solutions for the changing needs of clients and society

### **Communication with Stakeholders**

The Nomura Group works to understand the expectations and needs of society, and, to reflect these in its business activities and make further improvement, emphasizes communication with stakeholders inside and outside the Group.

Internally, we strive to raise awareness and educate our employees on corporate social responsibilities through messages and information provided by senior management through our intranet system.

Externally, in addition to disseminating information via reports, our website, and other media, we also undertake stakeholder dialogue through interactive communication via social media, such as Nomura Securities' Twitter account and Facebook pages.

Also, to communicate with external stakeholders directly, we participate in initiatives of various organizations in Japan and overseas with the aim of contributing to society and the environment.

Through this dialogue with stakeholders, we review, as necessary, the activities that we should be undertaking and information we should be disseminating related to the economy, the environment, and society (human rights, labor issues). Similarly, for material issues, as specified by the CSR Committee, we conduct annual reviews based on dialogue with stakeholders.

Please refer to Stakeholder Dialogue. WEB http://www.nomuraholdings.com/csr/dialogue/

### Examples of Dialogues with Stakeholders

Themes	External Groups	Outline of dialogues
Human rights	Caux Round Table-Japan Human rights due diligence workshop	Discussions with human rights related NGOs of human rights issues that corporations should be aware of
ESG	Principles for Financial Action for the 21st Century	Participation in working groups related to asset management, securities, and investment banking
ESG	Banking Environmental Initiative	Participation in green energy working groups
ESG	CSR Asia	Conducted exchanges of opinions regarding ESG issues within the Asian region

### **Responsible Business**

To build value for clients through responsible business practices that respond to client needs

### Material CSR Issues

Material Issues*	Goals	Progress in FY2013/14
Responsible Busi	ness	
Corporate Governance	We are working to strengthen and improve systems aimed at promoting Group management that is transparent and responsive.	P32-35
Compliance	We position compliance as a top management priority for the Nomura Group, and the Nomura Group Code of Ethics represents our fundamental policy on compliance.	P41-43
Risk Management	To provide comprehensive controls, monitoring and reporting of various risks, such as market and credit risks, in order to maintain financial soundness and the Company's corporate values	P44-45
CSR Management	We recognize CSR as an important factor influencing corporate value and incorporate it into our management decision making, business processes, and community affairs.	P46-47
Client	With the basic focus of "placing clients at the heart of everything we do," we are working to provide high value added products and services to our customers.	P12-13 P14-29
Business for Sust	ainability	
Business Activities	Worked to enhance the professionalism of all divisions and promote as well as expand business, while also maximizing the sum total of business for the Group as a whole through strengthening teamwork among regions and departments	P12-13 P14-31
Citizenship		
Diversity & Inclusion	To respond to increasingly diverse and complex client needs and offer high value added services, we are promoting diversity and inclusion based on a high-level awareness of our work content.	P48-50
Community Investment	Under the motto "For Future Generations," we contribute to the sustainable development of society through business activities and take initiatives with the participation of employees.	P51-53
Environmental Footprint	Based on our Environmental Philosophy and our Environmental Policy, which are founded on the Nomura Group Code of Ethics and Our Approach to Environmental Issues, we work to reduce the impact of our activities on the environment through the Group, as a whole.	P54-55

\* Items considered and approved by the CSR Committee in 2008

## **Our People**

### **Fundamental Approach**

Today, the Nomura Group's workforce includes employees of more than 70 different nationalities. This diverse group of personnel is our most important asset, and, as such, we strive to offer equal opportunities to all personnel to enable each and every one of them to develop their capabilities and strengths as individuals to the fullest and perform as Nomura professionals. Nomura's Code of Ethics strictly forbids discrimination on the basis of nationality, ethnic origins, race, gender, age, religion, beliefs, social status, sexual orientation, gender identity disorders, or physical disabilities.

### **Personnel Development**

The Retail Division encourages the personal growth of its employees through various educational programs that develop capabilities for independent thinking, acting, and delivering results. Group training for the first three years of employment, training at given career milestones (new hires, appointment, and promotion), and training for managerial-level personnel provide the specific knowledge and skills required while also reinforcing personal qualities and strengthening compliance awareness.

The Wholesale Division offers training to personnel to meet the standards needed to enable them to become leaders in the Group's global operations and to satisfy the needs of the division. Training aims to develop especially capabilities for taking action, developing creative solutions, and mastering communication skills. Specifically, training programs offer a selection of courses aimed at developing individual abilities and leadership as well as mentoring programs that are offered selectively to develop the next generation of leaders.

Furthermore, we have Company-wide training programs aimed at raising the awareness of workplace ethics, programs to support employees in obtaining licenses or other certifications, and similar support for training that will assist personnel in attaining their career objectives. We are also helping to build internal networks by enabling employees from different divisions and geographic regions to take part in the same training programs.

### **Diversity and Inclusion at Nomura**

Our aim for Diversity and Inclusion\* at Nomura is simpleit is essential that we encourage various points of view and ways of thinking among our people to win the trust of increasingly diverse and complex needs of clients and to offer highly value added services to them.

Nomura is committed to fostering an inclusive work environment through our employee networks that transmit information as well as plan events related to women's career work/life management and understanding other diverse cultures.

\* At Nomura, "Diversity and Inclusion" means "drawing on diverse ways of thinking and points of view to increase our competitiveness.



the International Women's Day event sponsored by the "Women in Nomura," or WIN, network at the Hong Kong Office

### Place Clients at the Heart of Everything We Do

### First Female Bank Head for Japan Ms. Chie Shimpo appointed President of the Nomura Trust & Banking

The Nomura Trust and Banking offers both banking services, including deposits and loans, to clients of Nomura Securities and also trust services. The Nomura Trust and Banking is, in fact, uniquely positioned as a trust bank within the investment banking group. Looking ahead, we are committed to further strengthening synergies with other Group companies so as to respond even more effectively to the requirements of clients.

The Nomura Group is committed to diversity and believes that an inclusive and welcoming working environment, regardless of gender, national origin, or other characteristics, directly contributes to greater creativity and collaboration. As the foundation of its robust esprit de corps and competitiveness, The Nomura Trust and Banking will rededicate itself to diversity in the full meaning of the word, thereby contributing to the optimization of the corporate value of Nomura Holdings and to the vibrancy of Japan's economy and society.



Chie Shimpo (Toriumi President & CEO The Nomura Trust and Banking Co. I td

### Supporting Women through Their Career

Nomura offers opportunities for a wide range of activities to female employees. By carrying out various policies, Nomura also assists female employees in building their careers and is promoting their advancement to managerial positions.

Nomura's initiatives have been favorably recognized, and in March 2014, Nomura was selected by the Tokyo Stock Exchange and the Ministry of Economy, Trade and Industry as one among 26 companies whose stocks are classified as "Nadeshiko Brand.\*1"

In July 2013, the Keidanren (Japan Business Federation) established a subcommittee on Gender Diversity (currently planning subcommittee of the Committee on Gender Diversity) to accelerate efforts to promote the active utilization of women's skills in Japanese enterprises. Junko Nakagawa, an Executive Officer of the Nomura Group, chaired the subcommittee and summarized an "Action Plan for Women's Activities: Enhancing Corporate Competitiveness and Achieving Sustainable Economic Growth.\*2"

In line with this Action Plan, the Nomura Group has posted its autonomous action plan for appointing women to Board-level and managerial positions on the Keidanren website.\*3

\*1 Nadeshiko Brand, or Nadeshiko stocks, are selected by the Tokyo Stock Exchange and the Ministry of Economy, Trade and Industry because the companies issuing these stocks are widely recognized as "promoting the careers of women" and "supporting women in achieving a good work and household life balance." The objective of this selection is to give recognition to companies that are proactively promoting the activities of female employees with the aims of contributing to revitalization of the Japanese economy in ways that include improving the working environment for

women \*2 https://www.keidanren.or.ip/en/policy/2014/029.html

\*3 https://www.keidanren.or.jp/policy/woman/ap12461.html

### **Employee-Friendly Work Environments**

We support working conditions that allow each employee to fully concentrate on his or her work in a healthy condition, with both good physical and mental health. We have shifted our emphasis to early discovery and intervention. Our occupational health physicians periodically visit our worksites for health monitoring and conduct faceto-face interviews with supervising managers. Improvement measures are being introduced to departments where many employees work long hours, and employees who work such extended hours are recommended to consult with and receive the guidance of physicians.

### Mental Healthcare

To safeguard the mental health of employees, we provide access to psychiatrists and an employee counseling room staffed by a dedicated professional. We also offer consultation services provided by medical staff at our Health Management Center. Furthermore, we are committed to helping employees who have overcome mental illnesses return to the workplace.

employees.

Reducing Long Working Hours and Providing for Flexibility in Work Styles Management and labor are monitoring hours that employees work to reduce excessively long hours and, thereby, maintain the physical and mental health of employees and enable them to conduct work efficiently.

### Initiatives in FY2013/14

We have developed a range of tools to realize employee-friendly work environments:

1. To deepen understanding of employees who conduct their work in diverse ways and provide support throughout the workplace, we distribute a program entitled "Caring for Mental Health during Pregnancy: What Everyone Can Do to Assist."

2. To provide for the better monitoring of the health of employees who work long hours, in addition to the annual health checkup for all employees, additional medical examinations are conducted prior to consulting with physicians.

### Listening and Heeding the Voices of Employees

The Nomura Group implements employee satisfaction surveys, and the results are used to make improvements in the workplace as well as create employee-friendly work environments, including improving employee satisfaction.

### Safety and Health Initiatives

Based on the Industrial Safety and Health Act, the Nomura Group has formed a Health Committee, which meets once a month and comprises persons in overall charge of safety and health matters, officers responsible for health and safety, occupational health physicians, and

This committee discusses issues related to the workplace environment and health and gives its attention to preventing all employees, including temporary and contract workers, from injuring their health. In addition, when the committee considers it necessary to make improvements, its role is to make suggestions to Group companies.

### Relationships with Labor Unions

More than half of the employees of Nomura Securities are members of the Nomura Securities Employees Union, and Nomura has standing labor agreements with the union. To maintain sound and healthy relationships between labor and management, discussions are conducted with the union on a wide range of topics, including not only changes in various systems, such as employee welfare benefits and personnel management, but also on day-today issues, including respect for employee rights and management issues.

### **Realizing Work Practices** that Allow for Flexibility and Diversity

### **Our People**

Specific initiatives include not only abiding by the provisions of the Japanese Labor Standards Act but also setting the joint management and labor objectives of having employees leave work at the set time on Wednesday and no later than 8 pm on other weekdays. Also, in some departments, since the nature of the work may require working into the night hours and on holidays, Nomura is working to optimize total hours worked by giving consideration to the actual conditions in each department and having managerial staff exercise flexibility regarding hours worked, including such measures as adopting a work shift system and encouraging employees to use their allotted vacation days.

Moreover, Nomura provides for flexibility in work styles to provide employees with work security for the long term. In specific terms, Nomura has endeavored to provide improved arrangements that allow employees to take halfday paid vacation time, takes leaves for childbirth and rearing children, and time off for providing nursing care for seniors and others. In fact, all of the benefits provided by Nomura are above the legally requirement minimum. These include leave for giving birth to children and aftercare, leave time for rearing children, time off when a dependent gives birth to children, time off for child rearing, time for nursing sick children, supplements for child day care center expenses, and time off as well as leaves for nursing family members back to health.

### Employment Reinstatement System

Beginning in 2006, the Nomura Group introduced a re-employment system for personnel who have passed the regular retirement age of 60 or the age limit in their employment contracts. Nomura reinstates all senior staff members who express a desire to continue working and concludes contracts with them that can be renewed annually up to age 65. Nomura Securities expects that these arrangements will provide support for the quality of life of senior employees after regular retirement and enable them to make contributions based on their skills and experience. As these comments suggest, Nomura considers the abilities, aptitudes, and record of accomplishments of employees and then offers work and terms of employment that are suited to each individual. Nomura has also designed systems that provide flexible options for working that make possible a diversity of work styles and lifestyles after regular retirement. Please note that the organizational unit in Nomura Securities in charge of planning, formulating, and implementing the re-employment system is the Work Life Support Section of the Personnel Planning Department. This section responds to the needs of individual employees approaching retirement and voluntary re-employment as well as their social welfare, life planning, and other needs. Going forward, further improvements will be made in related systems to provide for smooth operation.

### **Employment of Handicapped Persons**

The Nomura Group offers a wide range of employment opportunities for the handicapped. Efforts are made to respond flexibly to find work suited to the individual skills and aptitudes of candidates and provide proper motivation by discussions with the persons in the workplaces where they will work. At Nomura Securities, each year, employment opportunities offered to handicapped persons exceed the legal requirements, and handicapped persons are contributing actively in a wide range of departments.

### **Respecting Human Rights**

We have established various mechanisms to prevent discrimination and harassment, in accordance with the Nomura Group Code of Ethics. Specifically, we set up the Nomura Group Human Rights Committee to debate and determine human right initiatives as well as to share information across the Group from its secretariat.

In addition, we continue to hold human rights training for all Nomura people, including members of the Board of Directors, to create greater awareness about human rights issues and make everyone aware of our consultation contacts for these matters.

All types of consultation contacts are available both within and outside the Company through our Sexual Harassment/Power Harassment Hotline to help prevent all types of harassment in the workplace. In addition, the Human Rights Awareness Office provides similar advisory functions for other human rights issues.

### Making Efforts to Resolve Human Rights Issues through Multi-Stakeholder Dialogue

Since FY2012/13, as part of our human rights initiatives, we have participated in the Nippon CSR Consortium, which approaches human rights through dialogue.

In the Human Rights Due Diligence Workshop, which is one of these initiatives, companies and NGOs are continuing discussions regarding the theme "Human Rights Issues that Companies Should Be Aware of and Consider

In FY2013/14, companies and various NPOs and NGOs as well as specialists and others assembled to review major human rights issues by industry and determine their importance as well as discuss measures that should be taken. These discussions deepened the understanding of human rights issues. Looking ahead, the Nomura Group will move forward with its initiatives to address human rights issues.

## **Our Community**

### **Fundamental Approach**

With its goal of "For Future Generations," the Nomura Group is contributing to a sustainable tomorrow by investing in young people through its core businesses as well as through a diverse range of employee-led volunteer activities.

A core focus for our work is to support educational activities, which vary depending on the needs of each region. Employees participate proactively in initiatives such as financial and economics education programs, basic education activities in the developing countries, and employment training programs for young people.

### Financial and Economics Education Programs

Since as early as the 1990s, the Nomura Group has been active in providing education in finance and economics for a wide range of age-groups. Our principal activities in this area have included the

### Milestones in Nomura's Activities



distribution of textbooks, offering courses for university students in Japan and overseas, off-site employee lectures by Nomura employees for elementary and junior high school students, and a stock education contest for junior and senior high school and university students sponsored with the Nikkei Stock League. All told, more than 630,000 students have taken part in these programs. Our sponsored financial education lectures at universities, which began in 2001, have been conducted annually, mainly by finance professionals from branches of Nomura Securities. Over this period, about 450 Group employees have participated as lecturers. During the 13-year period of this program, more than 190,000 university students have attended the lectures.

Similarly, for adult members of society, Nomura offers its "Lifelong Learning Venues" program in regional communities and workplaces. The aim of this program is to provide participants with knowledge of finance and securities that will enable them to live affluent "second lives."

### **Our Community**

### **Global CSR Initiatives**

The Nomura Group engages in business activities around the world. As a member of the local communities where its offices are located, Nomura participates in dialogue with its stakeholders to attain objectives that include contributing to regional revitalization and environmental protection.

Europe

In London, Nomura engages in activities that help eliminate social differences. These include reducing unemployment among young people and supporting the rehabilitation of ex-offenders. These activities aim to encourage young people to increase their aspirations, employability potential, and educational attainment. Specific employee engagement activities include student mentoring, hosting employability workshops, and taking part in community team challenges.



Jeremy Bennett, CEO, EMEA, greets HRH The Duk of Cambridge at Action Summit event at St Giles Trust



In Asia (excluding Japan), an employee volunteer network was established in 2011 enabling employees to give back to communities and build a corporate culture of philanthropic giving within the firm. Nomura is committed to contributing to society, especially through initiatives benefiting disadvantaged children and the environment. Recent initiatives include partnerships with the Hands On Network and Ecovision (founders of the Hong Kong Cleanup), disaster relief fund-raising, and a range of team-building volunteering initiatives.





Powai, India

Nomura's activities in Powai include initiatives for improving quality of education for lesser-privileged children through events with our partner NGOs; providing assistance to lesser-privileged communities through donations and fund-raising; promoting general health care and well-being of local communities via various activities; and focusing on "environmental" issues via initiatives towards caring for our Earth, the environment, and our habitat; conducting environment awareness sessions and monitoring in-house consumption, wastage of energy, paper, and water; and organizing tree plantation drives with NGOs.



Young cancer patients and a team of Nomura employee-volunteers at learning activities



To assist areas affected by the Great East Japan Earthquake, in 2012, Nomura began to provide support for "Sakura Project March 11," which aims to turn areas devastated by the disaster into cherry blossom viewing spots. Nomura employee donations are being used to purchase cherry tree saplings, and, for the last five times, Nomura employees have helped plant them. Other activities include support for charity concerts and school athletic events in the area.



Nomura employee-volunteers planting cherry

Americas

Nomura works to help children study in an effort to positively impact their lifestyles. Nomura partners with Everybody Wins! in New York, providing mentorship and literacy support for local children. Our program continues to encourage employees to become involved in monthly initiatives, focused on benefitting the younger generation and local community.



Instinet's\* activities aim to reduce income disparities among young people, motivating them to study and providing support for life planning. Instinet employees work in partnership with Elevate New York and actively mentor New York high school students. Additionally, Instinet partners with Operation Backpack to provide disadvantaged youngsters with essential school supplies.

\* Instinet, a Nomura subsidiary, is headquartered in New York.

### Nomura Foundation

The Nomura Foundation is a public interest incorporated association that was established by the Nomura Group. The activities of the Nomura Foundation include supporting research and education in the social sciences; providing scholarships to foreign students majoring in social sciences and liberal arts in Japan; conducting research related to the world economy, including the global macroeconomy, capital markets, and other subjects. The Nomura Foundation also provides assistance to promising young artists from around the world, and sponsors international artistic and cultural exchanges. In FY2013/14, the Nomura Foundation provided support totaling ¥212.7 million to 141 such projects. Also, beginning in FY2014/15, the Nomura Foundation began a major new undertaking to sponsor research in the fields of finance and securities. Through these various activities, the Nomura Foundation will continue to contribute to advancing academic activities and the world economy, cultivating the arts and culture, fostering international talent, encouraging international understanding, and supporting the progress of human society. For further information, please access http:// www.nomurafoundation.or.jp/





Children celebrating during Nomura's "Take Our Daughters & Sons To Work Dav'



"Kevin Singleton, Founder & CEO of Elevate New York, with Elevate students on Instinet's trading floor

## **Our Environment**

### **Fundamental Approach**

The Nomura Group Code of Ethics states. "The Nomura Group is committed to acting in an environmentally responsible manner and should, therefore, approach environmental issues positively." Based on this commitment, in 2009, we created both our Environmental Statement and Environmental Policy and are proactively working to reduce the environmental impact of our business activities.

activities. Also, the Head of Environmental Affairs conducts reviews of these activities, confirms and assesses progress toward reaching objectives, and aims for continuing improvements. Moreover, reports are made to the CSR Committee regarding risks and opportunities related to environmental issues. In addition, our offices around the world are implementing environmental initiatives, which include our London headquarters building, which obtained ISO 14001 certification in 2007 following an audit performed by a local accreditation body and has maintained its certification to the present.

### **Environmental Management**

In Japan, we have established an environmental management system (EMS) and are implementing comprehensive environmental preservation activities to deal with environmental risks and issues. Our Environmental Activities Working Group, which is a Group-wide organization, meets once a month to monitor the progress of environmental preservation

### **Environmental Targets**

We set environmental goals for each year and closely manage the progress of our environmental preservation activities. Environmental goals are set for each region, and the Environmental Activities Working Group checks to see if these targets are met.

### FY2013/14 environmental objectives and progress, FY2014/15 targets (Japan)

	FY2013/14 targets	Assessments	FY2014/15 targets
Reduction	Reduce domestic Nomura Group CO <sub>2</sub> emissions per square meter of floor space by 15% from FY2009/10 levels	O 28.1% reduction	Reduce domestic Nomura Group CO <sub>2</sub> emissions per square meter of floor space by more than 20% from FY2009/10 levels
of greenhouse	Increase ratio of fuel-efficient, low- pollution vehicles to 90% of the fleet	O Switchover ratio: 91.6%	Increase ratio of fuel-efficient, low- pollution vehicles to 95% of the fleet
gas emissions	Raise waste recycling rate at Nihonbashi Head Office to 90% and at Nagoya Branch to 88%	× Nihonbashi: 89.3% Nagoya: 88.4%	Raise waste paper recycling rate at principal offices to 90%
Promotion of green purchasing	Green products to account for 75% of supplies request system items	O Purchase ratio: 76.5%	Among general office supplies, have green products account for 85% of supplies request system items
	Reduce use of copy paper per person bought through supplies request system to 30% below the FY2006/07 level	O Reduction: 45.1%	Reduce use of copy paper per person bought through supplies request system by 2% from the previous year
Reduction of paper usage	Encourage electronic document delivery service	O Accounts accepting electronic transfers: 1.32 million	Further promote electronic delivery
	Reduce use of paper for internal forms by promoting electronic documentation	O 209 types of forms digitized on the application and approval system (Savings of 70,000 sheets of paper)	_
Promotion of environment- related businesses	Increase the number of financial products and services that help resolve social issues	O Expand lineup of "social contribution investment products," that provide financing for resolving social issues, such as global warming and water- related issues	Increase the number of financial products and services that help resolve social issues

To ensure the effectiveness of the Group environmental management system, we have conducted an annual environmental training program for all Nomura Group employees since 2009. In FY2013/14, 91% of employees in Japan participated in this program. With each department and Group company conducting a selfadministered Environmental Efforts Status Review every year, a new system was introduced whereby initiatives appropriate to each unit will be stipulated. Moreover, we stream information over the Group and host events to raise awareness of environmental matters.

### Efforts to Address Climate Change

The Nomura Group addresses climate change from the standpoint of both risk and opportunity that impact corporate value and recognizes it as an important issue to tackle. As a multinational corporation with offices around the world, we are making every effort to help resolve climate change issues through our business activities (see pages 30 to 31) and to reduce the impact of our business activities on the environment.

We collect and disclose Group-wide environmental information, and, since FY2011/12. we have introduced third-party assurance verifications to ensure the reliability of this information. In each region, based on the regulations established by local governments, we prepare plans for dealing with global warming and submit these to the government authorities.

### Please refer to

address climate change. WEB http://www.nomuraholdings.com/csr/citizenship/ environment/climate.html

The Nomura Group is working to lighten the impact of its activities on the environment through the purchase of green power (such as biomass generation) certificates. Our purchases of green power began domestically in FY2006/07, and these reached a cumulative total of 46.76 million kWh, including 5.4 million kWh purchased in FY2013/14. In FY2014/15, we have set a goal of continuing these purchases of green power for three years, and it will be allocated to our principal domestic offices (located in Nihonbashi in Tokyo, Osaka, and Nagoya). In addition, in our Swiss and German

documents.

In our offices, we are working to raise employee awareness of the amount of paper they use as part of our campaign to reduce paper consumption. Going forward, we will continue to promote reductions in paper usage and strive to raise awareness about paper usage across the entire Group.

offices, we make use of electric power generated by renewable energy sources, including hydroelectric power.

### **Going Paperless and Promoting Recycling**

We are making efforts to more effectively use limited natural resources and reduce the environmental impact of our activities and assist in the creation of a recycling-oriented society. As part of our commitment to reducing paper usage, we continue to digitize prospectuses, reports, forms, and other

Beginning in 2012, we provided all of our sales staff tablet devices featuring digitized sales and marketing tools to enhance the quality of our services and further reduce paper usage at the same time. We also use these devices for human resource training and internal meetings. We are also continuing to expand the range of documents that are distributed electronically for our Nomura Home Trade service. During FY2013/14, a total of approximately 10.29 million documents were delivered electronically.



### Nomura Group Environmental Management Framework

## **Six-Year Financial Summary (US GAAP)** For the fiscal years beginning April 1 and ending March 31 of the following year

						Millions of yer
	FY2008/09	FY2009/10	FY2010/11	FY2011/12	FY2012/13	FY2013/1
Operating Results:						
Revenue:						
Commission	¥ 306,803	¥ 395,083	¥ 405,463	¥ 347,135	¥ 359,069	¥ 474,557
Fees from investment banking	54,953	121,254	107,005	59,638	62,353	91,301
Asset management and portfolio service fees	140,166	132,249	143,939	144,251	141,029	167,247
Net gain (loss) on trading	(128,339)	417,424	336,503	272,557	367,979	476,356
Gain (loss) on private equity investments	(54,791)	11,906	19,292	25,098	8,053	11,392
Interest and dividends	331,356	235,310	346,103	435,890	394,007	416,350
Gain (loss) on investments in equity securities	(25,500)	6,042	(16,677)	4,005	38,686	15,156
Other	39,863	37,483	43,864	563,186	708,767	179,485
Total revenue	664,511	1,356,751	1,385,492	1,851,760	2,079,943	1,831,844
Interest expense	351,884	205,929	254,794	315,901	266,312	274,774
Net revenue	312,627	1,150,822	1,130,698	1,535,859	1,813,631	1,557,070
Non-interest expenses:						
Compensation and benefits	491,555	526,238	518,993	534,648	547,591	570,058
Commissions and floor brokerage	73,681	86,129	92,088	93,500	91,388	111,849
Information processing and communications	154,980	175,575	182,918	177,148	179,904	192,168
Occupancy and related depreciation	78,480	87,806	87,843	100,891	91,545	80,142
Business development expenses	31,638	27,333	30,153	48,488	49,010	38,485
Other	262,558	142,494	125,448	496,227	616,463	202,754
Total non-interest expenses	1,092,892	1,045,575	1,037,443	1,450,902	1,575,901	1,195,456
Income (loss) before income taxes	(780,265)	105,247	93,255	84,957	237,730	361,614
Income tax expense (benefit)	(70,854)	37,161	61,330	58,903	132,039	145,165
Net income (loss)	(709,411)	68,086	31,925	26,054	105,691	216,449
Less: Net income (loss) attributable to noncontrolling interests	(1,219)	288	3,264	14,471	(1,543)	2,858
Net income (loss) attributable to NHI shareholders	¥ (708,192)	¥ 67,798	¥ 28,661	¥ 11,583	¥ 107,234	¥ 213,591
Balance Sheets (Period End):		· · · · · · · · · · · · · · · · · · ·		· · · · · · · · · · · · · · · · · · ·	· · · · · · · · · · · · · · · · · · ·	
Cash and cash deposits	¥ 1,422,709	¥ 1,352,244	¥ 2,150,453	¥ 1,953,677	¥ 1,652,752	¥ 2,189,310
Loans and receivables	1,643,007	2,071,714	2,227,822	2,211,423	2,629,875	2,570,678
Collateralized agreements	8,412,618	12,467,213	15,156,318	13,742,646	14,115,257	17,347,001
Trading assets and private equity investments	11,672,612	14,700,282	15,241,931	14,123,594	17,124,349	18,714,314
Other assets	1,686,902	1,638,975	1,916,466	3,665,972	2,420,206	2,699,011
Total assets	¥24,837,848	¥32,230,428	¥36,692,990	¥35,697,312	¥37,942,439	¥43,520,314
Short-term borrowings	¥ 1,183,374	¥ 1,301,664	¥ 1,167,077	¥ 1,185,613	¥ 738,445	¥ 602,131
Payables and deposits	1,242,318	1,528,419	2,103,608	2,437,370	2,413,801	2,836,873
Collateralized financing	10,157,954	11,216,481	13,686,438	12,519,274	15,409,383	17,111,999
Trading liabilities	4,752,054	8,356,806	8,688,998	7,495,177	8,491,296	11,047,285
Other liabilities	467,574	494,983	552,316	1,165,901	978,163	1,141,750
Long-term borrowings	5,483,028	7,199,061	8,402,917	8,504,840	7,592,368	8,227,063
Total liabilities	23,286,302	30,097,414	34,601,354	33,308,175	35,623,456	40,967,101
Total NHI shareholders' equity	1,539,396	2,126,929	2,082,754	2,107,241	2,294,371	2,513,680
Noncontrolling interests	12,150	6,085	8,882	281,896	24,612	39,533
Total equity	1,551,546	2,133,014	2,091,636	2,389,137	2,318,983	2,553,213
Total liabilities and equity	¥24,837,848	¥32,230,428	¥36,692,990	¥35,697,312	¥37,942,439	¥43,520,314
Cash Flows:	12 1,001,010	102,200,720	100,002,000	100,001,012	101,072,700	++0,020,014
Net cash provided by (used in) operating activities	¥ (712,629)	¥ (1,500,770)	¥ (235,090)	¥ 290,863	¥ 549,501	¥ 457,426
Net cash provided by (used in) operating activities	(98,905)	(269,643)	(423,214)	9,942	(160,486)	(103,195
Net cash provided by (used in) financing activities	999,760	2,176,530	1,284,243	(844,311)	(701,623)	289,385
Effect of exchange rate changes on cash and cash equivalents	(81,896)	964	(26,246)	(6,314)	47,175	41,089
Net increase (decrease) in cash and cash equivalents	¥ 106,330	¥ 407,081	¥ 599,693	¥ (549,820)	¥ (265,433)	¥ 684,705

## **CSR Key Facts**

### Corporate Governance

Corporate Governance	Unit	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Members of the board					
Board of Directors	No. of people	14	11	11	11
Outside Directors	No. of people	8	7	6	6
Outside Directors	Ratio (%)	57	64	54	54
Non Japanese Directore	No. of people	4	3	3	3
Non-Japanese Directors	Ratio (%)	29	27	27	27
Formala Diverteur	No. of people	1	1	1	1
Female Directors	Ratio (%)	7	9	9	9
	Unit	April 1, 2011	April 1, 2012	April 1, 2013	April 1, 2014
Officers (Executive Officers and Senior Managing Directors)					
Men	No. of people	30	41	23	27
Women	No. of people	1	2	2	2
Ratio of women	%	3	4	8	6
	Unit	FY2010/11	FY2011/12	FY2012/13	FY2013/14
Board of Directors meetings					
No. of times held	No. of times	10	10	11	10
Average attendance rate	%	96	95	97	98

\* Numbers of Board of Directors meetings and member attendance are actual figures from April 2013 to March 2014.

Client Focused	Unit	FY2010/11	FY2011/12	FY2012/13	FY2013/14
Caseload at Customer Help Desk Department (Retail Division)					
Total	No. of cases	5,189	5,005	5,693	7,010*1
Complaints	No. of cases	2,359	3,012	3,409	4,023*2
Inquiries	No. of cases	2,408	1,836	2,119	2,730
Opinions and requests	No. of cases	256	13	23	55
Other	No. of cases	166	144	142	202

\*1 The increase in the caseload in FY2013/14 was due to a rise in the number of incoming calls and heavy demand on telephone circuits. \*2 Of the total, 69 calls were related to the handling of customer information.

Branches that are barrier-free and have equipmen for responding to emergencies (Retail Division)	t				
Certified universally accessible	No. of branch offices	30	30	30	30
Toilets accessible in wheelchairs	No. of branch offices	78	80	81	78
Elevators accessible in wheelchairs	No. of branch offices	53	54	57	66
With steps removed from entrances and exits (with ramps, elevators, or no steps)	No. of branch offices	136	140	139	129
With installations to mitigate entrance and exit steps (railings or step heights reduced)	No. of branch offices	15	14	13	13

	Unit	June 2012	September 2012	December 2013*
Results for survey of customer satisfaction with branch office service (Retail Division)				
Extremely satisfied/satisfied	%	76.6	77.0	85.1
Neither satisfied nor dissatisfied	%	20.0	19.1	10.6
Extremely dissatisfied/dissatisfied	%	3.4	3.9	4.3

			(April–June)* <sup>3</sup>
Social Contribution Type Bonds			
Number of issues Number	9	5	3
Issue proceeds Millions of yen	47,966	53,574	50,151

\*1 ADB Clean Energy Bonds (AUD, TRY, BRL), Green IFC Bonds (AUD, TRY, BRL), ADB Clean Energy Bonds (NZD, TRY, ZAR) \*2 ADB Clean Energy Bonds (MXN, BRL), AfDB Educational Support Bonds (BRL), ADB Water Bonds (TRY, BRL) \*3 World Bank Green Bonds (TRY, BRL), AfDB Guaranteed Food Security Bonds (BRL)

Our Community	Unit		FY2010/11	FY20	11/12	Y2012/13	FY2013/14
Community contribution expenditures							
īotal	Amoun	t (Millions of yen)	1,400	1	,235	1,348	1,323
	Ratio (9	%)	—		—	—	_
Education	Amoun	t (Millions of yen)	623		582	556	604
	Ratio (9	%)	44.5		47.1	41.2	45.6
Arts, culture, and sports	Amoun	t (Millions of yen)	71		106	81	66
	Ratio (9	%)	5.0		8.6	6.0	4.9
Science and academic achievement	Amoun	t (Millions of yen)	162		83	129	117
	Ratio (9	%)	11.6		6.7	9.5	8.8
Community contribution	Amoun	t (Millions of yen)	138		200	199	190
	Ratio (9	%)	9.8		16.1	14.7	14.3
Welfare and health	Amoun	t (Millions of yen)	55		49	79	39
	Ratio (9	%)	3.9		3.9	5.8	2.9
Environment	Amoun	t (Millions of yen)	25		43	47	84
	Ratio (9	%)	1.8		3.4	3.4	6.3
Human rights and labor	Amoun	t (Millions of yen)	27		3	4	20
	Ratio (9	%)	1.9		0.2	0.2	1.5
Disaster relief	Amoun	t (Millions of yen)	121		71	88	78
	Ratio (9	%)	8.6		5.7	6.5	5.9
Other	Amoun	t (Millions of yen)	182		103	171	129
	Ratio (9	%)	13.0		8.3	12.6	9.7
Japan Europe Americas Asia-Pacific	No. of	projects projects projects projects	40 83 31 19		27 196 107 40	24 195 151 53	17 78 114 90
Assistance provided to groups that	140. 01		10		10		
contribute to society							
lo. of groups assisted	No. of	groups	200		243	274	257
		Unit	FY2010/11	FY2011/12	FY2012/13	FY2013/14	Cumulative tota
· · · ·		Unit		FY2011/12			Cumulative tota
ind economics education risiting classes (elementary, junior,	Since 2008	Unit No. of schools	10	FY2011/12 22	31	56	162
ind economics education risiting classes (elementary, junior,	Since 2008						162
nd economics education <i>f</i> isiting classes (elementary, junior, enior high schools, teachers)		No. of schools	10	22	31	56	162 8,997 1,440
nd economics education <i>f</i> isiting classes (elementary, junior, enior high schools, teachers)	Since 2008 Since 2001	No. of schools	10 734	22	31 1,865	56 2,825	162 8,997
ind economics education l'isiting classes (elementary, junior, enior high schools, teachers) inance courses for universities	Since 2001	No. of schools No. of participants No. of schools	10 734 108	22 1,087 115	31 1,865 114	56 2,825 112	162 8,997 1,440
ind economics education l'isiting classes (elementary, junior, enior high schools, teachers) inance courses for universities		No. of schools No. of participants No. of schools No. of participants	10 734 108 10,000	22 1,087 115 12,000	31 1,865 114 11,000	56 2,825 112 11,000	162 8,997 1,440 195,000 6,568
Ind economics education Visiting classes (elementary, junior, enior high schools, teachers) Vinance courses for universities	Since 2001 Since 2003	No. of schools No. of participants No. of schools No. of participants No. of courses	10 734 108 10,000 630	22 1,087 115 12,000 536	31 1,865 114 11,000 444	56 2,825 112 11,000 531	162 8,997 1,440 195,000 6,568 341,054
Ind economics education Visiting classes (elementary, junior, enior high schools, teachers) Finance courses for universities	Since 2001	No. of schools No. of participants No. of schools No. of participants No. of courses No. of participants	10 734 108 10,000 630 28,659	22 1,087 115 12,000 536 27,839	31 1,865 114 11,000 444 21,696	56 2,825 112 11,000 531 23,897	162 8,997 1,440 195,000 6,568 341,054 21,710
Ind economics education Visiting classes (elementary, junior, eenior high schools, teachers) Finance courses for universities Financial courses for the general public Nikkei Stock League Feaching material for elementary schools	Since 2001 Since 2003 Since 2000	No. of schools No. of participants No. of schools No. of participants No. of courses No. of participants No. of teams	10 734 108 10,000 630 28,659 1,565	22 1,087 115 12,000 536 27,839 1,420	31 1,865 114 11,000 444 21,696 1,287	56 2,825 112 11,000 531 23,897 1,484	162 8,997 1,440 195,000 6,568 341,054 21,710 86,312
Ind economics education Visiting classes (elementary, junior, eenior high schools, teachers) Finance courses for universities Financial courses for the general public Nikkei Stock League Feaching material for elementary schools	Since 2001 Since 2003	No. of schools No. of participants No. of schools No. of participants No. of courses No. of participants No. of teams No. of teams	10 734 108 10,000 630 28,659 1,565 6,331	22 1,087 115 12,000 536 27,839 1,420 5,741	31 1,865 114 11,000 444 21,696 1,287 5,120	56 2,825 112 11,000 531 23,897 1,484 5,699	162 8,997 1,440 195,000 6,568 341,054 21,710 86,312
Participants and materials in financial and economics education /isiting classes (elementary, junior, senior high schools, teachers) Finance courses for universities Financial courses for the general public Vikkei Stock League Feaching material for elementary schools The Economics Classroom) Feaching material for junior high schools	Since 2001 Since 2003 Since 2000	No. of schools No. of participants No. of schools No. of participants No. of courses No. of participants No. of teams No. of teams No. of members No. of schools	10 734 108 10,000 630 28,659 1,565 6,331 200	22 1,087 115 12,000 536 27,839 1,420 5,741 120	31 1,865 114 11,000 444 21,696 1,287 5,120 396	56 2,825 112 11,000 531 23,897 1,484 5,699 227	162 8,997 1,440 195,000 6,568 341,054 21,710 86,312 2,943

	Unit		FY2010/11	FY201	1/12 F	-Y2012/13	FY2013/1
Community contribution expenditures							
Total	Amoun	t (Millions of yen)	1,400	1,	235	1,348	1,32
otai	Ratio (9	6)	_		—	—	-
Education	Amoun	t (Millions of yen)	623		582	556	60
Eddoution	Ratio (9	6)	44.5	2	47.1	41.2	45.
Arts, culture, and sports	Amoun	t (Millions of yen)	71		106	81	6
	Ratio (9	6)	5.0		8.6	6.0	4.
Science and academic achievement	Amoun	t (Millions of yen)	162		83	129	11
	Ratio (9	6)	11.6		6.7	9.5	8
Community contribution	Amoun	t (Millions of yen)	138		200	199	19
Contribution	Ratio (9	6)	9.8	-	16.1	14.7	14
	Amoun	t (Millions of yen)	55		49	79	3
Welfare and health	Ratio (9	6)	3.9		3.9	5.8	2
	Amoun	t (Millions of yen)	25		43	47	8
Environment	Ratio (9		1.8		3.4	3.4	6
		t (Millions of yen)	27		3	4	:
Human rights and labor	Ratio (9		1.9		0.2	0.2	1
		t (Millions of yen)	121		71	88	•
Disaster relief	Ratio (9		8.6		5.7	6.5	5
		t (Millions of yen)	182		103	171	1:
Other	Ratio (9		13.0		8.3	12.6	ç
Japan	No. of r	projects	00				
Europo	No. of r	projects	00				
Europe	140.01	5.0,0000	83		196	195	
Americas		projects	83 31		196 107	195 151	
	No. of						1
Americas Asia-Pacific Assistance provided to groups that	No. of	projects	31		107	151	1
Americas Asia-Pacific Assistance provided to groups that contribute to society	No. of p	projects projects	31 19		107 40	151 53	1
Americas Asia-Pacific Assistance provided to groups that contribute to society	No. of	projects projects	31		107	151	1
Americas Asia-Pacific Assistance provided to groups that contribute to society No. of groups assisted	No. of p	projects projects	31 19		107 40	151 53 274	2
Americas Asia-Pacific Assistance provided to groups that contribute to society No. of groups assisted Participants and materials in financial	No. of p	projects projects groups	31 19 200		107 40 243	151 53 274	2
Americas Asia-Pacific Assistance provided to groups that contribute to society No. of groups assisted Participants and materials in financial and economics education	No. of p	projects projects groups	31 19 200		107 40 243	151 53 274	1 2 Cumulative t
Americas Asia-Pacific Asia-Pacific Assistance provided to groups that contribute to society No. of groups assisted Participants and materials in financial and economics education fisiting classes (elementary, junior,	No. of p	projects projects groups Unit	31 19 200 FY2010/11	FY2011/12	243 FY2012/13	151 53 274 FY2013/14	1 2 Cumulative t
Americas Asia-Pacific Asia-Pacific Assistance provided to groups that contribute to society No. of groups assisted Participants and materials in financial and economics education /isiting classes (elementary, junior, eenior high schools, teachers)	No. of p No. of p No. of s	projects projects proups Unit No. of schools	31 19 200 FY2010/11 10	FY2011/12 22	107 40 243 FY2012/13 31	151 53 274 FY2013/14 56	1 2 <u>Cumulative t</u> 11 8,9
Americas Asia-Pacific Asia-Pacific Assistance provided to groups that contribute to society No. of groups assisted Participants and materials in financial and economics education /isiting classes (elementary, junior, eenior high schools, teachers)	No. of p	projects projects groups Unit No. of schools No. of participants	31 19 200 FY2010/11 10 734	FY2011/12 22 1,087	107 40 243 FY2012/13 31 1,865	151 53 274 FY2013/14 56 2,825	1 : 2: Cumulative t 11: 8,9: 1,4:
Americas Asia-Pacific Asia-Pacific Assistance provided to groups that contribute to society No. of groups assisted Participants and materials in financial and economics education fisiting classes (elementary, junior, enior high schools, teachers)	No. of p No. of p No. of g Since 2008	Unit No. of schools No. of schools No. of schools	31 19 200 FY2010/11 10 734 108	FY2011/12 22 1,087 115	243 FY2012/13 31 1,865 114	151 53 274 FY2013/14 56 2,825 112	1 : 
Americas Asia-Pacific Asia-Pacific Assistance provided to groups that contribute to society No. of groups assisted Participants and materials in financial and economics education fisiting classes (elementary, junior, enior high schools, teachers)	No. of p No. of p No. of s	orojects orojects groups Unit No. of schools No. of participants No. of participants	31 19 200 FY2010/11 10 734 108 10,000	FY2011/12 22 1,087 115 12,000	107 40 243 FY2012/13 31 1,865 114 11,000	151 53 274 FY2013/14 56 2,825 112 11,000	1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
Americas Asia-Pacific Asia-Pacific Assistance provided to groups that contribute to society No. of groups assisted Participants and materials in financial and economics education deconomics education disting classes (elementary, junior, eenior high schools, teachers) Finance courses for universities	No. of p No. of p No. of p Since 2008 Since 2001	vojects projects groups Unit No. of schools No. of participants No. of participants No. of participants No. of courses	31 19 200 FY2010/11 10 734 108 10,000 630	FY2011/12 22 1,087 115 12,000 536	107 40 243 FY2012/13 31 1,865 114 11,000 444	151 53 274 FY2013/14 56 2,825 112 11,000 531	1 2 Cumulative 1 1 8,9 1,4 195,0 6,5 341,0
Americas Asia-Pacific Asia-Pacific Assistance provided to groups that contribute to society No. of groups assisted Participants and materials in financial and economics education deconomics education disting classes (elementary, junior, eenior high schools, teachers) Finance courses for universities	No. of p No. of p No. of g Since 2008	Anoiects arojects aroups Unit No. of schools No. of participants No. of participants No. of participants No. of participants No. of teams	31 19 200 FY2010/11 10 10,000 630 28,659 1,565	FY2011/12 22 1,087 115 12,000 536 27,839 1,420	107 40 243 FY2012/13 31 1,865 114 11,000 444 21,696 1,287	151 53 274 FY2013/14 56 2,825 112 11,000 531 23,897 1,484	1 2: Cumulative t 10 8,99 1,44 195,00 6,50 341,00 21,7
Americas Asia-Pacific Assistance provided to groups that contribute to society No. of groups assisted Participants and materials in financial and economics education //isiting classes (elementary, junior, senior high schools, teachers) Finance courses for universities Financial courses for the general public Nikkei Stock League	No. of p No. of p No. of p Since 2008 Since 2001	vojects projects proups Unit No. of schools No. of participants No. of teams No. of teams	31 19 200 FY2010/11 10 734 108 10,000 630 28,659 1,565 6,331	FY2011/12 22 1,087 115 12,000 536 27,839 1,420 5,741	107 40 243 243 FY2012/13 31 1,865 114 11,000 444 21,696 1,287 5,120	151 53 274 FY2013/14 566 2,825 112 11,000 531 23,897 1,484 5,699	11 22 Cumulative t 110 8,99 1,44 195,00 6,50 341,09 21,7 86,3
Americas Asia-Pacific Asia-Pacific Assistance provided to groups that contribute to society No. of groups assisted Participants and materials in financial and economics education //isiting classes (elementary, junior, senior high schools, teachers) Finance courses for universities Financial courses for the general public Nikkei Stock League Feaching material for elementary schools	No. of p No. of p No. of p Since 2008 Since 2001	Vo. of schools No. of participants No. of participants No. of participants No. of participants No. of courses No. of participants No. of courses No. of participants No. of courses No. of members No. of members No. of schools	31 19 200 <b>FY2010/11</b> 10 734 108 10,000 630 28,659 1,565 6,331 200	PY2011/12 PY2011/12 222 1,087 115 12,000 536 27,839 1,420 5,741 120	107 40 243 243 FY2012/13 31 1,865 114 11,000 444 21,696 1,287 5,120 396	151 53 274 PY2013/14 PY2013/14 556 2,825 112 11,000 531 23,897 1,484 5,699 227	25 Cumulative to 16 8,99 1,44 195,00 6,56 341,05 21,71 86,31 2,94 237,06
Americas Asia-Pacific Assistance provided to groups that contribute to society No. of groups assisted Participants and materials in financial and economics education //isiting classes (elementary, junior, senior high schools, teachers) Finance courses for universities Financial courses for the general public Nikkei Stock League	No. of ( No. of ( No. of ( Since 2008) Since 2003 Since 2000	vojects projects proups Unit No. of schools No. of participants No. of teams No. of teams	31 19 200 FY2010/11 10 734 108 10,000 630 28,659 1,565 6,331	FY2011/12 22 1,087 115 12,000 536 27,839 1,420 5,741	107 40 243 243 FY2012/13 31 1,865 114 11,000 444 21,696 1,287 5,120	151 53 274 FY2013/14 566 2,825 112 11,000 531 23,897 1,484 5,699	111 5 25 25 25 25 20 21 21 21 21 21 21 21 21 21 21 21 21 21

Assistance provided	to groups that
<ul> <li>A second discount of the second se second second seco</li></ul>	

Dur Community	Unit		FY2010/11	FY20 <sup>-</sup>	11/12	FY2012/13	FY2013/14
Community contribution expenditures							
Total	Amoun	t (Millions of yen)	1,400	1	,235	1,348	1,323
Iotai	Ratio (9	6)	_		_	—	_
Education	Amoun	t (Millions of yen)	623		582	556	604
Education	Ratio (9	6)	44.5		47.1	41.2	45.6
Arta aultura and anarta	Amoun	t (Millions of yen)	71		106	81	66
Arts, culture, and sports	Ratio (9	6)	5.0		8.6	6.0	4.9
Science and academic achievement	Amoun	t (Millions of yen)	162		83	129	117
Science and academic achievement	Ratio (9	6)	11.6		6.7	9.5	8.8
Community contribution	Amoun	t (Millions of yen)	138		200	199	190
Community contribution	Ratio (9	6)	9.8		16.1	14.7	14.3
Malfara and bealth	Amoun	t (Millions of yen)	55		49	79	39
Welfare and health	Ratio (9	6)	3.9		3.9	5.8	2.9
E. Survey	Amoun	t (Millions of yen)	25		43	47	84
Environment	Ratio (9	6)	1.8		3.4	3.4	6.3
	Amoun	t (Millions of yen)	27		3		20
Human rights and labor	Ratio (9	6)	1.9		0.2	0.2	1.5
	Amoun	t (Millions of yen)	121		71	88	78
Disaster relief	Ratio (9		8.6		5.7	1,348 	5.9
		t (Millions of yen)	182		103		129
Other	Ratio (9		13.0		8.3		9.7
	1 100 ()	5,			0.0		
Japan Europe	No. of p No. of p No. of p	projects	40 83		27 196	195	17 78
Americas	No. of p	projects	31		107	151	114
Asia-Pacific	No. of	projects	19		40	53	90
Assistance provided to groups that contribute to society							
No. of groups assisted	No. of	groups	200		243	274	
No. of groups assisted	No. of	groups	200		243	274	
	No. of g	groups	200 FY2010/11	FY2011/12	243 FY2012/13		257
Participants and materials in financial	No. of s	Unit	FY2010/11		FY2012/13	FY2013/14	257 Cumulative tota
Participants and materials in financial and economics education Visiting classes (elementary, junior,	No. of s		FY2010/11 10	22	FY2012/13 31	FY2013/14 56	257 Cumulative tota 162
Participants and materials in financial and economics education Visiting classes (elementary, junior,		Unit	FY2010/11		FY2012/13	FY2013/14 56	257 Cumulative tota 162
Participants and materials in financial and economics education Visiting classes (elementary, junior, senior high schools, teachers)	Since 2008	Unit No. of schools	FY2010/11 10	22	FY2012/13 31	FY2013/14 56 2,825	257 Cumulative tota 162 8,997
Participants and materials in financial and economics education Visiting classes (elementary, junior, senior high schools, teachers)		Unit No. of schools No. of participants	FY2010/11 10 734	22 1,087	FY2012/13 31 1,865	FY2013/14 56 2,825 112	257 Cumulative tot 162 8,997 1,440
Participants and materials in financial and economics education Visiting classes (elementary, junior, senior high schools, teachers)	Since 2008 Since 2001	Unit No. of schools No. of participants No. of schools	FY2010/11 10 734 108	22 1,087 115	FY2012/13 31 1,865 114	FY2013/14 56 2,825 112 11,000	257 Cumulative tot 162 8,997 1,440 195,000
Participants and materials in financial and economics education Visiting classes (elementary, junior, senior high schools, teachers)	Since 2008	Unit No. of schools No. of participants No. of schools No. of participants	FY2010/11 10 734 108 10,000	22 1,087 115 12,000	FY2012/13 31 1,865 114 11,000	FY2013/14 56 2,825 112 11,000 531	257 Cumulative tot 162 8,997 1,440 195,000 6,568
Participants and materials in financial and economics education Visiting classes (elementary, junior, senior high schools, teachers) Finance courses for universities Financial courses for the general public	Since 2008 Since 2001 Since 2003	Unit No. of schools No. of participants No. of schools No. of participants No. of courses	FY2010/11 10 734 108 10,000 630	22 1,087 115 12,000 536	FY2012/13 31 1,865 114 11,000 444	FY2013/14 56 2,825 112 11,000 531 23,897	257 Cumulative tot 162 8,997 1,440 195,000 6,568 341,054
Participants and materials in financial and economics education Visiting classes (elementary, junior, senior high schools, teachers) Finance courses for universities Financial courses for the general public	Since 2008 Since 2001	Unit No. of schools No. of participants No. of schools No. of participants No. of courses No. of participants	FY2010/11 10 734 108 10,000 630 28,659	22 1,087 115 12,000 536 27,839	FY2012/13 31 1,865 114 11,000 444 21,696	FY2013/14 56 2,825 112 11,000 531 23,897 1,484	257 Cumulative tot 162 8,997 1,440 195,000 6,568 341,054 21,710
Participants and materials in financial and economics education Visiting classes (elementary, junior, senior high schools, teachers) Finance courses for universities Financial courses for the general public Nikkei Stock League	Since 2008 Since 2001 Since 2003 Since 2000	Unit No. of schools No. of participants No. of schools No. of participants No. of courses No. of participants No. of participants No. of teams	FY2010/11 10 734 108 10,000 630 28,659 1,565	22 1,087 115 12,000 536 27,839 1,420	FY2012/13 31 1,865 114 11,000 444 21,696 1,287	FY2013/14 56 2,825 112 11,000 531 23,897 1,484	257 Cumulative tot 162 8,997 1,440 195,000 6,568 341,054 21,710 86,312
Participants and materials in financial and economics education Visiting classes (elementary, junior, senior high schools, teachers) Finance courses for universities Financial courses for the general public Nikkei Stock League Teaching material for elementary schools	Since 2008 Since 2001 Since 2003	Unit No. of schools No. of participants No. of schools No. of participants No. of courses No. of participants No. of teams No. of teams	FY2010/11 10 734 108 10,000 630 28,659 1,565 6,331	22 1,087 115 12,000 536 27,839 1,420 5,741	FY2012/13 31 1,865 114 11,000 444 21,696 1,287 5,120	FY2013/14 56 2,825 112 11,000 531 23,897 1,484 5,699	257 Cumulative tota 162 8,997 1,440 195,000 6,568 341,054 21,710 86,312 2,943
No. of groups assisted Participants and materials in financial and economics education Visiting classes (elementary, junior, senior high schools, teachers) Finance courses for universities Financial courses for the general public Nikkei Stock League Teaching material for elementary schools (The Economics Classroom) Teaching material for junior high schools	Since 2008 Since 2001 Since 2003 Since 2000	Unit No. of schools No. of participants No. of participants No. of courses No. of participants No. of participants No. of participants No. of teams No. of members No. of schools	FY2010/11 10 734 108 10,000 630 28,659 1,565 6,331 200	22 1,087 115 12,000 536 27,839 1,420 5,741 120	FY2012/13 31 1,865 114 11,000 444 21,696 1,287 5,120 396	FY2013/14 56 2,825 112 11,000 531 23,897 1,484 5,699 227	257 Cumulative tota 162 8,997 1,440 195,000 6,568 341,054 21,710 86,312 2,943 237,061 4,482

### **CSR Key Facts**

### Our People FY2010/11 FY2011/12 Unit FY2012/13 FY2013/14 Education and training expenses 2,455 2,033 2,441 Total 2,515 Millions of yen 1,573 1,468 1,907 1,978 Japan Millions of yen 489 133 81 Europe 108 Millions of yen Americas 257 280 233 262 Millions of yen Asia-Pacific 136 153 193 194 Millions of yen

### Participation in education and training (in-house training)

· · · · · · · · · · · · · · · · · · ·					
Tatal	Aggregate no. of hours	272,528	225,184	254,117	406,602
Total	Aggregate no. of participants	13,146	21,928	22,048	89,657
Japan	Aggregate no. of hours	207,458	169,385	208,087	284,920
	Aggregate no. of participants	8,255	11,965	12,081	12,325
Filmene	Aggregate no. of hours	3,790	2,766	1,732	26,117
Europe	Aggregate no. of participants	407	977	647	21,822
American	Aggregate no. of hours	_	7,390	7,204	7,811
Americas	Aggregate no. of participants	—	1,182	1,794	5,598
Asia Desifia	Aggregate no. of hours	61,280	45,643	37,094	87,754
Asia-Pacific	Aggregate no. of participants	4,484	7,804	7,526	49,912

\* The increase in the number of participants in Europe and Asia was due to the increased precision of information and the number of training sessions.

### Composition of employees

somposition of employees					
	No. of employees	26,871	27,168	26,242	26,019
ōtal	Ratio of male employees (%)	62	62	62	62
	Ratio of female employees (%)	38	38	38	38
	No. of employees	14,918	15,145	15,004	15,062
Japan	Ratio of male employees (%)	56	56	57	56
	Ratio of female employees (%)	44	44	43	44
	No. of employees	4,353	4,014	3,618	3,461
Europe	Ratio of male employees (%)	70	70	70	71
	Ratio of female employees (%)	30	30	30	29
	No. of employees	2,348	2,420	2,271	2,281
Americas	Ratio of male employees (%)	74	74	74	74
	Ratio of female employees (%)	26	26	26	26
	No. of employees	5,252	5,589	5,349	5,215
Asia-Pacific	Ratio of male employees (%)	68	66	65	64
	Ratio of female employees (%)	32	34	35	36
atio of employees by region					
Total	%	100	100	100	100
Japan	%	55	56	57	58
Europe	%	16	15	14	13
Americas	%	9	9	9	9
Asia-Pacific	%	20	20	20	20
Composition by employment cont	ract				
Japan) Full-time regular employment	No. of employees	14,918	15,145	15,004	15,062

Full-time regular employment	No. of employees	14,918	15,145	15,004	15,062
Part-time regular employment	No. of employees	788	766	606	586

	Unit	FY2010/11	FY2011/12	FY2012/13	FY2013/14
Number of new hires					
Total	No. of employees	3,631	3,359	2,554	2,920
Japan	Men (No. of employees)	548	573	446	50
Supur	Women (No. of employee	s) 439	495	581	52
Europe	No. of employees	754	663	307	50
Americas	No. of employees	638	478	361	41
Asia-Pacific	No. of employees	1,252	1,150	859	970
As a result of increased precision in data compilation, data pertaining	g to Japan from FY2010/11	to FY2012/13 was r	evised.		
Composition of managers					
	Men	6,643	7,299	7,024	6,91
Total	Women	898	1,064	1,055	1,03
	Ratio of women (%)	12	13	13	1
	Men	3,474	3,623	3,549	3,48
Japan (Nomura Holdings, Nomura Securities)	Women	173	205	219	213
	Ratio of women (%)	5	5	6	(
	Men	1,553	1,693	1,557	1,50
Europe	Women	317	325	315	29
	Ratio of women (%)	17	16	17	1
	Men	786	1,060	1,016	1,02
Americas	Women	159	243	234	23
	Ratio of women (%)	17	19	19	
	Men	830	923	902	89
Asia-Pacific		249	291	287	28
	Women	249	291	207	20
	Ratio of women (%)	20	24	24	2
Jse of childcare and family nursing care					
support plans (Nomura Securities)				0.40	
Pre- and post-natal leave	No. of employees	233	237	249	27
Childcare leave	No. of employees	338	367	392	41
_eave to care for sick or injured children	No. of employees	435	478	529	57
Childcare time	No. of employees	104	148	175	22
Assistance with daycare expenses	No. of employees	332	365	390	40
Family nursing care leave	No. of employees	13	6	11	1
Reduced working hour plan for family nursing care	No. of employees	0	0	2	;
Paid leave for family nursing care	No. of employees	30	33	43	4
Post-childcare leave reinstatement					
and retention rates (Nomura Securities)		100	100	100	10
Reinstatement rate	Men (%)	100	100	100	10
	Women (%)	96	99	98	9:
Retention rate	Men (%)	100	100	50	10
	Women (%)	95	98	98	9
Human rights training (Nomura Securities)					
Sessions	No. of sessions	32	20	16	2
Participants	No. of participants	13,827	9,823	14,129	15,220
Status of other personnel and labor-related issue	s				
Employee turnover rate (Japan)	%	5	6	7	
Jumber of seniors (aged 60 years and over) ehired (Japan)	No. of employees	713	763	727	71
Percentage of employees with disabilities	%	1.86	2.00	2.02	2.0
Nomura Securities) Average number of annual paid leave days used	Days	9.7	9.9	10.0	9.
Nomura Securities) Percentage of employees with labor union	%	53.8	52.8	53.0	53.
memberships (Nomura Securities)					
Average annual salary (Nomura Securities)	Thousands of yen	10,869	10,660	9,990	11,18

Japan         Matrix Bit of methodes         548         573         446         551           Europe         No of methodes         754         663         307         560           Anarcase         No. of methodes         1,252         1,150         559         97           Asis Facing         No. of methodes         1,252         1,150         559         97           Asis Facing         No. of methodes         1,252         1,150         559         97           Asis Facing         Nome         6,643         7,293         7,024         6,91           Total         Mare         6,643         7,293         7,024         6,91           Japan (Nomura Holdings, Nomura Socutted)         Mare         3,474         3,623         3,44         3,44           Mare         3,17         325         5         6         100         10,016         10,00           Americas         Wome         1,53         1,693         1,693         424         22         23         24         22           Europe         Wome         1,59         243         23         24         22         23         24         22         24         22         25         <		Unit	FY2010/11	FY2011/12	FY2012/13	FY2013/14
Japan         Man Na orientayee         543         573         446         573           Europe         No. dimetration         439         495         581         525           Europe         No. dimetration         754         663         307         56           Analista         No. dimetration         638         473         361         44           Aste Pacific         No. dimetration         638         473         361         44           Aste Pacific         No. dimetration         6,643         7,299         7,024         6,90           Total         Man         6,643         7,299         7,024         6,91           Japan (Nomura Holdings, Nomura Securities)         Man         6,643         7,299         7,024         6,91           Man         13,474         3,623         3,54         3,44         3,44         3,44         3,44         3,44         3,44         3,44         3,44         3,44         3,44         3,43         3,43         3,43         3,43         3,43         3,43         2,33         3,73         2,49         2,44         2,4         2,2         3,44         2,4         2,2         3,44         2,4         2,2 <td< td=""><td>Number of new hires</td><td></td><td></td><td></td><td></td><td></td></td<>	Number of new hires					
Jubban         Women No. of employee         493         495         581         52           Europe         No. of employee         754         663         307         56           Ansite Action Composition of all compliance, date proteining to Lot employee         1282         1,150         856         44           Asite and of conceptorize in data compliance, date proteining to Lot employee         1282         1,150         856         44           Asite and of conceptorize in data compliance, data proteining to Lot employee         128         13         13         13         13         13         13         13         13         13         13         13         13         13         13         14         13         13         13         13         13         14         13         13         14         13         13         14         13         13         155         15         15         15         15         15         15         15         15         15         16         16         17         1         13         14         17         15         15         15         25         16         16         17         1         15         15         125         125         125         12	Total	No. of employees	3,631		2,554	2,920
Umme (bit a transport         Vision (bit a transport (bit a	Japan	Men (No. of employees)				507
Americas         No. derestopee         638         478         961         478           Asia Facific         No. derestopee         1252         1,150         859         991           Asia Facific         No. derestopee         1252         1,150         859         991           Asia Facific         No. derestopee         1072111         10721213         1150         859         991           Total         Man         6,643         7,209         7,024         6,93           Man         6,843         7,203         3,540         3,444           Japaen (Nomura Holdings, Nomura Securities)         Man         3,474         3,623         3,540         3,444           Man         1,7553         1,683         1,557         1,557         1,557         1,557           Europe         Man         7,858         1,060         1,016         1,000         1,016         1,000           Ania-Pacific         Man         7,858         1,063         1,227         228         240         221         247         25           Pice of childcare and family nursing care         Synop flams (Nomera Securities)         100         101         101         101         101         101		Women (No. of employe	,			522
Abit         No. of encloses         1,252         1,150         859         97           *As result of reveaued products in dia completion, data comp		No. of employees				503
Area result of increased percelon in data compliation, data partning to Japan from PC01011 to PC010213 waa revised.         Mon         6.643         7.299         7.024         6.97           Total         Woman         898         1.064         1.065         1.00           Japan (Nomura Holdings, Nomura Securities)         Mon         3.474         3.023         3.649         3.44           Japan (Nomura Holdings, Nomura Securities)         Mon         3.474         3.025         2.19         22           Europe         Mon         1.73         2.05         2.19         22         1.66         1	Americas	No. of employees		478		418
Composition of managers         Men         6.643         7.299         7.024         6.91           Total         Woman         808         1,065         1,005           Jagpan (Nomura Holdings, Nomura Securities)         Men         3,474         3,623         3,544         3,44           Jagpan (Nomura Holdings, Nomura Securities)         Men         3,474         3,623         3,544         3,44           Men         3,474         3,623         3,549         3,44         3,45         3,649         3,44           Luope         Men         1,553         1,603         1,557         1,557         6         6           Europe         Men         7,150         1,77         19         19         1         1           Americas         Woman         159         2,443         2,24         2,4         2,2         2,4         2,4         2,5         2,4         2,4         2,4         2,5         2,4         2,4         2,5         2,4         2,4         2,5         2,4         2,4         2,4         2,5         2,4         2,4         2,5         2,6         3,3,3         3,6,3         3,3,3         3,3         3,3         3,3         3,3         3,4 <td></td> <td></td> <td></td> <td></td> <td>859</td> <td>970</td>					859	970
Man         6,643         7,299         7,024         6,91           Total         Wennin         898         1,064         1,055         1,03           Japan (Nomura Holdings, Nomura Securities)         Men         3,474         3,623         3,549         3,44           Men         3,474         3,623         3,549         3,44           Men         1,553         1,693         1,557         1,505           Europe         Men         1,553         1,693         1,557         1,505           Men         1,553         1,693         1,016         1,005         1,016         1,005           Americas         Woman         17         159         243         234         225           Asia-Pacific         Men         890         923         902         902         903           Asia-Pacific         Woman         233         237         249         221         22           Use of childcare and family nursing care         No. of employees         233         237         249         221           Childcare fleave         No. of employees         233         237         249         221           Childcare and family nursing care         No. of em	As a result of increased precision in data compilation, data pertainin	g to Japan from FY2010/1	1 to FY2012/13 was n	evised.		
Total         Women         898         1.064         1.065         1.065           Hase d women (%)         12         13         13         1           Japan (Nomura Holdings, Nomura Securities)         Women         1.73         2.05         2.19         2.21           Europe         Men         1.553         1.683         1.557         1.56           Europe         Men         1.553         1.683         1.557         1.56           Americas         Men         776         1.07         1         1.07         1           Americas         Men         776         1.080         1.010         1.010         1.010           Americas         Men         786         1.000         1.016         1.020	Composition of managers					
Patio of women (%)         12         13         13           Japan (Nomura Holdings, Nomura Securite)         Man         3,474         3,623         3,549         3,424           Man         3,474         3,623         3,549         3,424           Women         173         205         219         221           Ratio of women (%)         5         5         6         5           Europe         Man         1,553         1,683         1,557         1,52           Americas         Man         7,866         1,060         1,016         1,02           Americas         Man         7,869         1,060         1,016         1,02           Asia-Pacific         Man         249         24		Men	6,643	7,299	7,024	6,913
Main         3,474         3,623         3,549         3,42           Japan (Nomura Holdings, Nomura Securities)         Main         173         205         219         21           Europe         Main         1,553         1,093         1,657         1,563           Europe         Main         1,553         1,993         1,557         1,567           Americas         Main         7,86         1,060         1,016         1,016           Americas         Main         7,86         1,060         1,016         1,020           Asia-Pacific         Women         159         243         224         22           Vomen         249         291         267         226           Childcare and family nursing care support plans (Nomura Securities)         Vomen         233         237         249         27           Price and post-natal leave         No. of employees         338         367         392         441           Lavar to care for sick or injured children         No. of employees         332         365         390         440           Childcare and family nursing care         No. of employees         33         6         11         1           Reave to care for sick or	Total	Women	898	1,064	1,055	1,031
Japan (Nomura Holdings, Nomura Securities)         Women         173         206         219         21           Europe         Men         1,553         1,693         1,557         1,55           Europe         Men         317         325         315         22           Americas         Men         786         1,000         1,016         1,02           Americas         Women         17         16         17         19         19         19         1           Asia-Paolfic         Men         830         923         902         88         923         902         88         923         902         88         923         902         88         923         922         924         24         24         22         12		Ratio of women (%)	12	13	13	13
		Men	3,474	3,623	3,549	3,480
	Japan (Nomura Holdings, Nomura Securities)	Women	173	205	219	218
Europe         Women         317         325         315         26           Americas         Atte of women (%)         17         16         17         1           Americas         Men         786         1,060         1,016         1,02           Asia-Pacific         Women         159         243         234         23           Asia-Pacific         Men         630         923         902         88           Support plans (Nomura Securities)         Women         249         291         287         28           Support plans (Nomura Securities)         Women (%)         23         24         24         22           Use of childcare and family nursing care support plans (Nomura Securities)         No. of employees         338         367         392         41           Lave to care for sick or injuired children         No. of employees         338         367         392         41           Lave to care for sick or injuired children         No. of employees         104         148         175         22           Assistance with daycare expenses         No. of employees         13         6         11         1           Reduct working hour plan for family nursing care         No. of employees <t< td=""><td></td><td>Ratio of women (%)</td><td>5</td><td>5</td><td>6</td><td>6</td></t<>		Ratio of women (%)	5	5	6	6
Patio of women (%)         17         16         17         16           Americas         Men         786         1,060         1,016         1,02           Asia-Pacific         Women         159         243         234         223           Asia-Pacific         Wen         830         923         902         88           Wen         830         923         902         88           Patio of women (%)         17         19         19         17           Asia-Pacific         Wen         830         923         902         88           Use of childcare and family nursing care support plans (Normura Socurities)         Pre- and post-natal leave         No. of employees         333         367         392         41           Leave to care for sick or injured children         No. of employees         104         148         175         22           Assistance with daycare expenses         No. of employees         13         6         11         1           Padeuced working hour plan for family nursing care         No. of employees         30         33         43         4           Post-childcare leave reinstatement and retention rates (Nomura Socurities)         No. of employees         30         33 <t< td=""><td></td><td>Men</td><td>1,553</td><td>1,693</td><td>1,557</td><td>1,507</td></t<>		Men	1,553	1,693	1,557	1,507
Man         786         1,060         1,016         1,020           Americas         Women         159         243         234         223           Asia-Pacific         Men         830         923         902         86           Women         249         291         287         22           Use of childcare and family nursing care support plans (Nomura Securities)         23         24         24         23           Pre- and post-natial leave         No. of employees         338         367         392         41           Leave to care for sick or injured children         No. of employees         338         367         392         41           Leave to care for sick or injured children         No. of employees         338         367         392         55           Childcare leave         No. of employees         332         365         390         44           Leave to care for sick or injured children         No. of employees         33         43         4           Paid leave to care for sick or injured children         No. of employees         33         43         4           Paid leave to family nursing care         No. of employees         30         33         43           Post-childcare lea	Europe	Women	317	325	315	290
Men         786         1.060         1.016         1.020           Americas         Mormen         159         2.43         2.34         2.23           Asia-Pacific         Men         830         923         902         88           Mormen         2.49         2.21         2.87         2.22           Use of childcare and family nursing care support plans (Nomura Securities)         2.33         2.37         2.49         2.27           Pre- and post-natal leave         No. of employees         3.38         3.67         3.92         5.07           Childcare time Apost-natal leave         No. of employees         3.38         3.67         3.92         5.07           Childcare time Apost-natal leave         No. of employees         3.38         3.66         1.11         1.1           Leave to care for sick or injured children         No. of employees         3.32         3.66         1.11         1.1           Reduced working hour plan for family nursing care         No. of employees         3.0         4.0         2.0         2.0           Paid leave for family nursing care         No. of employees         3.0         3.03         4.0         2.0         1.6         2.2           Paid leave for family nursing care         N		Ratio of women (%)	17	16	17	16
Americas         Women         159         243         234         235           Asia-Pacific         Men         830         923         902         86           Women         249         291         287         226           Patio of women (%)         23         24         24         22           Use of childcare and family nursing care support plans (Nomura Securities)         No. of employees         233         237         249         221           Pre- and post-natal leave         No. of employees         338         367         392         441           Leave to care for sick or injured children         No. of employees         338         367         392         441           Leave to care for sick or injured children         No. of employees         332         365         390         440           Leave to care for sick or injured children         No. of employees         332         365         390         440           Leave to care for sick or injured children         No. of employees         30         33         43         44           Post-childcare leave reinstatement and retention rates (Nomura Securities)         No. of employees         30         33         43         44           Reinstatement rate         Men						1,028
Asia-Pacific         Patio of women (%)         17         19         19         17           Asia-Pacific         Men         830         923         902         88           Women         249         291         287         28           Support plans (Nomura Securities)         23         24         24         24           Use of childcare and family nursing care support plans (Nomura Securities)         No. of employees         338         367         392         41           Leave to care for sick or injured children         No. of employees         435         478         529         57           Childcare time         No. of employees         104         148         175         22           Assistance with daycare expenses         No. of employees         13         6         11         1           Reduced working hour plan for family nursing care         No. of employees         30         33         43           Paid leave for family nursing care         No. of employees         30         33         43           Pati cave for family nursing care         No. of employees         30         33         43           Pati cave for family nursing care         No. of employees         30         33         43      <	Americas	Women	159			234
Men         830         923         902         86           Women         249         291         287         22         24						19
Asia-Pacific         Women         249         291         287         287         287           Hatio of women (%)         23         24					902	898
Ratio of women (%)         23         24         24         24           Ratio of women (%)         23         24         24         24           Use of childcare and family nursing care support plans (Nomura Securities)           Pre- and post-natal leave         No. of employees         338         367         392         41           Leave to care for sick or injured children         No. of employees         435         478         529         57           Childcare leave         No. of employees         104         148         175         22           Assistance with daycare expenses         No. of employees         332         365         390         40           Reduced working hour plan for family nursing care         No. of employees         13         6         11         11           Reduced working hour plan for family nursing care         No. of employees         30         33         43         44           Paid leave for family nursing care         No. of employees         30         33         43         44           Paid leave for family nursing care         No. of employees         30         33         43         44           Paid leave for family nursing care         No. of employees         <	Asia-Pacific					289
Use of childcare and family nursing care support plans (Nomura Securities)Pre- and post-natal leaveNo. of employees23323724927Childcare leaveNo. of employees33836739241Leave to care for sick or injured childrenNo. of employees43547852957Childcare lineNo. of employees10414817522Assistance with daycare expensesNo. of employees33236539046Family nursing care expensesNo. of employees136111Reduced working hour plan for family nursing careNo. of employees3033434Post-childcare leave reinstatement and retention rates (Nomura Securities)Reinstatement rateMen (%)100100100100Women (%)9699989898SessionsNo. of sessions3220162Human rights training (Nomura Securities)Status of other personnel and labor-related issuesEmployees71376372771No. of employees71376372771Outputs1.862.002.022.0No. of employeesParticipants%567No. of employees71376372771Participants%1.862.00 <td>Asia i asiic</td> <td></td> <td></td> <td></td> <td></td> <td>24</td>	Asia i asiic					24
support plans (Norma Securities)Pre- and post-natal leaveNo. of employees23323724927Childcare leaveNo. of employees33836739241Leave to care for sick or injured childrenNo. of employees43547852957Childcare timeNo. of employees33236539046Assistance with daycare expensesNo. of employees33236539046Family nursing care leaveNo. of employees3361111Reduced working hour plan for family nursing careNo. of employees30334344Post-childcare leave reinstatement and retention rates (Nomura Securities)Reinstatement rateMen (%)100100100100Wenn (%)9699989898Status of other personnel and labor-related sizeStatus of other personnel and labor-related sizeEmployees turnover rate (Japan)%567Number of seniors (aged 60 years and over) rehired (Japan)%1.862.002.022.02Array of employees71376372771Percentage of employees with labolities rehied (Japan)%5.852.853.053						
Pre- and post-natal leave         No. of employees         233         237         249         277           Childcare leave         No. of employees         338         367         392         44           Leave to care for sick or injured children         No. of employees         435         478         529         57           Childcare leave         No. of employees         435         478         529         57           Childcare time         No. of employees         332         365         390         440           Childcare leave         No. of employees         332         365         390         400           Family nursing care leave         No. of employees         0         0         2         2           Paid leave for family nursing care         No. of employees         30         33         43         44           Post-childcare leave reinstatement and retention rates (Nomura Securities)         Men (%)         100         100         100         100           Reinstatement rate         Men (%)         100         100         100         100         100           Women (%)         95         98         98         98         98         98         98         98         98         9	Use of childcare and family nursing care					
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	support plans (Nomura Securities)					
Leave to care for sick or injured childrenNo. of employees43547852957Childcare timeNo. of employees10414817522Assistance with daycare expensesNo. of employees33236539040Family nursing care leaveNo. of employees1361111Reduced working hour plan for family nursing careNo. of employees002Paid leave for family nursing careNo. of employees30334344Post-childcare leave reinstatement and retention rates (Nomura Securities)Men (%)100100100100Reinstatement rateMen (%)100100100100100Women (%)959898989898Human rights training (Nomura Securities)Sessions3220162Status of other personnel and labor-related issuesNo. of employees71376372771Prince(Japan)%5677171Number of seniors (aged 60 years and over) relined (Japan)No. of employees71376372771Percentage of employees with disabilities (Nomura Securities)%1.862.002.022.022.02Average number of annual paid leave days used (Nomura Securities)Pays9.79.910.09Percentage of employees with labor union memberships (Nomura Securities)%53.853.853.053 </td <td>Pre- and post-natal leave</td> <td>No. of employees</td> <td>233</td> <td>237</td> <td>249</td> <td>273</td>	Pre- and post-natal leave	No. of employees	233	237	249	273
Childcare timeNo. of employees10414817522Assistance with daycare expensesNo. of employees332365390400Family nursing care leaveNo. of employees136111Reduced working hour plan for family nursing careNo. of employees002Paid leave for family nursing careNo. of employees30334343Post-childcare leave reinstatement and retention rates (Nomura Securities)Reinstatement rateMen (%)100100100100Women (%)96999898Paid leave for family nursing careNo. of employeesMen (%)100100100Reinstatement rateMen (%)96999898Paid leave for family nursing careNo. of employeesAssistance with displanting (Nomura Securities)Retention rateMen (%)100100100Women (%)95989898Status of other personnel and labor-related issuesEmployee turnover rate (Japan)%567Percentage of employees with disabilities (Nomura Securities)%1.862.002.022.02Average number of annual paid leave days used (Nomura Securities)9.79.910.09Percentage of employees wit	Childcare leave	No. of employees	338	367	392	414
Assistance with daycare expensesNo. of employees332365390400Family nursing care leaveNo. of employees1361111Reduced working hour plan for family nursing careNo. of employees002Paid leave for family nursing careNo. of employees30334343Post-childcare leave reinstatement and retention rates (Nomura Securities)Reinstatement rateMen (%)100100100100Women (%)9699989898Retention rateMen (%)100100100100Women (%)9598989898Human rights training (Nomura Securities)No. of sessions32201622Status of other personnel and labor-related issuesEmployee turnover rate (Japan)%567Number of seniors (aged 60 years and over) (Nomura Securities)%1.862.002.022.02Percentage of employees with disabilities (Nomura Securities)%1.862.002.022.02Percentage of employees with labor union memberships (Nomura Securities) $\phi_{0}$ 53.852.853.053	Leave to care for sick or injured children	No. of employees	435	478	529	571
Family nursing care leaveNo. of employees1361111Reduced working hour plan for family nursing careNo. of employees002Paid leave for family nursing careNo. of employees30334343Post-childcare leave reinstatement and retention rates (Nomura Securities)Reinstatement rateMen (%)100100100100Women (%)9699989898Retention rateMen (%)10010050100Women (%)9598989898Human rights training (Nomura Securities)No. of sessions3220162SessionsNo. of participants13,8279,82314,12915,227Status of other personnel and labor-related issuesNo. of essions3220162Employee turnover rate (Japan)%56771Percentage of employees with disabilities (Nomura Securities)%1.862.002.022.02Average number of annual paid leave days used (Nomura Securities) $D_{ays}$ 9,79,910.09Percentage of employees with labor union memberships (Nomura Securities)%53.852.853.053	Childcare time	No. of employees	104	148	175	223
Reduced working hour plan for family nursing careNo. of employees002Paid leave for family nursing careNo. of employees30334344Post-childcare leave reinstatement and retention rates (Nomura Securities)Reinstatement rateMen (%)100100100100Women (%)9699989898Retention rateMen (%)10010050100Women (%)9598989898Human rights training (Nomura Securities)No. of sessions3220162SessionsNo. of sessions3220162ParticipantsNo. of sessions3220162Status of other personnel and labor-related issuesTian of employees71376372771Percentage of employees with disabilities (Nomura Securities)%56771Percentage of employees with disabilities (Nomura Securities)%1.862.002.022.02Percentage of employees with labor union memberships (Nomura Securities)%53.852.853.053	Assistance with daycare expenses	No. of employees	332	365	390	408
Paid leave for family nursing careNo. of employees3033434343Post-childcare leave reinstatement and retention rates (Nomura Securities)Reinstatement rateMen (%)100100100100Women (%)9699989898Retention rateMen (%)10010050100Women (%)959898989898Human rights training (Nomura Securities)No. of sessions3220162SessionsNo. of participants13,8279,82314,12915,22Status of other personnel and labor-related issues56771Percentage of employees with disabilities (Nomura Securities)%1.862.002.022.02Percentage of employees with disabilities (Nomura Securities)%1.862.002.022.02Percentage of employees with labor union memberships (Nomura Securities)%53.852.853.053	Family nursing care leave	No. of employees	13	6	11	10
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	Reduced working hour plan for family nursing care	No. of employees	0	0	2	3
and retention rates (Nomura Securities)Reinstatement rateMen (%)100100100100Women (%)96999898Retention rateMen (%)10010050100Women (%)9598989898Human rights training (Nomura Securities)SessionsNo. of sessions3220162Participants13,8279,82314,12915,22Status of other personnel and labor-related issues56771Number of seniors (aged 60 years and over) rehired (Japan)%56771No. of employees71376372771Average number of annual paid leave days used (Nomura Securities) $p_{ays}$ $p_{.7}$ $p_{.99}$ 10.09Percentage of employees with labor union memberships (Nomura Securities) $p_{.6}$ $53.8$ $52.8$ $53.0$ $53.8$	Paid leave for family nursing care	No. of employees	30	33	43	48
and retention rates (Nomura Securities)Reinstatement rateMen (%)100100100100Women (%)96999898Retention rateMen (%)10010050100Women (%)9598989898Human rights training (Nomura Securities)SessionsNo. of sessions3220162Participants13,8279,82314,12915,22Status of other personnel and labor-related issues56771Number of seniors (aged 60 years and over) rehired (Japan)%56771No. of employees71376372771Average number of annual paid leave days used (Nomura Securities) $p_{ays}$ $p_{.7}$ $p_{.99}$ 10.09Percentage of employees with labor union memberships (Nomura Securities) $p_{.6}$ $53.8$ $52.8$ $53.0$ $53.8$						
Men (%)         100						
Heinstatement rateWomen (%)96999898Retention rateMen (%)10010050100Women (%)9598989898Human rights training (Nomura Securities)SessionsNo. of sessions3220162ParticipantsNo. of sessions329,82314,12915,22Status of other personnel and labor-related issuesEmployee turnover rate (Japan)%567Number of seniors (aged 60 years and over) rehired (Japan)%1.862.002.022.02Percentage of employees with disabilities (Nomura Securities)%1.862.002.022.02Percentage of employees with labor union memberships (Nomura Securities)9,79,910.09Percentage of employees with labor union memberships (Nomura Securities)53.852.853.053	and recention races (Normula Securices)	Men (%)	100	100	100	100
Retention rateMen (%) Women (%)10010050100Women (%)9598989898Human rights training (Nomura Securities)SessionsNo. of sessions3220162ParticipantsNo. of participants13,8279,82314,12915,22Status of other personnel and labor-related issuesEmployee turnover rate (Japan)%567Number of seniors (aged 60 years and over) rehired (Japan)%1.862.002.022.02Percentage of employees with disabilities (Nomura Securities)%1.862.002.022.02Average number of annual paid leave days used (Nomura Securities)Days9.79.910.09Percentage of employees with labor union memberships (Nomura Securities)%53.852.853.053	Reinstatement rate					93
Hetention rateWomen (%)959898989898Human rights training (Nomura Securities)SessionsNo. of sessions3220162ParticipantsNo. of participants13,8279,82314,12915,22Status of other personnel and labor-related issuesEmployee turnover rate (Japan)%567Number of seniors (aged 60 years and over) rehired (Japan)%. of employees71376372771Percentage of employees with disabilities (Nomura Securities)%1.862.002.022.02Average number of annual paid leave days used (Nomura Securities)Days9.79.910.09Percentage of employees with labor union memberships (Nomura Securities)%53.852.853.053						100
Human rights training (Nomura Securities)SessionsNo. of sessions3220162ParticipantsNo. of participants13,8279,82314,12915,22Status of other personnel and labor-related issuesEmployee turnover rate (Japan)%567Number of seniors (aged 60 years and over) rehired (Japan)No. of employees71376372771Percentage of employees with disabilities (Nomura Securities)%1.862.002.022.02Average number of annual paid leave days used (Nomura Securities)Days9.79.910.09Percentage of employees with labor union memberships (Nomura Securities)%53.852.853.053	Retention rate					98
SessionsNo. of sessions3220162ParticipantsNo. of participants13,8279,82314,12915,22Status of other personnel and labor-related issuesEmployee turnover rate (Japan)%567Number of seniors (aged 60 years and over) rehired (Japan)No. of employees71376372771Percentage of employees with disabilities (Nomura Securities)%1.862.002.022.02Average number of annual paid leave days used (Nomura Securities)Days9.79.910.09Percentage of employees with labor union memberships (Nomura Securities)%53.852.853.053		Women (76)		50	50	50
ParticipantsNo. of participants13,8279,82314,12915,22Status of other personnel and labor-related issuesEmployee turnover rate (Japan)%567Number of seniors (aged 60 years and over) rehired (Japan)No. of employees71376372771Percentage of employees with disabilities (Nomura Securities)%1.862.002.022.02Average number of annual paid leave days used (Nomura Securities)Days9.79.910.09Percentage of employees with labor union memberships (Nomura Securities)%53.852.853.053	Human rights training (Nomura Securities)					
ParticipantsNo. of participants13,8279,82314,12915,22Status of other personnel and labor-related issuesEmployee turnover rate (Japan)%567Number of seniors (aged 60 years and over) rehired (Japan)No. of employees71376372771Percentage of employees with disabilities (Nomura Securities)%1.862.002.022.02Average number of annual paid leave days used (Nomura Securities)Days9.79.910.09Percentage of employees with labor union memberships (Nomura Securities)%53.852.853.053		No. of sessions	32	20	16	28
Status of other personnel and labor-related issuesEmployee turnover rate (Japan)%567Number of seniors (aged 60 years and over) rehired (Japan)No. of employees71376372771Percentage of employees with disabilities (Nomura Securities)%1.862.002.022.02Average number of annual paid leave days used (Nomura Securities)Days9.79.910.09Percentage of employees with labor union memberships (Nomura Securities)%53.852.853.053	Participants	No. of participants		9,823	14,129	15,220
Employee turnover rate (Japan)%567Number of seniors (aged 60 years and over) rehired (Japan)No. of employees71376372771Percentage of employees with disabilities (Nomura Securities)%1.862.002.022.02Average number of annual paid leave days used (Nomura Securities)Days9.79.910.09Percentage of employees with labor union memberships (Nomura Securities)%53.852.853.053						
Number of seniors (aged 60 years and over) rehired (Japan)No. of employees71376372771Percentage of employees with disabilities (Nomura Securities)%1.862.002.022.02Average number of annual paid leave days used (Nomura Securities)Days9.79.910.09Percentage of employees with labor union memberships (Nomura Securities)%53.852.853.053	•	es				
rehired (Japan)No. of employees713763727713Percentage of employees with disabilities (Nomura Securities)%1.862.002.022.02Average number of annual paid leave days used (Nomura Securities)Days9.79.910.09Percentage of employees with labor union memberships (Nomura Securities)%53.852.853.053		%	5	6	7	6
(Nomura Securities)701.002.002.022.022.02Average number of annual paid leave days used (Nomura Securities)Days9.79.910.09Percentage of employees with labor union memberships (Nomura Securities)%53.852.853.053		No. of employees	713	763	727	719
(Nomura Securities)Days9.79.910.09Percentage of employees with labor union memberships (Nomura Securities)%53.852.853.053		%	1.86	2.00	2.02	2.09
Percentage of employees with labor union memberships (Nomura Securities)%53.852.853.053		Days	9.7	9.9	10.0	9.2
	Percentage of employees with labor union	%	53.8	52.8	53.0	53.5
Average annual salary (NOTTURA Securities) Inousands of ven 10.009 10.000 9.990 11.12	Average annual salary (Nomura Securities)	Thousands of yen	10,869	10,660	9,990	11,187

	Unit	FY2010/11	FY2011/12	FY2012/13	FY2013/14
Number of new hires					
Total	No. of employees	3,631	3,359	2,554	2,920
Japan	Men (No. of employees)	548	573	446	507
oupui i	Women (No. of employee	s) 439	495	581	522
Europe	No. of employees	754	663	307	503
Americas	No. of employees	638	478	361	418
Asia-Pacific	No. of employees	1,252	1,150	859	970
As a result of increased precision in data compilation, data pertaining	g to Japan from FY2010/11	to FY2012/13 was r	evised.		
Composition of managers					
	Men	6,643	7,299	7,024	6,91
otal	Women	898	1,064	1,055	1,03
	Ratio of women (%)	12	13	13	1:
	Men	3,474	3,623	3,549	3,480
Japan (Nomura Holdings, Nomura Securities)	Women	173	205	219	218
	Ratio of women (%)	5	5	6	(
	Men	1,553	1,693	1,557	1,507
Europe	Women	317	325	315	290
	Ratio of women (%)	17	16	17	16
	Men	786	1,060	1,016	1,028
Americas	Women	159	243	234	234
	Ratio of women (%)	17	19	19	19
	Men	830	923	902	898
Asia-Pacific	Women	249	291	287	289
	Ratio of women (%)	23	24	24	24
Jse of childcare and family nursing care					
support plans (Nomura Securities)					
Pre- and post-natal leave	No. of employees	233	237	249	275
Childcare leave	No. of employees	338	367	392	414
eave to care for sick or injured children	No. of employees	435	478	529	57
Childcare time	No. of employees	104	148	175	223
Assistance with daycare expenses	No. of employees	332	365	390	408
amily nursing care leave	No. of employees	13	6	11	10
Reduced working hour plan for family nursing care	No. of employees	0	0	2	:
Paid leave for family nursing care	No. of employees	30	33	43	48
Post-childcare leave reinstatement					
and retention rates (Nomura Securities)		100	100	100	10
Reinstatement rate	Men (%)	100	100	100	10
	Women (%)	96	99	98	90
Retention rate	Men (%)	100	100	50	100
	Women (%)	95	98	98	98
luman rights training (Nomura Securities)					
Sessions	No. of sessions	32	20	16	28
Participants	No. of participants	13,827	9,823	14,129	15,220
Status of other personnel and labor-related issue	S				
Employee turnover rate (Japan)	%	5	6	7	(
lumber of seniors (aged 60 years and over) ehired (Japan)	No. of employees	713	763	727	719
Percentage of employees with disabilities	%	1.86	2.00	2.02	2.09
Nomura Securities) Average number of annual paid leave days used	Days	9.7	9.9	10.0	9.2
Nomura Securities) Percentage of employees with labor union	%	53.8	52.8	53.0	53.
nemberships (Nomura Securities)					
Average annual salary (Nomura Securities)	Thousands of yen	10,869	10,660	9,990	11,187

	Unit	FY2010/11	FY2011/12	FY2012/13	FY2013/14
Number of new hires					
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As a result of increased precision in data compilation, data pertaining	g to Japan from FY2010/11	to FY2012/13 was re	evised.		
Composition of managers					
	Men	6,643	7,299	7,024	6,913
fotal	Women	898	1,064	1,055	1,031
	Ratio of women (%)	12	13	13	13
	Men	3,474	3,623	3,549	3,480
Japan (Nomura Holdings, Nomura Securities)	Women	173	205	219	218
	Ratio of women (%)	5	5	6	6
	Men	1,553	1,693	1,557	1,507
Europe	Women	317	325	315	290
	Ratio of women (%)	17	16	17	16
	Men	786	1,060	1,016	1,028
Americas	Women	159	243	234	234
	Ratio of women (%)	17	19	19	19
	Men	830	923	902	898
Asia-Pacific	Women	249	291	287	289
	Ratio of women (%)	23	24	24	24
Jse of childcare and family nursing care support plans (Nomura Securities)					
Pre- and post-natal leave	No. of employees	233	237	249	273
Childcare leave	No. of employees	338	367	392	414
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Childcare time	No. of employees	104	148	175	223
Assistance with daycare expenses	No. of employees	332	365	390	408
amily nursing care leave	No. of employees	13	6	11	10
Reduced working hour plan for family nursing care	No. of employees	0	0	2	3
Paid leave for family nursing care	No. of employees	30	33	43	48
Post-childcare leave reinstatement					
and retention rates (Nomura Securities)	Men (%)	100	100	100	100
Reinstatement rate	Women (%)	96	99	98	93
		100	100	50	100
Retention rate	Men (%) Women (%)	95	98	98	98
luman rights training (Nomura Securities)		00		10	
Sessions	No. of sessions	32	20	16	28
Participants	No. of participants	13,827	9,823	14,129	15,220
status of other personnel and labor-related issue	es				
mployee turnover rate (Japan)	%	5	6	7	6
lumber of seniors (aged 60 years and over) ehired (Japan)	No. of employees	713	763	727	719
Percentage of employees with disabilities Nomura Securities)	%	1.86	2.00	2.02	2.09
Average number of annual paid leave days used	Days	9.7	9.9	10.0	9.2
	Dajo				
Nomura Securities) Percentage of employees with labor union nemberships (Nomura Securities)	%	53.8	52.8	53.0	53.5

	Unit	FY2010/11	FY2011/12	FY2012/13	FY2013/14
Number of new hires					
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Composition of managers		0.040	= 000	<b>=</b> 00 /	/ -
	Men	6,643	7,299	7,024	6,913
otal	Women	898	1,064	1,055	1,031
	Ratio of women (%)	12	13	13	1:
	Men	3,474	3,623	3,549	3,480
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	Ratio of women (%)	5	5	6	(
	Men	1,553	1,693	1,557	1,507
Europe	Women	317	325	315	290
	Ratio of women (%)	17	16	17	16
	Men	786	1,060	1,016	1,028
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Assistance with daycare expenses	No. of employees	332	365	390	408
Family nursing care leave	No. of employees	13	6	11	1(
Reduced working hour plan for family nursing care	No. of employees	0	0	2	
Paid leave for family nursing care		30	33	43	48
	No. of employees	30		43	40
Post-childcare leave reinstatement and retention rates (Nomura Securities)					
Reinstatement rate	Men (%)	100	100	100	100
	Women (%)	96	99	98	93
Retention rate	Men (%)	100	100	50	100
helemion rate	Women (%)	95	98	98	98
luman rights training (Nomura Securities)					
Sessions	No. of sessions	32	20	16	28
Participants	No. of participants	13,827	9,823	14,129	15,220
Status of other personnel and labor-related issue	es				
blatus of other personner and labor-related issue					
	%	5	6	7	6
mployee turnover rate (Japan) Jumber of seniors (aged 60 years and over)		5 713	6 763	7 727	719
Employee turnover rate (Japan) Jumber of seniors (aged 60 years and over) ehired (Japan) Percentage of employees with disabilities	%				719
Employee turnover rate (Japan) Number of seniors (aged 60 years and over) ehired (Japan) Percentage of employees with disabilities Nomura Securities) Average number of annual paid leave days used	% No. of employees	713	763	727	
Employee turnover rate (Japan) Number of seniors (aged 60 years and over) ehired (Japan) Percentage of employees with disabilities Nomura Securities) Average number of annual paid leave days used Nomura Securities) Percentage of employees with labor union nemberships (Nomura Securities)	% No. of employees %	713 1.86	763 2.00	727	719 2.09

### **CSR Key Facts**

Our Environment		Unit	FY2010/11	FY2011/12	FY2012/13	FY2013/14
GHG Emissions						
	Nomura Group companies in Japan	t-CO <sub>2</sub>	2,673	2,373	2,247	1,917
Scope 1: Direct emissions*1	Main EMEA offices	t-CO <sub>2</sub>	1,256	1,299	1,318	979
Scope 1. Direct emissions	Main AEJ offices	t-CO <sub>2</sub>	101	76	76	143
	Main American offices	t-CO <sub>2</sub>	_	0	0	46
	Nomura Group companies in Japan	t-CO <sub>2</sub>	41,953	34,214	38,988	42,300
Scope 2: Indirect emissions*1	Main EMEA offices	t-CO <sub>2</sub>	22,408	21,629	16,842	17,334
Scope 2. Indirect emissions	Main AEJ offices	t-CO <sub>2</sub>	16,816	24,357	24,323	21,601
	Main American offices	t-CO <sub>2</sub>	—	15,235	14,507	13,912
	Nomura Group companies in Japan	t-CO <sub>2</sub> /FTE	3.0	2.4	2.8	2.9
Scope 1, 2	Main EMEA offices		6.4	6.9	6.2	6.0
Emissions per employee*1	Main AEJ offices	t-CO <sub>2</sub> /FTE	5.7	5.0	5.4	4.9
	Main American offices	t-CO <sub>2</sub> /FTE	_	6.3	6.5	6.1
	Nomura Group companies in Japan	t-CO <sub>2</sub>	12,407	18,505	17,919	18,729
Scope 3 Emissions from	EMEA	t-CO <sub>2</sub>		9,446	9,728	9,253
employee travel*2 (Air, rail, and automobile travel)	AEJ*3	t-CO <sub>2</sub>	2,595	11,883	11,057	9,552
	Americas	t-CO <sub>2</sub>		6,060	5,124	5,561
Energy Consumption						
Direct energy consumption (Natural gas, etc.)*4	Nomura Group companies in Japan	MWh	14,275	12,664	11,948	10,147
	Main EMEA offices	MWh	6,783	6,981	7,025	5,235
	Main AEJ offices	MWh	406	272	800	608
	Main American offices	MWh	_	0	0	225
	Nomura Group companies in Japan	MWh	89,674	74,648	74,293	74,117
Indirect energy consumption	Main EMEA offices	MWh	47,830	50,091	38,679	41,164
(Purchased electric power)*4	Main AEJ offices	MWh	17,813	27,474	28,012	26,942
	Main American offices	MWh	—	23,197	22,665	24,147
Including, Green electric purchase power*5		MWh	5,900	7,424	6,329	6,317
	Nomura Group companies in Japan	MWh	26,740	20,550	17,523	15,258
(Purchased cooling	Main EMEA offices	MWh	0	0	0	0
and heating power)	Main AEJ offices	MWh	0	2,352	1,907	1,731
	Main American offices	MWh	_	10,047	7,924	2,220
Environmental Resource Efficiency						
	Nomura Group companies in Japan	Thousand m <sup>3</sup>	204	188	178	177
	Main EMEA offices	Thousand m <sup>3</sup>	101	136	124	124
Water consumption*6	Main AEJ offices	Thousand m <sup>3</sup>	36	33	45	45
	Main American offices	Thousand m <sup>3</sup>	_	4	4	14
Copy paper consumption*7		Tons	746	820	759	746

Among data disclosed for FY2013/14, third-party assurance is applicable to the Nomura Group companies in Japan, main EMEA offices, and main AEJ offices

The scope 1, 2, and 3 classification follows The Greenhouse Gas Protocol (GHG Protocol): http://www.ghgprotocol.org/

\*1 Totals for our main AEJ offices only included the India office in FY2010/11. Regarding scope 2, as a result of improvements in data collection precision, data for FY2011/12 and FY2012/13 were revised. See http://www.nomuraholdings.com/csr/data/ for details about the emissions factors applied.

1,450

1.223

1.904

2.659

Tons

<sup>2</sup> Data compiled on domestic and international flights and long-distance railway transportation tickets purchased through designated firms. In AEJ, totals include only the India office in FY2010/11. Data for regular automobile usage by the Nomura Group companies in Japan, in EMEA, and, out of the Nomura Group companies in AEJ, India and Hong Kong offices are included in the totals. See http://www.nomuraholdings.com/csr/data for details about the emissions factors applied.

\*3 In AEJ offices, data compiled for major offices in FY2013/14 came to a total of 8,278 t-CO2.

\*4 Totals for our main AEJ offices only included the India office in FY2010/11.

\*5 In FY2010/11, data applied only to the Nomura Group companies in Japan. From FY2011/12, however, in addition to the Nomura Group companies in Japan, from among main offices in main EMEA offices, the Frankfurt and Zurich offices were included. From FY2013/14, the Milan office was also included.

\*6 Totals for our main EMEA offices only included the London office in FY2010/11. Totals for our main AEJ offices only applied to the India office in FY2010/11 and FY2011/12. As a result of improvements in data collection precision, data for principal offices in AEJ for FY2012/13 were revised.

\*7 Among main offices, Nomura Securities purchased items through designated firms, and data for such items were compiled in the London, India, and Hong Kong offices. As a result of improvements in data collection precision, historical data were revised.

\*8 Among main offices, totals include the Tokvo main offices (Nihonbashi Head Office building and the Dai-ni Edobashi Building); the Osaka Branch; the Nagova Branch; the London, Paris, Frankfurt, Zurich offices; and the India Office. From FY2013/14, the following were added: the Tokyo main office (Urbannet Otemachi Building), the Kyoto Branch, the Okayama Branch, and the Hong Kong office.

Our main EMEA offices are located in London, Paris, Frankfurt, Zurich, Madrid, Milan, and Luxembourg.\*

Our main AEJ offices are located in Hong Kong, Singapore, India, and Dalian in China. Our main American offices are located in New York and include the INSTINET offices. \* Offices to which the scope of aggregation was expanded.

## **Independent Assurance on Environmental Reporting**



We apply International Standard on Quality Control 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Our responsibilities 3.

Our responsibility is to express a limited assurance conclusion on the Indicators for the year ended March 31,2014 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), issued by the International Auditing and Assurance Standards Board, Practical Guidelines for the Assurance of Sustainability Information, revised in December 2012 by the Japanese Association of Assurance Organizations for Sustainability Information and, in respect of CO2 emissions, the International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements (ISAE 3410), issued by the International Auditing and Assurance Standards Board.

The summary of the procedures we performed for our assurance engagement is as follows: • Reading relevant documents with regard to the Company's Reporting Standards and the Company's policies and standards and inquiring of personal responsible thereof;

- · Reading relevant documents with regard to the design of the Company's internal control of the Indicators and inquiring of personal responsible thereof at the headquarters and the sites visited;
- · Performing analytical procedures of the Indicators at the headquarters and the sites visited ;and · Agreeing to supporting documents and recalculating with part of the Indicators at the headquarters and the sites visited on a test basis

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

As a result, the level of assurance obtained in a limited assurance engagement is not as that obtained had we performed a reasonable assurance engagement.

4. Conclusion

Based on the assurance procedures performed, nothing has come to our attention that caused us to believe that the Indicators for the year ended March 31, 2014 included in the Report were not measured and reported in accordance with the Company's policies and standards in all material respects.

Amount of waste generated\*8

Date: 22 July, 2014

Kenji Sawami Representative Director Ernst & Young Sustainability Co., Ltd. Tokyo

principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

## **Global Network**

### Europe

The Nomura Group has offices in 13 countries in this region, with the London Office, which marks the 50th anniversary of its establishment in FY2014/15, as the core of operations. Drawing on the strengths of its global network, Nomura provides services that include underwriting and trading in bonds and equities as well as financial solutions, with the aim of further expanding client revenue and enhancing the profitability of the Nomura Group.

Number of personnel: 3,461

### Americas

In addition to nine offices in this region that provide wholesale services, Nomura has an asset management company with the advantage in high-yield bond investment and other companies. Nomura is concentrating its corporate resources in business fields where it can attain competitive superiority. Also, by tapping into its global network to respond to a diverse range of client needs, Nomura is working to expand its market share in the Americas which is home to the largest fee pool in the world.

Number of personnel: 2,281

## Asia-Pacific

This is the only major region where Nomura offers services to retail customers in addition to its wholesale and asset management services. Tailoring its approach to specific market conditions, Nomura offers integrated retail and wholesale services and is structuring an original business model for the region, where rapid economic growth is expected.

Number of personnel: **5,891** \* Includes personnel in offshore offices in India

### Japan

The headquarters functions of the Nomura Group, which is expanding its business activities on a global scale, are located in Japan. Nomura's strengths include the largest share of client assets and sales of investment trusts. Nomura is also differentiated by its position as an independent securities company with a broad customer base as well as capabilities for providing services through its global business platform in wholesale business.

Number of personnel: 16,037

### Nomura Securities Domestic Network

(As of August 31, 2014)

Fukui Branch       Niigata Branch         Kanazawa Branch       Toyama Branch         Kenki       Osaka Branch         Asashi Branch       Osaka Branch         Daito Branch       Osaka Branch         Higashiosaka Branch       Sakai Branch         Hirakata Branch       Sakai Branch         Hirakata Branch       Sakai Branch         Limeij Branch       Sakai Branch         Kawanishi Branch       Takarazuka Branch         Kobe Branch       Takatsuki Branch         Kobe Branch       Toyonaka Branch         Kobe Branch       Uehonmachi Branch         Kobe Branch       Uehonmachi Branch         Nanba Branch       Umeda Branch         Naba Branch       Umeda Branch         Kuyama Branch       Otayama Branch         Kuyama Branch       Otayama Branch         Kuyama Branch       Nimonoseki Branch         Hiroshima Branch       Shimonoseki Branch         Kuyama Branch       Nogao Branch         Kayama Branch       Nago Branch         Kayama Branch       Shimonoseki Branch         Hiroshima Branch       Nago Branch         Kayama Branch       Shimonoseki Branch         Mayama Branch       Shimonoseki Branch	Hokuriku		
Akashi Branch       Okamoto Branch         Daito Branch       Osaka Branch         Gakuenmae Branch       Otsu Branch         Higashiosaka Branch       Sakai Branch         Hirakata Branch       Sakai Branch         Hirakata Branch       Takarazuka Branch         Baraki Branch       Takarazuka Branch         Kawanishi Branch       Takatsuki Branch         Kawanishi Branch       Toyonaka Branch         Kasha Branch       Toyonaka Branch         Kyoto Branch       Umeda Branch         Nahab Branch       Umeda Branch         Nara Branch       Wakayama Branch         Nishinomiya Branch       Shimonoseki Branch         Kurashiki Branch       Totori Office         Yonago Branch       Yonago Branch         Kayama Branch       Naga Branch         Kayama Branch       Shimonoseki Branch         Kurashiki Branch       Totori Office         Yonago Branch       Yonago Branch         Kayama Branch       Totori Office         Vanga Branch       Totori Office         Kochi Branch       Takamatsu Branch         Kochi Branch       Takamatsu Branch         Kusuyama Branch       Takamatsu Branch         Kochi Branch       Takamatsu B		•	
Daito Branch       Osaka Branch       Otsu Branch         Higashiosaka Branch       Sakai Branch         Himeji Branch       Sakai Branch         Hirakata Branch       Sakai Branch         Hirakata Branch       Takarazuka Branch         Haraki Branch       Takarazuka Branch         Kawanishi Branch       Takatazuka Branch         Kawanishi Branch       Tennoji Branch         Kishiwada Branch       Toyonaka Branch         Kobe Branch       Umeda Branch         Nanba Branch       Umeda Branch         Nara Branch       Umeda Branch         Nishinomiya Branch       Vakayama Branch         Kuzashiki Branch       Shimonoseki Branch         Kurashiki Branch       Totori Office         Yonago Branch       Yonago Branch         Okayama Branch       Yonago Branch         Okayama Branch       Shimonoseki Branch         Kochi Branch       Totori Office         Yonago Branch       Tokushima Branch         Okayama Branch       Tokori Matsue Branch         Kurashiki Branch       Tokushima Branch         Kurashiki Branch       Tokushima Branch         Kurashiki Branch       Tokushima Branch         Kurashiki Branch       Tokushima Branch	Kinki		¬ \
Fukuyama Branch Hiroshima Branch Matsue Branch Okayama Branch Okayama Branch Ditori Office Yonago Branch Ditori Office Yonago Branch Shikoku Kochi Branch Matsuyama Branch Tokushima Branch Matsuyama Branch Tokushima Branch Tokushima Branch Tokushima Branch Tokushima Branch Tokushima Branch Oita Branch Saga Branch	Daito Branch Gakuenmae Branch Higashiosaka Branch Himeji Branch Ibaraki Branch Ibaraki Branch Kawanishi Branch Kishiwada Branch Kobe Branch Nanba Branch Nanba Branch	Osaka Branch Otsu Branch Sakai Branch Senri Branch Takarazuka Branch Takatsuki Branch Tennoji Branch Toyonaka Branch Tsukaguchi Branch Uehonmachi Branch	
Hiroshima Branch Kurashiki Branch Matsue Branch Okayama Branch Okayama Branch Okayama Branch Okayama Branch Okayama Branch Shikoku Kochi Branch Matsuyama Branch Takamatsu Branch Tokushima Branch Takamatsu Branch Tokushima Branch Tokushima Branch Fukuoka Branch	Chugoku		$\neg$
Kochi Branch Matsuyama Branch         Takamatsu Branch Tokushima Branch           Kyushu         Tokushima Branch           Fukuoka Branch         Kitakyushu Branch         Nagasaki Branch           Fukuoka Branch, Amu Plaza Hakata Office         Kitakyushu Branch         Oita Branch	Hiroshima Branch Kurashiki Branch Matsue Branch	Tokuyama Branch Tottori Office	
Matsuyama Branch     Tokushima Branch       Kyushu     Kitakyushu Branch     Nagasaki Branch       Fukuoka Branch     Kitakyushu Branch     Oita Branch       Fukuoka Branch, Amu     Kumamoto Branch     Oita Branch       Plaza Hakata Office     Kurume Branch     Saga Branch			Takamatsu Branch
Fukuoka Branch         Kitakyushu Branch         Nagasaki Branch           Fukuoka Branch, Amu         Kumamoto Branch         Oita Branch           Plaza Hakata Office         Kurume Branch         Saga Branch		Matsuyama Branch	Tokushima Branch
Fukuoka Branch, Amu         Kumamoto Branch         Oita Branch           Plaza Hakata Office         Kurume Branch         Saga Branch		Kitakuushu Branch	Nagasaki Branch
	Fukuoka Branch, Amu Plaza Hakata Office	Kumamoto Branch Kurume Branch	Oita Branch Saga Branch
		<u></u>	Okinawa

Naha Branch



### Hokkaido

Asahikawa Branch Hakodate Branch Kushiro Branch

### Tohoku

Akita Branch Aomori Branch Fukushima Branch Hachinohe Branch Iwaki Office

Sapporo Branch Tokachi Obihiro Office

Koriyama Branch Morioka Branch Sendai Branch Yamagata Branch

### Tokyo metropolitan area

Chofu Branch Denenchofu Branch Fuchu Branch Gotanda Branch Hachioji Branch Head Office Ikebukuro Branch Ikebukuro Metropolitan Plaza Branch Jiyugaoka Branch Kamata Branch Keio Shinjuku Branch Kichijoji Branch

Koiwa Branch Kokubunji Branch Machida Branch Mita Branch Nakameguro Branch Nakano Branch Nerima Branch Ogikubo Branch Omori Branch Seiio Branch Senju Branch Shibuya Branch Shinbashi Branch

Shinjuku Branch Shiniuku Nomura Building Branch Shinjuku-eki Nishiguchi Branch Tachikawa Branch Tamagawa Branch Tanashi Branch Tokyo Branch Toranomon Branch Ueno Branch

### Kanto

Aeon Mall Funabashi Office Aobadai Branch Atsugi Branch Chiba Branch Fuiisawa Branch Funabashi Branch Hiratsuka Branch Ichikawa Branch Kamakura Branch Kashiwa Branch Kawagoe Branch Kawaguchi Branch Kawasaki Branch

Kofu Branch Koshigaya Branch Kumagaya Branch Matsudo Branch Mito Branch Musashikosugi Branch Odawara Branch Omiya Nishiguchi Branch Ota Branch Sagamihara Branch Saitama Branch Saitama Branch, Omiya Higashiguchi Office

Shinyurigaoka Branch Takasaki Branch Tama Plaza Branch Tokorozawa Branch Totsuka Branch Tsukuba Branch Tsurumi Branch Urawa Branch Utsunomiya Branch Yokohama Bashamichi Branch Yokohama Branch Yokosuka Branch

### Chubu

Gifu Branch Hamamatsu Branch Kanayama Branch Kariya Branch Kasuqai Branch Matsumoto Branch

Nagano Branch Nagova Branch Nagoya-ekimae Branch Numazu Branch Okazaki Branch

Shizuoka Branch Toyohashi Branch Toyota Branch Tsu Branch Yokkaichi Branch

## Website Information

## **Corporate Data**

### Corporate Data

Company name	Nomura Holdings, Inc.
President & CEO	Koji Nagai
Date of incorporation	December 25, 1925
Business description	Investment and financial services

### Share Data

Common stock issued 3,822,562,601 shares (As of March 31, 2014)

### 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. (As of March 31, 2014)

Securities code

8604 (Tokyo Stock Exchange) NMR (New York Stock Exchange)

### Major shareholders (Top 10)\*1

Names of shareholders	Number of shares (thousands)	Percentage (rounded to two decimal places)
Japan Trustee Services Bank, Ltd. (Trust Account)	162,108	4.24
The Master Trust Bank of Japan, Ltd. (Trust Account)	128,994	3.37
The Bank of New York Mellon SA/NV 10	124,073	3.25
The Bank of New York Mellon as Depositary Bank for Depositary Receipt Holders	44,659	1.17
State Street Bank West Client-Treaty	43,994	1.15
Japan Trustee Services Bank, Ltd. (Trust Account 6)	42,067	1.10
Japan Trustee Services Bank, Ltd. (Trust Account 5)	42,022	1.10
Japan Trustee Services Bank, Ltd. (Trust Account 1)	41,720	1.09
Japan Trustee Services Bank, Ltd. (Trust Account 3)	41,440	1.08
Japan Trustee Services Bank, Ltd. (Trust Account 2)	41,337	1.08
*1 The Company has 103 784 258 shares (2 72%) of tr	ageun, stock a	e of March 31

1 The Company has 103,784,258 shares (2.72%) of treasury stock as of March 31. 2014, which is not included in the major shareholders list above.

	Second quarter-end	Year-end
Date of record for dividend payments*2	September 30	March 31

\*2 Under Article 459-1 of the Company Act, the Company has set the base dates for the payment of dividends from retained earnings on June 30, September 30, December 31, and March 31, under its Articles of Incorporation through a decision by the Board of Directors. However, in principle, the Company pays dividends twice yearly (with base dates of September 30 and March 31).

### ► Other

### Credit rating\*

	Nomura Holdings		Nomura Securities	
	Long-term	Short-term	Long-term	Short-term
Standard & Poor's	BBB+	A-2	A-	A-2
Moody's Investors Service	Baa3*4	_	Baa2*4	P-2
Fitch Ratings	A-	F1	A-	F1
R&I	A+	a-1	A+	a-1
JCR	AA-	_	AA-	_

\*3 As of July 31, 2014

\*4 Placed on watchlist for possible upgrade on July 7, 2014

Paid-in capital Head office Group employees

¥594.5 billion (As of March 31, 2014) 1-9-1. Nihonbashi, Chuo-ku, Tokyo 103-8645, Japan 27,670 (As of March 31, 2014)

### Number of shareholders

476,079 (Unit shareholders: 453,407) (As of March 31, 2014)

### Transfer agent and registrar

Mitsubishi UFJ Trust and Banking Corporation Corporate Agency Department: +81 (3) 5391-1900

### Depositary for American Depositary Receipts (ADRs)

The Bank of New York Mellon Depositary Receipts Division: +1 (866) 680-6825 http://www.adrbnymellon.com Ratio: 1 ADR = 1 ordinary share

Component ratio of shareholders





### Nomura Holdings Website http://www.nomura.com/

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



### ▲ Corporate Citizenship Site http://www.nomuraholdings.com/csr/

Delivers detailed information on the Nomura Group's CSR initiatives in a timely manner. The site also offers video clips of financial and economic education materials, a GRI Guidelines Index, CSR related information and data, as well as other materials.

### About the Front Cover

The logo of the Nomura Group is based on our Company badge. This badge design is an arrangement of an ivy leaf, which appears on the crest of the Nomura family, and the original Nomura trade name in Japanese, yamato. The yama portion of the trade name, which means "mountain," was restyled in the shape of a mountain, and this combination of symbols is immediately recognizable today as synonymous with "NOMURA." The cover design of this report is based on the "M" motif.

### Inquiries

Nomura Holdings, Ind	С.
Investor Relations	Urbannet Otemachi Building, 2-2-2, Oter Tel. +81 (3) 5255-1000 (Main switchboar
Corporate Citizenship Department	Otemachi Nomura Building, 2-1-1, Oter Tel. +81 (3) 5255-1000 (Main switchboar e-mail: csr@jp.nomura.com



### Investor Relations Site http://www.nomuraholdings.com/investor/

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



emachi, Chiyoda-ku, Tokyo 100-8130, Japan ard)

emachi, Chiyoda-ku, Tokyo 100-8170, Japan ard)

## NOMURA





All electricity to print this booklet was generated by green energy. (250 kWh)