

NOMURA HOLDINGS INC  
Form 6-K  
June 03, 2016  
Table of Contents

## **FORM 6-K**

### **U.S. SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**Report of Foreign Private Issuer**

**Pursuant to Rule 13a-16 or 15d-16 of  
the Securities Exchange Act of 1934**

**Commission File Number: 1-15270**

**For the month of June 2016**

## **NOMURA HOLDINGS, INC.**

(Translation of registrant's name into English)

**9-1, Nihonbashi 1-chome**

**Chuo-ku, Tokyo 103-8645**

**Japan**

Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

**Table of Contents**

Information furnished on this form:

**EXHIBIT**

Exhibit Number

1. (English Translation) Notice of Convocation of the 112<sup>th</sup> Annual General Meeting of Shareholders
2. (English Translation) Matters available on the website in relation to the Notice of Convocation of the 112<sup>th</sup> Annual General Meeting of Shareholders

**Table of Contents**

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NOMURA HOLDINGS, INC.

Date: June 3, 2016

By: /s/ Hajime Ikeda  
Hajime Ikeda  
Senior Managing Director

**Table of Contents**

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

**NOMURA**

**Notice of Convocation of the 112<sup>th</sup> Annual General Meeting of  
Shareholders**

Nomura Holdings, Inc.

## Table of Contents

### **To Our Shareholders**

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

In the fiscal year ended March 31, 2016, interest rate was raised for the first time in 9 years and a half in the U.S. In Europe, on the other hand, additional monetary easing was conducted out of concern over the outlook of the European economy. In China, while economic measures were implemented for a transition to the New Normal, economic growth decelerated. In the case of Japan, against the backdrop of weak personal consumption and exports, its economy has trended sluggishly. Under such circumstances, negative interest rate was introduced for the first time in its history in January in order to emerge from deflation.

In such macro environments in Japan and abroad, on top of the low crude oil prices and the devaluation of Chinese yuan last summer, concerns surfaced about the performance of overseas financial institutions mainly in Europe at the beginning of 2016. Throughout the past year, equity and bond markets in Japan and abroad underwent high volatility.

Under such circumstances, in addition to large-scale domestic fund-raising deals including Japan Post's IPO, we engaged in multiple cross-border M&A deals of large sizes. Also, we announced a strategic partnership with American Century Investments, a U.S. asset manager. We also worked on optimization of cost and risks in order to respond to the uncertain market environment.

As mentioned above, however, changes in the market environment were drastic in the latter half of the fiscal year, which led to a decrease in transactions with clients. As a result, in the fiscal year ended March 31, 2016, the Group's net revenue totaled 1,395.7 billion yen (after interest expense), and net income came to 131.6 billion yen. EPS was 35.52 yen (after dilution).

With regard to the distribution of dividends to shareholders, we have decided on an annual dividend of 13 yen per share based on our dividend policy.

Last year, the Nomura Group was able to celebrate the 90th anniversary.

At present, we are striving to establish a solid business foundation by 2020, so that we will be able to generate revenue in a stable manner no matter what the operating environment may be. Toward the year 2020 as well as our 100th anniversary, the Nomura Group, as Asia's global investment bank, will continue to provide high value-added solutions to clients in Japan and overseas, and to contribute to economic growth and social development.

Thank you very much for your continued support.

May 2016

Koji Nagai

Director, Representative Executive Director and Group CEO

**Table of Contents**

(Securities Code: 8604)  
May 31, 2016

To: Shareholders of Nomura Holdings, Inc.

Koji Nagai  
Director and Representative Executive Officer

Group CEO  
Nomura Holdings, Inc.  
1-9-1 Nihonbashi, Chuo-ku, Tokyo,  
JAPAN

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

Dear Shareholder,

I would like to take this opportunity to thank you, our shareholder, for your support of Nomura Holdings, Inc. (the Company). The 112th Annual General Meeting of Shareholders will be held as described below.

Details

1. **Date and Time:** 0:00 a.m. on Wednesday, June 22, 2016 (JST)
2. **Place:** Hotel Grand Pacific LE DAIBA, Palais Royal (first basement)  
2-6-1, Daiba, Minato-ku, Tokyo, JAPAN  
(Please note the venue has changed from last year.)
3. **Agenda for the Meeting:**  
**Matters to be Reported:**
  1. Report on the content of the business report and the consolidated financial statements and report on the results of the audits of the consolidated financial statements performed by the accounting auditor and the Audit Committee for the 112th fiscal year (covering the period from April 1, 2015 to March 31, 2016).
  2. Report on the financial statements for the 112th fiscal year (covering the period from April 1, 2015 to March 31, 2016).

**Matter to be Resolved:**

Proposal: Appointment of Eleven Directors

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

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

End.

**Table of Contents**

Notes:

The following matters have been posted on the Company's website (<http://www.nomuraholdings.com/investor/shm/>) and are therefore omitted from the materials annexed to this Notice of Convocation pursuant to relevant laws and Article 25 of the Company's Articles of Incorporation:

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

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

**Regarding the Payment of the Year-end Dividend Distribution of the 112th Fiscal Year Surplus**

At the Meeting of the Board of Directors of the Company held on April 27, 2016, a resolution was adopted for the payment, beginning on June 1, 2016, of the 3 yen per share year-end dividend distribution of the 112th fiscal year surplus.



**Table of Contents**

**Reference Materials for the General Meeting of Shareholders**

**Proposal and Reference Matters**

**Proposal: Appointment of Eleven Directors**

As of the conclusion of this General Meeting, the term of office of all twelve Directors will expire. Therefore, based on the decision of the Nomination Committee, the Company requests the appointment of eleven Directors, including three new Director nominees. Of the eleven nominees, six, including one person who is to be newly appointed, are Outside Director nominees, and the two Director nominees who will concurrently serve as Executive Officers are Koji Nagai and Tetsu Ozaki.

The nominees are as follows:

**1. Nobuyuki Koga** Non-Executive Director Reappointment

(Aug. 22, 1950) Number of shares held: 232,353 shares of common stock

Apr. 1974 Jun. 1995 Apr. 1999 Jun. 2000 Oct. 2001  Apr. 2003 Jun. 2003 Apr. 2008 Jun. 2008 Jun. 2011	Joined the Company Director of the Company Managing Director of the Company Director and Deputy President of the Company Director and Deputy President of the Company (concurrently Director and Deputy President of Nomura Securities Co., Ltd.) Director and President of the Company (concurrently Director and President of Nomura Securities Co., Ltd.) Director, President & CEO of the Company (concurrently Director and Executive Officer and President of Nomura Securities Co., Ltd.) Director and Representative Executive Officer of the Company (concurrently Director and Chairman of Nomura Securities Co., Ltd.) Director and Chairman of Nomura Securities Co., Ltd. Director and Chairman of the Company (concurrently Director and Chairman of Nomura Securities Co., Ltd.) (Current)	Chairman of the Board of Directors  Chairman of the Nomination Committee
--	--	--

(Significant concurrent positions)

Chairman of the Compensation Committee	Director and Chairman of Nomura Securities Co., Ltd. Representative Director and President of Kanagawa Kaihatsu Kanko Ltd.
---	---

(Reasons for designation as a director nominee)

Mr. Koga has held a number of significant positions, including Director and President of the Company and Director and President of Nomura Securities Co., Ltd., and has served as Director and Chairman of the Company since 2011, and currently holds the positions of the Vice Chairman of Nippon Keidanren (Japan Business Federation) and Vice Chairman of the Japan Securities Dealers Association.

The Company has designated Mr. Koga, who is well-versed in the business of the Nomura Group and the customs of the securities industry, as a director nominee with the expectation that, by having Mr. Koga chair

## Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

meetings of the Board of Directors as Chairman of the Board of Directors, he will contribute to enhancing the quality of discussions at meetings of the Board of Directors and operate meetings of the Board of Directors effectively and efficiently.

If his reappointment is approved, he is slated to continue serving as a Chairman of the Nomination Committee and Chairman of the Compensation Committee after this Annual General Meeting of Shareholders.

Mr. Koga does not concurrently serve as an Executive Officer and is a Non-Executive Director.

**Table of Contents**

**2. Koji Nagai**

Executive Officer Reappointment

(Jan. 25, 1959)

Number of shares held: 236,200 shares of common stock

	Apr. 1981	Joined the Company
	Apr. 2003	Director of Nomura Securities Co., Ltd.
	Jun. 2003	Senior Managing Director of Nomura Securities Co., Ltd.
	Apr. 2007	Executive Managing Director of Nomura Securities Co., Ltd.
	Oct. 2008	Senior Corporate Managing Director of Nomura Securities Co., Ltd.
Director	Apr. 2009	Executive Managing Director and Executive Vice President of Nomura Securities Co., Ltd.
	Apr. 2011	Co-COO and Deputy President of Nomura Securities Co., Ltd.
	Apr. 2012	Senior Managing Director of the Company (concurrently Director and President of Nomura Securities Co., Ltd.)
Representative	Aug. 2012	Representative Executive Officer & Group CEO of the Company (concurrently Director and President of Nomura Securities Co., Ltd.)
Executive Officer	Jun. 2013	Director, Representative Executive Officer & Group CEO of the Company (concurrently Director and President of Nomura Securities Co., Ltd.) (Current)
		(Significant concurrent positions)
Group CEO		Director and President of Nomura Securities Co., Ltd.

(Reasons for designation as a director nominee)

Mr. Nagai has held a number of significant positions including Director and President of Nomura Securities Co., Ltd., and has served as Representative Executive Officer and Group CEO of the Company since 2012 (concurrently Director since 2013).

The majority of the Board of Directors of the Company, including Outside Directors, is made up of non-executive directors. The Company has designated him as a director nominee with the expectation that, by having a top executive concurrently serve as a director, the Board of Directors will be able to easily understand the business execution status and the status of the Company, and exercise the management oversight function more effectively.

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

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

**Table of Contents**

**3. Tetsu Ozaki**

Executive Officer New Appointment

(Jan. 16, 1958)

Number of shares held: 80,900 shares of common stock

	Apr. 1982	Joined the Company
	Apr. 2004	Senior Managing Director of the Company (concurrently Senior Managing Director of Nomura Securities Co., Ltd.)
	Apr. 2008	Executive Managing Director of Nomura Securities Co., Ltd.
	Oct. 2008	Senior Corporate Managing Director of Nomura Securities Co., Ltd.
Representative	Aug. 2012	Deputy President of Nomura Securities Co., Ltd.
	Apr. 2013	Director and Deputy President of Nomura Securities Co., Ltd.
Executive Officer	Apr. 2014	Executive Managing Director of the Company (concurrently Deputy President of Nomura Securities Co., Ltd.)
	Apr. 2016	Representative Executive Officer & Group COO of the Company (concurrently Director and Deputy President of Nomura Securities Co., Ltd.) (Current)

Group COO

(Significant concurrent positions)

Director and Deputy President of Nomura Securities Co., Ltd.

(Reasons for designation as a director nominee)

Mr. Ozaki has held a number of significant positions including CEO of the Wholesale Division (Executive Managing Director) of the Company and Deputy President of Nomura Securities Co., Ltd., and has served as Representative Executive Officer and Group COO since April 2016.

The majority of the Board of Directors of the Company, including Outside Directors, is made up of non-executive directors. The Company has designated him as a director nominee with the expectation that, by having a top executive concurrently serve as a director, the Board of Directors will be able to easily understand the business execution status and the status of the Company, and exercise the management oversight function more effectively.

**Table of Contents**

**4. Hisato Miyashita**

Non-Executive Director New Appointment

(Dec. 26, 1958)

Number of shares held: 20,000 shares of common stock

Jul. 1987	Joined the Company
Jun. 1993	Joined Union Bank of Switzerland (currently, UBS)
Aug. 1996	Joined Bankers Trust Asia Securities Ltd.
Apr. 1998	Joined Credit Suisse First Boston Securities (Japan) Limited
Dec. 1999	Joined Nikko Citigroup Limited (currently, Citigroup Global Markets Japan Inc.)
Mar. 2005	Executive Officer of Nikko Citigroup Limited, Internal Control Supervisory Manager
Jul. 2009	Management Director of Group Compliance Department of the Company
Apr. 2012	Senior Managing Director of the Company, Head of Wholesale Compliance
Jun. 2012	Senior Managing Director of the Company, Group Compliance Head (concurrently Senior Managing Director of Nomura Securities Co., Ltd.)
Apr. 2013	Senior Managing Director of the Company, Group Compliance Head (concurrently Representative Executive Officer of Nomura Securities Co., Ltd., Internal Control Supervisory Manager)
Apr. 2015	Senior Managing Director of the Company, Deputy Chief of Staff and Group Compliance Head (concurrently Representative Executive Officer and Senior Corporate Managing Director of Nomura Securities Co., Ltd., Internal Control Supervisory Manager)
Apr. 2016	Advisor of the Company (Current)

(Significant concurrent positions)

Director of Nomura Asset Management Co., Ltd.

Director of The Nomura Trust and Banking Co., Ltd.

Statutory Auditor of Nomura Financial Products & Services, Inc.

(Reasons for designation as a director nominee)

Mr. Miyashita has engaged in legal and compliance work for many years at a number of securities companies, including the Company, and by working in positions such as the Group Compliance Head of the Nomura Group, he has extensive experience and knowledge in the compliance field.

The Company has designated Mr. Miyashita, who is well-versed in the business of the Nomura Group, as a director nominee with the expectation that, by selecting him as a full-time member of the Audit Committee, he will contribute to enhancing the effectiveness of audits by the Audit Committee.

Mr. Miyashita will not concurrently serve as an Executive Officer and will be a Non-Executive Director.

**Table of Contents**

**5. David Benson**

Non-Executive Director Reappointment

(Feb. 9, 1951)

Number of shares held: 0 shares of common stock

Director

Feb. 1997	Joined Nomura International plc
Jul. 1999	Head of Risk Management, Nomura International plc
Mar. 2005	Chief Operating Officer ( COO ) of Nomura International plc
Aug. 2007	Resigned from Nomura International plc
Nov. 2008	Chief Risk Officer ( CRO ), Senior Managing Director of the Company
Jan. 2011	Senior Managing Director of the Company, Vice Chairman, Risk and Regulatory Affairs
Apr. 2011	Vice Chairman of the Company (Senior Managing Director)
Jun. 2011	Director of the Company (Current)

(Significant concurrent positions)

Non-Executive Director of Nomura Europe Holdings plc

Non-Executive Director of Nomura International plc

(Reasons for designation as a director nominee)

Mr. Benson has held a number of significant positions including Vice Chairman (Senior Managing Director) and Chief Risk Officer of the Company, and has served as Director of the Company since 2011.

The Company has designated Mr. Benson, who is well-versed in the business of the Nomura Group, as a director nominee with the expectation that he will apply his experience and expertise with respect to the risk management of the Group to strengthen the Board of Directors oversight function in relation to risk management.

Mr. Benson does not concurrently serve as an Executive Officer and is a Non-Executive Director.

## Table of Contents

### **Outside Director Nominees (Nominee Numbers 6 to 11)**

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

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

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

1. The person, currently, or within the last three years, shall not correspond to a person listed below.

(1) Person Related to the Company

A person satisfying any of the following requirements shall be considered a Person Related to the Company:

Executive (\*1) of another company where any Executive of the Company serves as a director or officer of that company;

Major shareholder of the Company (directly or indirectly holding more than 10% of the voting rights) or Executive of such major shareholder; or

Partner of the Company's accounting auditor or employee of such firm who works on the Company's audit.

(2) Executive of a Major Lender (\*2) of the Company.

(3) Executive of a Major Business Partner (\*3) of the Company (including Partners, etc.).

(4) A person receiving compensation from the Nomura Group of more than 10 million yen per year, excluding director/officer compensation.

(5) A person executing the business of an institution receiving more than a Certain Amount of Donation (\*4) from the Company.

2. The person's spouse, relatives within the second degree of kinship or anyone who lives with the person shall not correspond to a person listed below (excluding persons in unimportant positions):

(1) Executive of the Nomura Group; or

(2) A person identified in any of subsections (1) ~ (5) in Section 1 above.

(Notes)

- \*1: Executive shall mean Executive Directors (*gyoumu shikkou torishimariyaku*), Executive Officers (*shikkouyaku*) and important employees (*jyuuyou na shiyounin*), including Senior Managing Directors (*shikkouyakuin*), etc.
- \*2: Major Lender shall mean a lender from whom the Company borrows an amount equal to or greater than 2% of the consolidated total assets of the Company.
- \*3: Major Business Partner shall mean a business partner whose transactions with the Company exceed 2% of such business partner's consolidated gross revenues in the last completed fiscal year.
- \*4: Certain amount of donation shall mean, with respect to any given institution, any amount that exceeds 2% of the donee institution's gross revenue or ordinary income, whichever is greater, or donations that exceed 10 million yen per year.

End.



**Table of Contents**

**6. Takao Kusakari**

Outside Director, Independent Director Reappointment

(Mar. 13, 1940)

Number of shares held: 0 shares of common stock

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  
 Apr. 2011 Outside Director of the Company (Current)  
 Apr. 2015 Special Advisor of NYK Line (Current)

Member of the

(Significant concurrent positions)

Nomination Committee

Special Advisor of NYK Line

Member of the

(Reasons for designation as an outside director nominee)

Compensation Committee

Mr. Kusakari has extensive experience with respect to corporate management. Including the holding in the past of a number of significant positions, including President of NYK Line and Vice Chairman of Nippon Keidanren (Japan Business Federation), his achievements and insights have been evaluated highly both within and outside of the Company.

Number of years in office:

5 years

The Company has designated him as an outside director nominee with the expectation that he will continue to apply his extensive experience and high level of independence to perform a full role as an outside director in determining important managerial matters and overseeing the business execution of the Company, etc.

Attendance at Meetings of the Board of Directors:

10/10

If his reappointment is approved, he is slated to continue serving as a member of the Nomination Committee and a member of the Compensation Committee after this Annual General Meeting of Shareholders.

Attendance at Meetings of the Nomination Committee:

4/4

Attendance at Meetings of the Compensation Committee:

4/4



**Table of Contents**

**7. Hiroshi Kimura**

Outside Director, Independent Director Reappointment

(Apr. 23, 1953)

Number of shares held: 0 shares of common stock

Apr. 1976 Joined Japan Tobacco and Salt Public Corporation (currently, Japan Tobacco Inc.)  
 Jun. 1999 Director of Japan Tobacco Inc.  
 Jun. 2001 Resigned as Director of Japan Tobacco Inc.  
 Jun. 2005 Director of Japan Tobacco Inc.  
 Jun. 2006 President and CEO and Representative Director of Japan Tobacco Inc.  
 Jun. 2012 Chairman of the Board of Japan Tobacco Inc.  
 Jun. 2014 Special Advisor of Japan Tobacco Inc. (Current)  
 Jun. 2015 Outside Director of the Company (Current)

Outside Director

Member of the  
Audit Committee

(Significant concurrent positions)

Special Advisor of Japan Tobacco Inc.

Outside Director of Asahi Glass Co., Ltd.

Number of years in office:

Outside Director of IHI Corporation (to be appointed)

1 year

(Reasons for designation as an outside director nominee)

Attendance at Meetings of  
the Board of Directors:

Mr. Kimura has extensive experience with respect to corporate management. Including the holding in the past of a number of significant positions, including President, CEO and Representative Director of the Board of Japan Tobacco Inc. and Chairman of the Board of Japan Tobacco Inc., his achievements and insights have been evaluated highly both within and outside of the Company.

8/8

Attendance at Meetings of  
the Audit Committee:

The Company has designated him as an outside director nominee with the expectation that he will continue to apply his extensive experience and high level of independence to perform a full role as an outside director in determining important managerial matters and overseeing the business execution of the Company, etc.

11/11

(Mr. Kimura attended all meetings of the Board of Directors and Audit Committee which were held after his appointment as an outside director and a member of the Audit Committee.)

If his reappointment is approved, he is slated to serve as a member of the Nomination Committee and a member of the Compensation Committee after this Annual General Meeting of Shareholders.

**Table of Contents**

**8. Noriaki Shimazaki**

Outside Director, Independent Director New Appointment

(Aug. 19, 1946)

Number of shares held: 0 shares of common stock

Apr. 1969	Joined Sumitomo Corporation
Jun. 1998	Director of Sumitomo Corporation
Apr. 2002	Representative Director and Managing Director of Sumitomo Corporation
Jan. 2003	Member of the Business Accounting Council of the Financial Services Agency
Apr. 2004	Representative Director and Senior Managing Executive Officer of Sumitomo Corporation
Apr. 2005	Representative Director and Executive Vice President of Sumitomo Corporation
Jan. 2009	Trustee of the IFRS Foundation
Jul. 2009	Special Advisor of Sumitomo Corporation
Jun. 2011	Director of the Financial Accounting Standards Foundation
Jun. 2011	Chairman of Self-regulation Board and Public Governor of the Japan Securities Dealers Association (Current)
Sep. 2013	Advisor of the IFRS Foundation Asia-Oceania Office (Current)
Sep. 2013	Advisor of the Japanese Institute of Certified Public Accountants (Current)

(Significant concurrent positions)

Outside Director of Autobacs Seven Co., Ltd.

Outside Director of UKC Holdings Corporation

Outside Director of Loginet Japan Co., Ltd. (to be appointed)

Director of Nomura Securities Co., Ltd. (to be appointed)

(Reasons for designation as an outside director nominee)

Mr. Shimazaki has extensive experience with respect to corporate management and a high degree of expertise with regard to international accounting systems corresponding to a Sarbanes-Oxley Act of 2002 financial expert. Including the holding in the past of a number of significant positions, including Representative Director and Executive Vice President of Sumitomo Corporation, Member of the Business Accounting Council of the Financial Services Agency, Trustee of IFRS Foundation, Special Advisor of Sumitomo Corporation and Director of the Financial Accounting Standards Foundation, his achievements and insights have been evaluated highly both within and outside of the Company.

The Company has designated him as an outside director nominee with the expectation that he will apply his extensive experience and high degree of expertise and independence to perform a full role as an outside director in determining important managerial matters and overseeing the business execution of the Company, etc.

If his appointment is approved, he is slated to serve as a member of the Audit Committee (Chairman) after this Annual General Meeting of Shareholders.

**Table of Contents**

**9. Toshinori Kanemoto**

Outside Director, Independent Director Reappointment

(Aug. 24, 1945)

Number of shares held: 0 shares of common stock

Outside Director	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
	Apr. 2001	Director of Cabinet Intelligence, Cabinet Secretariat, Government of Japan
	Jan. 2007	Registered as Attorney-at-Law (Dai-ichi Tokyo Bar Association)
	Feb. 2007	Of-Counsel, City-Yuwa Partners (Current)
Member of the Audit Committee	Jun. 2011	Outside Director of the Company (Current)

(Significant concurrent positions)

Number of years in office: Of-Counsel, City-Yuwa Partners

5 years Outside Statutory Auditor of JX Holdings, Inc.

Outside Statutory Auditor of Nippon Television Holdings, Inc.

Attendance at Meetings of the Board of Directors: Outside Director of Riken Corporation

(Reasons for designation as an outside director nominee)

10/10

Mr. Kanemoto has held a number of significant positions, including Director General of International Affairs at the National Police Agency, President of ICPO-INTERPOL and Director of Cabinet Intelligence in Japan. Mr. Kanemoto is currently active as an attorney with sophisticated expertise with respect to law and his achievements and insights have been evaluated highly both within and outside of the Company.

Attendance at Meetings of the Audit Committee:

16/16

The Company has designated him as an outside director nominee with the expectation that he will continue to apply his extensive experience and high level of independence to perform a full role as an outside director in determining important managerial matters and overseeing the business execution of the Company, etc.

If his reappointment is approved, he is slated to continue serving as a member of the Audit Committee after this Annual General Meeting of Shareholders.

**Table of Contents**

**10. Dame Clara Furse**

Outside Director, Independent Director Reappointment

(Sept. 16, 1957)

Number of shares held: 0 shares of common stock

Feb. 1983 Joined Phillips & Drew (currently UBS)  
 Jun. 1990 Non-Executive Director of the London International Financial Futures Exchange ( LIFFE )  
 Jun. 1997 Deputy Chairman of LIFFE  
 May 1998 Group Chief Executive of Credit Lyonnais Rouse  
 Jan. 2001 Chief Executive of the London Stock Exchange Group  
 Jun. 2010 Outside Director of the Company (Current)  
 Apr. 2013 External Member of the Bank of England s Financial Policy Committee (Current)

Outside Director

(Significant concurrent positions)

Number of years in office:

Non-Executive Director of Amadeus IT Holding, S.A.

6 years

Non-Executive Director of the UK Department for Work and Pensions

External Member of the Bank of England s Financial Policy Committee

Attendance at Meetings of the Board of Directors:

Non-Executive Director of Vodafone Group Plc

10/10

(Reasons for designation as an outside director nominee)

Dame Clara Furse has extensive experience with respect to financial businesses. She has held a number of significant positions, including Chief Executive of the London Stock Exchange Group, and in 2008 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.

The Company has designated her as an outside director nominee with the expectation that she will continue to apply her global and extensive experience and her high level of independence to perform a full role as an outside director in determining important managerial matters and overseeing the business execution of the Company, etc.

**Table of Contents**

**11. Michael Lim Choo San**

Outside Director, Independent Director Reappointment

(Sept. 10, 1946)

Number of shares held: 0 shares of common stock

Aug. 1972 Joined Price Waterhouse, Singapore  
 Jan. 1992 Managing Partner of Price Waterhouse, Singapore  
 Oct. 1998 Member of the Singapore Public Service Commission (Current)  
 Jul. 1999 Executive Chairman of PricewaterhouseCoopers, Singapore  
 Sept. 2002 Chairman of the Land Transport Authority of Singapore  
 Sept. 2004 Independent Director of Olam International Limited  
 Jun. 2011 Outside Director of the Company (Current)  
 Nov. 2011 Chairman of the Accounting Standards Council, Singapore  
 Apr. 2013 Chairman of the Singapore Accountancy Commission

Outside Director

Number of years in office:

(Significant concurrent positions)

5 years

Non-Executive Chairman of Nomura Singapore Ltd.

Attendance at Meetings of

(Reasons for designation as an outside director nominee)

the Board of Directors:

Mr. Lim is well-versed in international accounting systems and has held a number of significant positions, including Executive Chairman of PricewaterhouseCoopers (Singapore) and a number of public service related roles in Singapore, and was also awarded with national honors by the Government of Singapore three times between 1998 and 2010. His achievements and insights have been evaluated highly both within and outside of the Company.

10/10

The Company has designated him as an outside director nominee with the expectation that he will continue to apply his global and extensive experience and his high degree of expertise and independence to perform a full role as an outside director in determining important managerial matters and overseeing the business execution of the Company, etc.

**Table of Contents**

- Note 3: There are no particular conflicts of interest between the Company and each of the 11 nominees.
- Note 4: The Company has entered into agreements to limit Companies Act Article 423 Paragraph 1 liability for damages (limitation of liability agreements) with each of the following director nominees: Mr. David Benson, Mr. Takao Kusakari, Mr. Hiroshi Kimura, Mr. Toshinori Kanemoto, Dame Clara Furse, and Mr. Michael Lim Choo San. Liability under each such agreement is limited to either 20 million yen or the amount prescribed by laws and regulations, whichever is greater. If Mr. David Benson, Mr. Takao Kusakari, Mr. Hiroshi Kimura, Mr. Toshinori Kanemoto, Dame Clara Furse, and Mr. Michael Lim Choo San are each reappointed at this Annual General Meeting of Shareholders, the Company is planning to maintain the limitation of liability agreements stated above with each of them. Further, if the director nominees Messrs. Hisato Miyashita and Noriaki Shimazaki are each appointed as a director, the Company is planning to enter into the limitation of liability agreement stated above with each of them.
- Note 5: In August 2012, Nomura Securities Co., Ltd., a subsidiary of the Company, with respect to, among other issues, flaws recognized in connection with the management of entity-related information for public stock offerings, received a business improvement order from Japan's Financial Services Agency. With respect to the improvement measures, including the review of the internal and external communication methods with respect to corporate-related information and the information management structure, Nomura Securities Co., Ltd. has implemented all of such measures and policies as of the end of December 2012. Outside Director nominees Messrs. Takao Kusakari and Toshinori Kanemoto who served as Outside Directors of Nomura Securities Co., Ltd. (retiring as of March 31, 2016) regularly, including at meetings of the Board of Directors, made statements from the perspective of compliance with laws and regulations and made various suggestions regarding initiatives, etc., for the entrenchment and continued effective functioning of the improvement measures.

**Reference**

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

Nomination Committee: Nobuyuki Koga (chairman), Takao Kusakari and Hiroshi Kimura

Compensation Committee: Nobuyuki Koga (chairman), Takao Kusakari and Hiroshi Kimura

Audit Committee: Noriaki Shimazaki (chairman), Toshinori Kanemoto, and Hisato Miyashita



**Table of Contents**

[English Translation]

(Attachments to Notice of Convocation of the Annual General Meeting of Shareholders)

# Report for the 112<sup>th</sup> Fiscal Year

From April 1, 2015 to March 31, 2016

## I. Current State of Nomura Group

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

#### (1) Fundamental Management Policy

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

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

To enhance its corporate value, Nomura emphasizes earnings per share (EPS) as a management index and will seek to maintain sustained improvement in this index.

#### (2) Structure of Business Operations

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

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

#### (1) Summary

During the fiscal year ended March 31, 2016, the global economy expanded as a whole, albeit at a moderate pace, but the situation varied from region to region. In the U.S., the real Gross Domestic Product (GDP) growth rate remained the same as previous year, despite the first interest rate hike since 2004, supported by the strong domestic economy. In Europe, in the midst of low inflation levels, the real GDP growth rate was the highest since 2011, as a result of expanded quantitative easing by the ECB. In Asia, emerging economies were affected by the economic slowdown in China and experienced a decline in demand.

In Japan, the economy weakened overall. Despite the rise in corporate capex as a result of an improvement in profit margins, consumer spending and exports weakened markedly. The Tokyo Stock Price Index (TOPIX) fell from 1,543.11 points at the end of March 2015 to 1,347.20 points at the end of March 2016. The Nikkei Stock Average fell from 19,206.99 at the end of March 2015 to 16,758.67 at the end of March 2016. The U.S. Dollar-Japanese Yen exchange rate started the fiscal year at approximately ¥120 level and continued to be relative flat until the middle of the fiscal year. However, the Japanese Yen strengthened rapidly after the start of the year, to around ¥110 level in March 2016. Yields on

## Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

Japanese government debt securities rose at the beginning of the fiscal year ended March 2016, but subsequently followed a downward trend due to turmoil in emerging economies including China and the Bank of Japan's announcement of a negative interest rate policy in January 2016. As a result by the end of March 2016, the yields on newly issued 10-year Japanese government bonds fell to -0.08%.

**Table of Contents**

From a regulatory perspective, in addition to the implementations of Basel III requirements relating to capital ratio, liquidity ratio, and leverage ratio, Nomura was identified as one of the domestic systemically important banks, and the requirement for additional capital is applicable in phases after March 2016. As part of the global tightening of the financial regulations, wide-ranging reforms will be further introduced. Nomura will continue to monitor these issues closely and take necessary measures in responding to any such changes.

While our environment is changing drastically, under the basic philosophy of placing our clients at the heart of everything we do, we made efforts to provide clients with high value-added products and services. We also took necessary initiatives such as cost reduction and risk mitigation under a severe market. Retail Division achieved a continued increase in recurring revenue, sourced mainly from sales of investment trusts and discretionary investment contracts, as we transform our Retail business model, while we saw slowdown in sales of stocks and investment trusts in the second half of the year. Asset Management reported an increase of assets under management, driven by solid inflows into Exchange Traded Funds (ETFs) and privately placed funds for regional financial institutions. Wholesale struggled in Fixed Income despite a solid performance in Equities and Investment Banking.

As a result of these efforts, we posted net revenue of 1,395.7 billion yen for the year ended March 31, 2016, a 13.0% decrease from the previous fiscal year. Non-interest expenses decreased by 2.1% to 1,230.5 billion yen, income before income taxes was 165.2 billion yen, and net income attributable to the shareholders of Nomura Holdings, Inc. was 131.6 billion yen. Return on equity was 4.9%. EPS<sup>(1)</sup> for the year ended March 31, 2016 was 35.52 yen, a decrease from 60.03 yen for the year ended March 31, 2015. We have decided to pay a dividend of 3 yen per share to shareholders of record as of March 31, 2016. As a result, the total annual dividend will be 13 yen per share.

(Note):

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

**Table of Contents****Consolidated Financial Results**

	<b>Billions of yen</b>		<b>% Change</b>
	<b>For the year ended</b>		
	<b>March 31, 2015 (A)</b>	<b>March 31, 2016 (B)</b>	<b>(B-A)/(A)</b>
Net revenue	1,604.2	1,395.7	(13.0)
Non-interest expenses	1,257.4	1,230.5	(2.1)
Income before income taxes	346.8	165.2	(52.4)
Income tax expense	120.8	22.6	(81.3)
Net income	226.0	142.6	(36.9)
Less: Net income attributable to noncontrolling interests	1.2	11.0	822.3
Net income attributable to NHI shareholders	224.8	131.6	(41.5)
Return on shareholders' equity	8.6%	4.9%	

**Table of Contents****(2) Segment Information**

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

**Business Segment Results**

	Billions of yen For the year ended		% Change
	March 31, 2015 (A)	March 31, 2016 (B)	(B-A)/(A)
Net revenue	1,579.5	1,416.4	(10.3)
Non-interest expenses	1,257.4	1,230.5	(2.1)
Income before income taxes	322.1	185.8	(42.3)

In business segment totals, which exclude unrealized gain (loss) on investments in equity securities held for operating purposes, net revenue for the fiscal year ended March 31, 2016 was 1,416.4 billion yen, a decrease of 10.3 % from the previous year. Non-interest expenses for the fiscal year ended March 31, 2016 decreased by 2.1% from the previous year to 1,230.5 billion yen. Income before income taxes was 185.8 billion yen for the fiscal year ended March 31, 2016, decreased by 42.3% from the previous year.

**Operating Results of Retail**

	Billions of yen For the year ended		% Change
	March 31, 2015 (A)	March 31, 2016 (B)	(B-A)/(A)
Net revenue	476.5	435.6	(8.6)
Non-interest expenses	314.7	308.0	(2.1)
Income before income taxes	161.8	127.6	(21.1)

Net revenue decreased by 8.6% from the previous fiscal year to 435.6 billion yen, and non-interest expenses by 2.1% to 308.0 billion yen. As a result, income before income taxes decreased by 21.1% to 127.6 billion yen.

In Retail Division, under the basic philosophy of placing our clients at the heart of everything we do, we made progress on services and products through offering investment advice to best meet the diversified client needs. Although we saw slowdown in sales of stocks and investment trusts in the second half of the year due to market deterioration, we continued to provide consulting services. As a result, the discretionary investment assets under management grew steadily and the recurring revenue increased from the previous fiscal year. Total retail client assets under management remained high.

**Operating Results of Asset Management**

	Billions of yen For the year ended		% Change
	March 31, 2015 (A)	March 31, 2016 (B)	(B-A)/(A)
Net revenue	92.4	95.4	3.3
Non-interest expenses	60.3	58.7	(2.5)
Income before income taxes	32.1	36.7	14.2

## Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

Net revenue increased by 3.3% from the previous fiscal year to 95.4 billion yen. Non-interest expenses decreased by 2.5% to 58.7 billion yen. As a result, income before income taxes increased by 14.2% to 36.7 billion yen.

**Table of Contents**

In the investment trust business, funds specialized for fund wrap service and privately placed investment trusts developed in response to regional financial institutions' demands contributed to the increase in assets under management. We also provided characteristic ETFs, which track the performance of leveraged index, in addition to traditional ETFs. In our investment advisory business, we saw continued cash inflow from large domestic public pensions despite outflow in overseas. As a result, assets under management increased from the end of the previous fiscal year as of March 31, 2016.

**Operating Results of Wholesale**

	Billions of yen For the year ended		% Change (B-A)/(A)
	March 31, 2015 (A)	March 31, 2016 (B)	
Net revenue	789.9	720.3	(8.8)
Non-interest expenses	707.7	704.9	(0.4)
Income before income taxes	82.2	15.4	(81.3)

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

Net revenue decreased by 8.8% from the previous fiscal year to 720.3 billion yen. Non-interest expenses decreased by 0.4% to 704.9 billion yen. As a result, income before income taxes decreased by 81.3% to 15.4 billion yen.

**Global Markets**

Global Markets recorded a decline in net revenue compared with the previous fiscal year due to challenging market conditions and low client activity. Equities delivered steady performance under a challenging environment. Fixed Income booked much lower revenues mainly in the second half of the year, led by expanding volatility and plunging liquidity. Regionally, revenues in all regions were negatively impacted by slowdown in Fixed Income.

**Investment Banking**

Investment Banking achieved an increase in net revenue compared with the previous fiscal year. We enhanced cross-regional and cross-divisional collaboration, which results in a number of notable M&A transactions and multi-product deals across all regions. In Japan, the revenue was expanded, driven by the involvement in many large financing deals, industry consolidation and cross-border M&A deals as well as solution businesses such as various foreign exchange and interest-rate hedges which accommodate market changes. In overseas, we saw solid performance in EMEA and AEJ, while we faced a slowdown led by challenging market conditions in Americas.

**Other**

	Billions of yen For the year ended		% Change (B-A)/(A)
	March 31, 2015 (A)	March 31, 2016 (B)	
Net revenue	220.8	165.1	(25.2)
Non-interest expenses	174.8	158.9	(9.1)
Income before income taxes	46.0	6.1	(86.6)

Net revenue decreased by 25.2% from the previous fiscal year to 165.1 billion yen. Non-interest expenses decreased by 9.1% to 158.9 billion yen. As a result, income before income taxes decreased by 86.6% to 6.1 billion yen.





**Table of Contents****3. Financing Situation****(1) Funding situation**

In terms of funding, the Company, Nomura Securities Co., Ltd. and Nomura Europe Finance N.V. are the main entities for external borrowings and bond issuances. By funding that is matching with the liquidity of assets and the currencies for usage, we pursue the optimization of our funding structure.

The Company issued domestic unsecured perpetual subordinated bonds with write-down clause of 165 billion yen in January 2016. In addition, Nomura Europe Finance N.V. issued EURO senior notes totaling EUR 750 million in June 2015.

**(2) Capital Expenditures**

Capital expenditures focus primarily on investment in systems with the objective of supporting the promotion of business lines in Japan and overseas. In the Retail division, we made investment which contributed to the change in business model for the retail business. In the Wholesale division, we are continuously enhancing the trading systems as well as strengthening the infrastructure system in order to efficiently process orders from global investors.

**4. Results of Operations and Assets**

Item	(in billions of yen except per share data in yen)			
	109 <sup>th</sup> Fiscal Year (April 1, 2012 to March 31, 2013)	110 <sup>th</sup> Fiscal Year (April 1, 2013 to March 31, 2014)	111 <sup>th</sup> Fiscal Year (April 1, 2014 to March 31, 2015)	112 <sup>th</sup> Fiscal Year (April 1, 2015 to March 31, 2016)
Total Revenue	2,079.9	1,831.8	1,930.6	1,723.1
Net revenue	1,813.6	1,557.1	1,604.2	1,395.7
Income before income taxes	237.7	361.6	346.8	165.2
Net income attributable to NHI shareholders	107.2	213.6	224.8	131.6
Basic-Net income attributable to NHI shareholders per share	29.04	57.57	61.66	36.53
Diluted-Net income attributable to NHI shareholders per share	28.37	55.81	60.03	35.52
Total assets	37,942.4	43,520.3	41,783.2	41,090.2
Total NHI shareholders equity	2,294.4	2,513.7	2,707.8	2,700.2

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

**5. Management Challenges and Strategies**

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

## Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

In order to achieve our management objective, we are placing a top priority on ensuring that profits are recorded by all divisions and regions. We are committed to continuing business model transformation in Japan as well as aiming to improve profitability of our overseas operations under Vision C&C, so that we will be able to build a solid foundation to secure profit even under a severe environment.

As Asia's global investment bank, we will continue to take appropriate measures toward phased implementation of Basel regulations (global standards on capital requirements and liquidity) as well as forthcoming changes in the operating environment. While financial regulatory reforms in the wake of the financial crisis are in their final phase, unintended consequences of the regulatory reforms, adverse impact due to compound effect, and concern about newly emerging risks are being pointed out. We will ensure a flexible response by staying attentive to the impact of the overall regulatory framework on the financial market and the competitive landscape.

## Table of Contents

The challenges and strategies in each division are as follows:

### [Retail Division]

In Retail Division, under our basic philosophy of placing our clients at the heart of everything we do, we are aiming to increase client satisfaction further by listening to clients' voices as well as understanding and meeting their diversified demands and needs. We also focus on providing a broad range of clients with value-added solutions through face-to-face consulting services, seminars, online and call center channels, so that we will win greater trust from account holders as well as new clients, and so that Nomura Group can sustainably be a trusted partner to our clients.

### [Asset Management Division]

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

### [Wholesale Division]

Global Markets has been focusing on delivering differentiated products and solutions to our clients by leveraging Nomura Group's capabilities in trading, research, and global distribution. Through our integrated Fixed Income and Equities platform, we aim to provide competitive and comprehensive services and solutions to our clients.

In Investment Banking, we continue to enhance our structure to further provide cross-border M&A and financing services in both domestic and overseas markets as well as to provide solution business services associated with the said M&A and financing amid the globalization of our clients' business activities.

In Wholesale Division, in order to provide quality services to meet the needs of our clients, we redeploy the firm's resources to areas of competitive advantage, and aim to further enhance the connectivity across Global Markets, Investment Banking, and regions. We will strive to improve our capabilities of proposing products and services, as well as to make use of our geographic competitive advantage in Asia, so that we can meet the changing needs of our clients in accordance with global-scale fluctuations in the macro economy and the market environment.

### [Risk Management and Compliance, etc.]

In order to ensure financial soundness and enhance corporate value, the risk management systems require further developments in response to increasing global business. Nomura Group has the Risk Appetite Statement in which risks that we are willing to accept are articulated. We will continue to make efforts to develop a system where the top management directly engages in proactive risk management for precise decision making.

With regard to compliance, we will continue to focus on improving the management structure to comply with local laws and regulations in the countries where the Nomura Group operates. In addition to complying with laws and regulations, we will continuously review and improve our internal compliance system and rules for the purpose of promoting an environment of high ethical standards among all of our executive management and employees. In this way, we will meet the expectations of society and clients toward the Nomura Group and contribute to the further development of financial and capital markets.

Last year, based on the administrative penalties imposed on our subsidiary, Nomura Securities Co. Ltd. in 2012 in connection with public stock offerings, the Nomura Group established the Nomura Founding Principles and Corporate Ethics Day. Commemorated annually, this day aims to remind all of our executive officers and employees of the lessons learned from the incident and to renew our determination to prevent similar incidents from recurring in the future and further improve public trust through various measures. We will strive to maintain a sound corporate culture through these initiatives. We will also further enhance and reinforce our internal control framework, which includes measures to prevent insider trading and solicitation of unfair dealing, by ensuring that all of our executive officers and employees continually maintain the highest level of business ethics expected from professionals engaged in the capital markets.



---

**Table of Contents**

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

**6. Major Business Activities**

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

**7. Organizational Structure**

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

The Company: Head office (Tokyo)

Nomura Securities Co., Ltd. (Head office and local branches 159 locations in total): Tokyo (Head office and local branches 35 locations in total), Kanto area excluding Tokyo (37 branches), Hokkaido area (5 branches), Tohoku area (9 branches), Hokuriku area (4 branches), Chubu area (16 branches), Kinki area (28 branches), Chugoku area (9 branches), Shikoku area (4 branches) and Kyushu and Okinawa area (12 branches)

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

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

Nomura Facilities, Inc. (Tokyo)

Nomura Financial Products & Services, Inc. (Tokyo)

**(2) Principal place of business overseas**

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

Nomura International plc (London, U.K.)

Nomura International (Hong Kong) Limited

Nomura Singapore Limited

Instinet Incorporated (New York, U.S.)

**(3) Status of Employees**

Employees	Increase / Decrease
-----------	---------------------

Total	28,865	193 Increase
-------	--------	--------------

(Notes)

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

**Table of Contents****(4) Status of Significant Subsidiaries**

Name	Location	Capital (in millions)	Percentage of Voting Rights	Type of Business
Nomura Securities Co., Ltd.	Tokyo, Japan	¥ 10,000	100%	Securities
Nomura Asset Management Co., Ltd.	Tokyo, Japan	¥ 17,180	100%	Investment Trust Management / Investment Advisory
The Nomura Trust & Banking Co., Ltd.	Tokyo, Japan	¥ 35,000	100%	Banking / Trust
Nomura Facilities, Inc.	Tokyo, Japan	¥ 480	100%	Business Space / Facility Management
Nomura Financial Products & Services, Inc.	Tokyo, Japan	¥ 176,775	100%	Financial
Nomura Holding America Inc.	New York, U.S.	US\$ 5,438.96	100%	Holding Company
Nomura Securities International, Inc.	New York, U.S.	US\$ 3,650.00	100%*	Securities
Nomura America Mortgage Finance, LLC	New York, U.S.	US\$ 1,687.49	100%*	Holding Company
Instinet Incorporated	New York, U.S.	US\$ 1,312.30	100%*	Holding Company
Nomura Europe Holdings plc	London, U.K.	US\$ 9,137.79	100%	Holding Company
Nomura International plc	London, U.K.	US\$ 9,916.81	100%*	Securities
Nomura Bank International plc	London, U.K.	US\$ 561.33	100%*	Financial
Nomura Capital Markets Limited	London, U.K.	US\$ 3,123.20	100%	Financial
Nomura Asia Holding N.V.	Amsterdam, The Netherlands	¥ 139,982	100%	Holding Company
Nomura International (Hong Kong) Limited	Hong Kong	¥ 164,711	100%*	Securities
Nomura Singapore Limited	Singapore, Singapore	S\$ 239.00	100%*	Securities / Financial

(Notes)

- Capital is stated in the currency on which each subsidiary's books of record are maintained. Capital of a subsidiary, whose paid-in capital is zero or is in nominal amount (primarily subsidiaries located in the U.S.), is disclosed in amount including additional paid-in capital. Percentages with \* in the Percentage of Voting Rights column include voting rights from indirect ownership of shares.
- The total number of consolidated subsidiaries and consolidated variable interest entities as of March 31, 2016 was 1,214. The total number of entities accounted for under the equity method of accounting such as Nomura Research Institute, Ltd. and Nomura Real Estate Holdings, Inc. was 17 as of March 31, 2016.
- Nomura Capital Markets Limited has been acting as an entity to consolidate risks arising from derivative transactions for the Nomura Group. We have decided to place Nomura Capital Markets Limited in a voluntary winding up due to reorganization of subsidiary's management structure within the Nomura Group. This winding up is expected to be completed by March 31, 2020.

Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

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



**Table of Contents****8. Major Lenders**

<b>Lender</b>	<b>Type of Loan</b>	<b>Loan Amount (in millions of yen)</b>
The Bank of Tokyo-Mitsubishi UFJ, Ltd	Long-term borrowing	401,268
Mizuho Bank, Ltd.	Long-term borrowing	390,447
Sumitomo Mitsui Banking Corporation	Long-term borrowing	382,290
Resona Bank, Ltd.	Long-term borrowing	50,000
Sumitomo Mitsui Trust Bank, Limited.	Long-term borrowing	173,687
Mitsubishi UFJ Trust and Banking Corporation	Long-term borrowing	100,000
Mizuho Trust & Banking Co., Ltd.	Long-term borrowing	35,000
The Chiba Bank, Ltd.	Long-term borrowing	41,941
The Shizuoka Bank, Ltd.	Long-term borrowing	35,000
The Hachijuni Bank, Ltd.	Long-term borrowing	30,000
The Norinchukin Bank	Long-term borrowing	50,531
The Dai-ichi Life Insurance Company, Limited	Long-term borrowing	10,000
	Short-term borrowing (*)	30,000
Meiji Yasuda Life Insurance Company	Long-term borrowing	32,458
Nippon Life Insurance Company	Long-term borrowing	26,844
	Short-term borrowing (*)	5,000

(Note)

The short-term borrowings with (\*) are long-term borrowings due within one year.

**9. Capital Management Policy**

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

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

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

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

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

We will consider repurchase of treasury stock as an option in our financial strategy to respond quickly to changes in the business environment and to increase shareholder value. We will make announcements immediately after any decision to set up a share buyback program and conduct such programs in accordance with internal guidelines.

Dividends for the Fiscal Year

Based on our Capital Management Policy described above, we paid a dividend of 10 yen per share to shareholders of record as of September 30, 2015 and have decided to pay a dividend of 3 yen per share to shareholders of record as of March 31, 2016. As a result, the total annual dividend

will be 13 yen per share.

**Table of Contents**

The following table sets forth the details of dividends paid for the fiscal year ended March 31, 2016:

<b>Resolution of Board of Directors</b>	<b>Record Date</b>	<b>Total Amount of Dividends (in millions of yen)</b>	<b>Dividend Per Share (yen)</b>
October 28, 2015	September 30, 2015	35,983	10.00
April 27, 2016	March 31, 2016	10,829	3.00

**II. Stocks**

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

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

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

**2. Total Number of Issued Shares:** Common Stock 3,822,562,601 shares

**3. Number of Shareholders:** 415,706

**4. Major Shareholders (Top 10):**

<b>Names of Shareholders</b>	<b>Number of Shares Owned and Percentage of Shares Owned (in thousand shares) (%)</b>	
State Street Bank and Trust Company 505223	246,648	6.8
Japan Trustee Services Bank, Ltd. (Trust Account)	135,640	3.8
The Master Trust Bank of Japan, Ltd. (Trust Account)	124,589	3.5
Japan Trustee Services Bank, Ltd. (Trust Account 9)	52,439	1.5
State Street Bank West Client-Treaty 505234	52,055	1.4
Japan Trustee Services Bank, Ltd. (Trust Account 7)	50,608	1.4
The Bank of New York Mellon SA/NV 10	47,067	1.3
The Bank of New York Mellon as Depositary Bank for DR Holders	43,528	1.2
Barclays Securities Japan Limited	42,000	1.2
Japan Trustee Services Bank, Ltd. (Trust Account 1)	39,075	1.1

(Notes)

## Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

1. The Company has 213,040 thousand shares of treasury stock as of March 31, 2016 which is not included in the major shareholders list above.
2. Figures for Number of Shares Owned are rounded down to the nearest thousand and figures for Percentage of Shares Owned are calculated excluding treasury stock.

**Table of Contents**

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

(1) Repurchased shares

Common Stock	24,364,753 shares
Total Repurchase Amount (in thousands of yen)	20,001,941

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

Common Stock	24,331,100 shares
Total Repurchase Amount (in thousands of yen)	19,976,848

Reason for Repurchase

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

(2) Shares Disposed

Common Stock	33,879,686 shares
Aggregate Amount of Disposition (in thousands of yen)	23,296,590

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

Common Stock	213,040,769 shares
--------------	--------------------

**6. Other Significant Matters concerning Stocks**

At the meeting of the Board of Directors held on April 27, 2016, the Company adopted a resolution to repurchase shares.

(1) Reasons

To apply to the exercise of stock acquisition right, raise capital efficiency and to ensure a flexible capital management policy.

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

Common Stock	35,000,000 shares (upper limit)
--------------	---------------------------------

(3) Total Repurchase Amount

20 billion yen (upper limit)

(4) Period of Repurchase

from May 18, 2016 to July 22, 2016

(5) Method of Repurchase

Purchase on the stock exchange via a trust bank



**Table of Contents****III. Stocks Acquisition Rights****1. Stock Acquisition Rights as of the end of the fiscal year**

Name of Stock Acquisition Rights	Allotment Date	Number of Stock Acquisition Rights	Number of Shares under Stock Acquisition Rights	Period for the Exercise of Stock Acquisition Rights	Exercise Price per Share under Stock Acquisition Rights (yen)
Stock Acquisition Rights No.28	April 30, 2009	1,384	138,400	From May 1, 2011 to April 30, 2016	1
Stock Acquisition Rights No.29	June 16, 2009	398	39,800	From June 17, 2011 to June 16, 2016	1
Stock Acquisition Rights No.30	June 16, 2009	1,140	114,000	From June 17, 2011 to June 16, 2016	1
Stock Acquisition Rights No.31	August 5, 2009	1,160	116,000	From August 6, 2011 to August 5, 2016	727
Stock Acquisition Rights No.32	August 5, 2009	19,365	1,936,500	From August 6, 2011 to August 5, 2016	727
Stock Acquisition Rights No.34	May 18, 2010	3,801	380,100	From May 19, 2012 to May 18, 2017	1
Stock Acquisition Rights No.35	May 18, 2010	6,468	646,800	From May 19, 2012 to May 18, 2017	1
Stock Acquisition Rights No.37	July 28, 2010	13,811	1,381,100	From April 30, 2012 to April 29, 2017	1
Stock Acquisition Rights No.38	July 28, 2010	6,470	647,000	From April 30, 2013 to April 29, 2018	1
Stock Acquisition Rights No.39	November 16, 2010	15,943	1,594,300	From November 16, 2012 to November 15, 2017	474
Stock Acquisition Rights No.40	June 7, 2011	10,650	1,065,000	From May 25, 2012 to May 24, 2018	1
Stock Acquisition Rights No.41	June 7, 2011	13,882	1,388,200	From May 25, 2013 to May 24, 2018	1
Stock Acquisition Rights No.42	June 7, 2011	20,474	2,047,400	From May 25, 2014 to May 24, 2018	1

Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

Stock Acquisition Rights No.43	November 16, 2011	15,149	1,514,900	to May 24, 2018 From November 16, 2013	299
Stock Acquisition Rights No.44	June 5, 2012	9,502	950,200	to November 15, 2018 From April 20, 2013	1
Stock Acquisition Rights No.45	June 5, 2012	15,705	1,570,500	to April 19, 2018 From April 20, 2014	1
Stock Acquisition Rights No.46	June 5, 2012	24,641	2,464,100	to April 19, 2019 From April 20, 2015	1
Stock Acquisition Rights No.47	June 5, 2012	47,374	4,737,400	to April 19, 2020 From April 20, 2016	1
Stock Acquisition Rights No.48	June 5, 2012	47,140	4,714,000	to April 19, 2021 From April 20, 2017	1
Stock Acquisition Rights No.49	June 5, 2012	16,464	1,646,400	to April 19, 2022 From October 20, 2015	1
Stock Acquisition Rights No.50	June 5, 2012	16,479	1,647,900	to April 19, 2021 From October 20, 2016	1
Stock Acquisition Rights No.51	November 13, 2012	18,524	1,852,400	to April 19, 2022 From November 13, 2014	298
Stock Acquisition Rights No.52	June 5, 2013	10,916	1,091,600	to November 12, 2019 From April 20, 2014	1
Stock Acquisition Rights No.53	June 5, 2013	18,838	1,883,800	to April 19, 2019 From April 20, 2015	1
Stock Acquisition Rights No.54	June 5, 2013	65,975	6,597,500	to April 19, 2020 From April 20, 2016	1
Stock Acquisition Rights No.55	November 19, 2013	26,837	2,683,700	to April 19, 2021 From November 19, 2015	828
Stock Acquisition Rights No.56	June 5, 2014	25,509	2,550,900	to November 18, 2020 From April 20, 2015	1
				to April 19, 2020	



**Table of Contents**

Name of Stock Acquisition Rights	Allotment Date	Number of Stock Acquisition Rights	Number of Shares under Stock Acquisition Rights	Period for the Exercise of Stock Acquisition Rights	Exercise Price per Share under Stock Acquisition Rights (yen)
Stock Acquisition Rights No.57	June 5, 2014	82,853	8,285,300	From April 20, 2016 to April 19, 2021	1
Stock Acquisition Rights No.58	June 5, 2014	82,266	8,226,600	From April 20, 2017 to April 19, 2022	1
Stock Acquisition Rights No.59	June 5, 2014	13,368	1,336,800	From March 31, 2015 to March 30, 2020	1
Stock Acquisition Rights No.60	June 5, 2014	45,803	4,580,300	From March 31, 2016 to March 30, 2021	1
Stock Acquisition Rights No.61	June 5, 2014	91,616	9,161,600	From March 31, 2017 to March 30, 2022	1
Stock Acquisition Rights No.62	November 18, 2014	27,020	2,702,000	From November 18, 2016 to November 17, 2021	744
Stock Acquisition Rights No.63	June 5, 2015	67,484	6,748,400	From April 20, 2016 to April 19, 2021	1
Stock Acquisition Rights No.64	June 5, 2015	67,208	6,720,800	From April 20, 2017 to April 19, 2022	1
Stock Acquisition Rights No.65	June 5, 2015	66,856	6,685,600	From April 20, 2018 to April 19, 2023	1
Stock Acquisition Rights No.66	June 5, 2015	16,683	1,668,300	From November 8, 2015 to November 7, 2020	1
Stock Acquisition Rights No.67	June 5, 2015	8,604	860,400	From May 8, 2016 to May 7, 2021	1
Stock Acquisition Rights No.68	November 18, 2015	25,913	2,591,300	From November 18, 2017 to November 17, 2022	809

(Notes)

1. Stock acquisition rights are issued in conjunction with the Company's equity-based compensation plan and no payment is required in exchange for stock acquisition rights.

2. Any transfer of stock acquisition rights is subject to approval by the Board of Directors of the Company.
3. No stock acquisition rights shall be exercised partially. Grantees who lose their positions as executives or employees due to resignation or other similar reasons before the commencement of the exercise period will, in principle, forfeit their stock acquisition rights.
4. Number of stock acquisition rights and number of shares under stock acquisition rights are as of the end of the fiscal year.
5. Stock Acquisition Rights No.1 to No.27, No.33 and No.36 were all extinguished by exercise, forfeiture, or expiration of exercise period.

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

Name of Stock Acquisition Rights	Directors and Executive Officers (excluding Outside Directors)		Outside Directors	
	Number of Stock Acquisition Rights	Number of Holders	Number of Stock Acquisition Rights	Number of Holders
Stock Acquisition Rights No.29			30	1
Stock Acquisition Rights No.31	200	2	40	2
Stock Acquisition Rights No.32	380	6		
Stock Acquisition Rights No.35	288	1		
Stock Acquisition Rights No.40	545	2		
Stock Acquisition Rights No.41	602	3		
Stock Acquisition Rights No.42	201	2		
Stock Acquisition Rights No.44	95	2		
Stock Acquisition Rights No.45	95	2		
Stock Acquisition Rights No.46	145	3		
Stock Acquisition Rights No.47	293	6		
Stock Acquisition Rights No.48	292	6		
Stock Acquisition Rights No.52	281	3		
Stock Acquisition Rights No.53	722	6		
Stock Acquisition Rights No.54	1,432	9		
Stock Acquisition Rights No.56	793	6		
Stock Acquisition Rights No.57	1,189	8		
Stock Acquisition Rights No.58	1,181	8		
Stock Acquisition Rights No.59	270	3		
Stock Acquisition Rights No.60	560	6		
Stock Acquisition Rights No.61	1,117	6		
Stock Acquisition Rights No.63	1,102	8		
Stock Acquisition Rights No.64	1,094	8		
Stock Acquisition Rights No.65	1,092	8		

(Notes)

1. Number of stock acquisition rights is as of the end of the fiscal year.
2. No stock acquisition rights have been issued to outside directors since 2010.

**Table of Contents****3. Stock Acquisition Rights Issued to the Employees and Others during the fiscal year ended March 31, 2016**

Name of Stock Acquisition Rights	Employees (excluding employees who are concurrently serving as Directors/Executive Officers of the Company)		Directors, Executive Officers and Employees, etc. in subsidiaries (excluding those who are concurrently serving as Employees or Directors/Executive Officers of the Company)	
	Number of Stock Acquisition Rights	Number of Holders	Number of Stock Acquisition Rights	Number of Holders
Stock Acquisition Rights No.63	3,451	17	64,080	930
Stock Acquisition Rights No.64	3,445	17	63,814	930
Stock Acquisition Rights No.65	3,438	17	63,465	929
Stock Acquisition Rights No.66	5,947	4	36,241	56
Stock Acquisition Rights No.67	5,944	4	2,700	5
Stock Acquisition Rights No.68			25,970	1,165

(Note)

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

**4. Other Significant Matters concerning Stock Acquisition Rights**

On May 16, 2016, the Company passed a resolution to issue Stock Acquisition Rights No. 69 through Stock Acquisition Rights No. 73 as equity-based compensation to directors, executive officers and/or employees of the Company and/or its subsidiaries, etc. The allotment date was set for June 7, 2016. A total of 271,169 stock acquisition rights will be granted, and the number of shares of common stock under the stock acquisition rights is expected to be 27,116,900 shares. The exercise price of the stock acquisition rights was set at one (1) yen per share.

**Table of Contents****IV. Matters Relating to the Company's Directors and Executive Officers****1. Status of the Directors**

<b>Name</b>	<b>Positions and Responsibilities</b>	<b>Significant Concurrent Positions</b>
Nobuyuki Koga	Chairman of the Board of Directors	Director and Chairman of the Board of Directors of Nomura Securities Co., Ltd. (*1)
	Chairman of the Nomination Committee	President of Kanagawa Kaihatsu Kanko Co., Ltd.
	Chairman of the Compensation Committee	
Koji Nagai	Director	Director and President of Nomura Securities Co., Ltd. (*1)
	Representative Executive Officer	
Atsushi Yoshikawa	Group CEO	
	Director	Director and Representative Executive Officer of Nomura Securities Co., Ltd. (*1, *2)
	Representative Executive Officer	Chairman of Nomura Holding America Inc. (*1)
Masahiro Sakane	Group COO	
	Outside Director	Councilor of Komatsu Ltd.
	Member of the Nomination Committee	Outside Director of Tokyo Electron Limited
	Member of the Compensation Committee	Outside Director of Asahi Glass Co., Ltd.
		Outside Director of Takeda Pharmaceutical Company Limited
Takao Kusakari		Outside Director of Kajima Corporation
	Outside Director	Outside Director of Nomura Securities Co., Ltd. (*1, *2)
		Senior Advisor of NYK Line
	Member of the Nomination Committee	Outside Director of Nomura Securities Co., Ltd. (*1, *2)
Tsuguoki Fujinuma	Member of the Compensation Committee	
	Outside Director	Outside Statutory Auditor of Sumitomo Corporation
	Chairman of the Audit Committee	Outside Statutory Auditor of Takeda Pharmaceutical Company Limited
		Outside Director of Sumitomo Life Insurance Company
Toshinori Kanemoto		Outside Statutory Auditor of Seven & i Holdings Co., Ltd.
	Outside Director	Outside Director of Nomura Securities Co., Ltd. (*1, *2)
		Of-Counsel of City-Yuwa Partners
	Member of the Audit Committee	Outside Statutory Auditor of JX Holdings, Inc.

## Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

		Outside Statutory Auditor of Nippon Television Holdings, Inc.
		Outside Director of Riken Corporation
Hiroshi Kimura	Outside Director	Outside Director of Nomura Securities Co., Ltd. (*1, *2) Special Advisor of Japan Tobacco Inc.
	Member of the Audit Committee	Outside Director of Asahi Glass Co., Ltd.
Hiroyuki Suzuki	Director	Outside Director of Nomura Asset Management Co., Ltd. (*1, 2)
	Member of the Audit Committee (full time)	
Clara Furse	Outside Director	Non-Executive Director of Amadeus IT Holding, S.A.  Non-Executive Director of the UK Department for Work and Pensions  External Member of the Bank of England's Financial Policy Committee
		Non-Executive Director of Vodafone Group Plc
Michael Lim Choo San	Outside Director	Chairman of the Land Transport Authority of Singapore (*2)  Independent Director of Olam International Limited (*2)
		Non-Executive Chairman of Nomura Singapore Ltd. (*1)
David Benson	Director	Non-Executive Director of Nomura Europe Holdings plc (*1)  Non-Executive Director of Nomura International plc (*1)

**Table of Contents**

(Notes)

1. Status as of March 31, 2016, the last day of the fiscal year.
2. Directors Masahiro Sakane, Takao Kusakari, Tsuguoki Fujinuma, Toshinori Kanemoto, Hiroshi Kimura, Clara Furse and Michael Lim Choo San are Outside Directors, as provided for in Article 2, Item 15 of the Companies Act, and are also Independent Directors, as provided for in Article 436-2 of the Tokyo Stock Exchange, Inc.'s Securities Listing Regulations.
3. Director Tsuguoki Fujinuma, the Chairman of the Audit Committee, is a certified public accountant with considerable finance and accounting knowledge.
4. The Company has selected director Hiroyuki Suzuki, who is well-versed in the business of the Nomura Group, as a full-time member of the Audit Committee, with the expectation that audits by the Audit Committee will be performed more effectively.
5. Companies marked with \*1 are wholly-owned subsidiaries (including indirect ownership) of the Company.
6. There are no special relationships between the Company and companies in which Outside Directors concurrently serve (except for those companies marked with \*1).
7. The Company has entered into agreements to limit Companies Act Article 423 Paragraph 1 liability for damages with directors Masahiro Sakane, Takao Kusakari, Tsuguoki Fujinuma, Toshinori Kanemoto, Hiroshi Kimura, Hiroyuki Suzuki, Clara Furse, Michael Lim Choo San, and David Benson. Liability under each such agreement is limited to either 20 million yen or the amount prescribed by laws and regulations, whichever is greater.
8. Concurrent positions marked with \*2 are positions from which a director has resigned during the period from the fiscal year-end to the date of this Business Report, or positions from which a director is scheduled to resign as of the date of this Business Report.

**Table of Contents**

**2. Matters Relating to the Outside Directors  
Status of the Activities of the Outside Directors**

<b>Name</b>	<b>Status of Main Activities</b>
Masahiro Sakane	Attended all 10 meetings of the Board of Directors, all 4 meetings of the Nomination Committee, and all 4 meetings of the Compensation Committee held during the fiscal year and appropriately made statements based on his extensive experience and comprehensive knowledge gained from being a corporate manager for many years.
Takao Kusakari	Attended all 10 meetings of the Board of Directors, all 4 meetings of the Nomination Committee and all 4 meetings of the Compensation Committee held during the fiscal year and appropriately made statements based on his extensive experience and comprehensive knowledge gained from being a corporate manager for many years.
Tsuguoki Fujinuma	Attended all 10 meetings of the Board of Directors and all 16 meetings of the Audit Committee held during the fiscal year and appropriately made statements based on his extensive experience and comprehensive knowledge gained from being an expert well-versed in international accounting systems.
Toshinori Kanemoto	Attended all 10 meetings of the Board of Directors and all 16 meetings of the Audit Committee held during the fiscal year and appropriately made statements based on his extensive experience and comprehensive knowledge gained from being a legal expert.
Hiroshi Kimura	Attended all 8 meetings of the Board of Directors and all 11 meetings of the Audit Committee held during the fiscal year after his appointment as a Director and a member of the Audit Committee and appropriately made statements based on his extensive experience and comprehensive knowledge gained from being a corporate manager for many years.
Clara Furse	Attended all 10 meetings of the Board of Directors held during the fiscal year and appropriately made statements based on her extensive experience and comprehensive knowledge related to financial businesses gained through her involvement with the management of the London Stock Exchange.
Michael Lim Choo San	Attended all 10 meetings of the Board of Directors held during the fiscal year and appropriately made statements based on his extensive experience and comprehensive knowledge gained from being an expert well versed in international accounting systems.

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



**Table of Contents****3. Status of the Executive Officers**

<b>Name</b>	<b>Positions and Responsibilities</b>	<b>Significant Concurrent Positions</b>
Koji Nagai	Director  Representative Executive Officer  Group CEO	See 1. Status of the Directors
Atsushi Yoshikawa	Director  Representative Executive Officer  Group COO	See 1. Status of the Directors
Tetsu Ozaki	Executive Managing Director  Wholesale CEO	Deputy President of Nomura Securities Co., Ltd.
Toshio Morita	Executive Managing Director  Retail CEO	Representative Executive Officer and Executive Vice President of Nomura Securities Co., Ltd.
Kunio Watanabe	Executive Managing Director  Asset Management CEO	Director, President and CEO of Nomura Asset Management Co., Ltd.
Shoichi Nagamatsu	Executive Managing Director  Chief of Staff	Executive Managing Director and Executive Vice President of Nomura Securities Co., Ltd.  Outside Director of Nomura Asset Management Co., Ltd.
Shigesuke Kashiwagi	Executive Managing Director  Chief Financial Officer (CFO)	Outside Director of The Nomura Trust and Banking Co., Ltd. Executive Managing Director and Executive Vice President of Nomura Securities Co., Ltd.  Director of Nomura Financial Products & Services, Inc.

(Notes)

1. Status as of March 31, 2016, the last day of the fiscal year.

2. Representative Executive Officer Atsushi Yoshikawa (Group COO) and Executive Managing Directors Toshio Morita (Retail CEO) and Shigesuke Kashiwagi (Chief Financial Officer (CFO)) resigned as Executive Managing Directors as of March 31, 2016. (Reference) Executive Officers as of April 1, 2016 are as follows:

Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

Koji Nagai	Representative Executive Officer, Group CEO
Tetsu Ozaki	Representative Executive Officer, Group COO
Kunio Watanabe	Executive Managing Director, Head of Asset Management
Shoichi Nagamatsu	Executive Managing Director, Chief of Staff
Takumi Kitamura (newly appointed)	Executive Managing Director, Chief Financial Officer (CFO)
Yuji Nakata (newly appointed)	Executive Managing Director, Group Entity Structure and Co-CRO

**Table of Contents****4. Compensation paid to Directors and Executive Officers**

	Number of People (1)	Basic Compensation (2,3)	Bonus	Millions of yen Deferred Compensation (4)	Total
Directors	10	302	36	73	411
(Outside Directors)	(7)	(160)	( )	( )	(160)
Executive Officers	7	501	169	495	1,165
Total	17	803	205	568	1,576

(Notes)

1. There were 10 Directors and 7 Executive Officers as of March 31, 2016. Compensation to Directors who were concurrently serving as Executive Officers is included in that of Executive Officers.
2. Basic compensation of 803 million yen includes other compensation (commuter pass allowance) of 330 thousand yen.
3. In addition to basic compensation, 10 million yen of corporate housing costs, such as housing allowance and related tax adjustments, were provided.
4. Deferred compensation (such as stock options) granted during and prior to the fiscal year ended March 31, 2016 is recognized as expense in the financial statements for the fiscal year ended March 31, 2016.
5. Subsidiaries of the Company paid 52 million yen to Outside Directors as compensation, etc. for their directorship at those subsidiaries for the fiscal year ended March 31, 2016.
6. The Company abolished retirement bonuses to Directors in 2001.

**5. Matters relating to Individual Directors and Executive Officers Compensation Determined by Compensation Committee****(1) Method of Determining Compensation Policies**

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

**(2) Compensation Policy of Nomura Group**

The Compensation Policy of Nomura Group is as follows:

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

## Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

Our Compensation Policy is based around six key themes:

1) Align with Nomura Values and Strategies

Compensation is designed to support delivery against the broader strategic aims of the Group.

Levels and structures of compensation reflect the needs of each business line and allow the Group to effectively compete for key talent in the market.

We develop our staff to support the Nomura values.

2) Reflect Firm, Division and Individual Performance

Pay for Performance is our fundamental principle to motivate and reward our key talent regardless of personal background.

We manage compensation on a firm-wide basis, taking into account the performance of the Group and supporting our ethos of sustainable growth, collaboration and client service. This enables us to manage strategic investments and still operate market-competitive compensation practices.

An individual's compensation is determined by properly reflecting the Group, division and individual performance, ensuring that it is aligned with both the business strategy and market considerations.

Individual compensation award decisions are underpinned by valid and rigorous performance management processes and supporting systems.

**Table of Contents**

3) Establish Appropriate Performance Measurement with a Focus on Risk

Compensation is not determined by reference solely to revenues. Risk-adjusted profits are being emphasized in Nomura's management information and performance systems and processes.

In addition, qualitative factors such as cross-divisional collaboration, risk management, alignment with organizational values, and compliance are stressed when evaluating performance.

Performance measurement reflects the business needs, taking account of risk associated with each business. Such risk includes market, credit, operational, and liquidity risk among others.

In assessing and measuring risk for compensation, input and advice is received from the risk management and finance divisions.

4) Align Employee and Shareholder Interests

Compensation of Group executives and higher paid employees should reflect the achievement of targets which are in line with the creation of shareholder value.

For higher paid executives and employees, a part of their compensation is delivered in equity linked awards with appropriate vesting periods to ensure that their interests are closely aligned with those of shareholders.

5) Appropriate Compensation Structures

The compensation structure reflects our desire to grow and develop our talent. It is merit based, reflecting performance and is regularly reviewed to ensure its fairness.

For higher paid executives and employees, a significant portion of compensation is deferred, balancing short-term interests with longer-term stewardship of the Group.

Deferred compensation should be subject to forfeiture or clawback in the event of a material restatement of earnings or other significant harm to the business of Nomura.

The percentage of deferral increases as an employee's total compensation increases. A part of deferred compensation is delivered in mid/long-term incentive plans, such as equity linked awards with appropriate vesting periods.

Guarantees of bonus/compensation should be allowed only in limited circumstances such as new hiring or strategic business needs, and multi-year guarantees should not be used as a matter of course.

## Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

There should be no special or expensive retirement/severance guarantees for senior executives.

Nomura will respect all areas in which it operates and will seek to ensure pay structures reflect the needs of the organization as well as regulatory and government bodies.

### 6) Ensure Robust Governance and Control Processes

This Policy and any change hereof must be approved by Nomura Holdings Compensation Committee, a majority of which consists of non-executive outside directors.

The Compensation Committee of Nomura Holdings decides individual amounts as well as compensation policy for Directors and Executive Officers of Nomura Holdings, in line with this Policy.

Globally, we institute a review and authorization policy for senior or high-level contracts ensuring consistency with this Policy. This is administered by Human Resources, involves Finance, Risk Management and Regional Compensation Committees and is reviewed by the Executive Managing Board.

Compensation for employees of risk management and compliance functions is determined independently of other business divisions.

The Compensation Committee uses market and specialist advisory groups to advise on appropriate compensation structures and levels as necessary.

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

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

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

**Table of Contents**

1) Base Salary

Base salary is determined based on factors such as professional background, career history, responsibilities and compensation standards of related business fields.

A portion of base salary may be paid in equity linked awards with appropriate vesting periods to ensure that medium to long-term interests of Directors and Executive Officers are closely aligned with those of shareholders.

2) Cash Bonus

Cash bonuses of Directors and Executive Officers are determined by taking into account both quantitative and qualitative factors. Quantitative factors include performance of the Group and the division. Qualitative factors include achievement of individual goals and subjective assessment of individual contribution.

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

3) Long-term Incentive Plan

Long-term incentive plans may be awarded to Directors and Executive Officers, depending on their individual responsibilities and performance.

Payments under long-term incentive plans are made when a certain degree of achievements are accomplished. Payments are made in equity linked awards with appropriate vesting periods to ensure that medium to long-term interests of Directors and Executive Officers are closely aligned with those of shareholders.

**V. Matters Relating to Accounting Auditor**

**1. Name: Ernst & Young ShinNihon LLC**

**2. Audit Fees, etc.**

Item	Amount
(1) Audit fees, etc.	849 million yen
(2) Total amount of cash and other financial benefits payable by the Company and its subsidiaries to the Accounting Auditor	1,322 million yen

(Notes)

1. The audit contract between the Company and the Accounting Auditor does not separate the audit fees based on the Companies Act and the Financial Instruments and Exchange Act. Since the audit fees based on the Companies Act and the Financial Instruments and Exchange Act could not be substantively separated, the amount of audit fees above includes the audit fees based on the Financial Instruments and Exchange Act.
2. In addition to the attestation services pursuant to the Article 2, Paragraph 1 of the Certified Public Accountant Act, the Company and its subsidiaries pay compensation to the Accounting Auditor with respect to verification services on compliance with the segregation of customers' assets requirements, etc.
3. Significant overseas subsidiaries of the Company are subject to audit (limited to audit pursuant to the Companies Act or the Financial Instruments and Exchange Act and other equivalent foreign regulations) by certified public accountants or auditing firms (who hold equivalent qualifications in foreign countries) other than the Company's Accounting Auditor.
4. The Audit Committee has received necessary documents and reports from the Chief Financial Officer (CFO), relevant internal divisions, and the Accounting Auditor, and has confirmed the structure of the Accounting Auditor's audit team, audit plan, audit status, the status of the maintenance of the structure for controlling quality of the audit firm, and the basis for the calculation of estimated remuneration, etc.



---

## **Table of Contents**

Additionally, the Audit Committee conducts pre-approval procedures in accordance with Article 202 of the Sarbanes-Oxley Act of 2002, etc. Based on the result of such confirmations and procedures, the Audit Committee has verified the compensation, etc. of the Accounting Auditor and determined that it is at a reasonable level to maintain and improve audit quality, and has given the Companies Act Article 399 Paragraph 1 consent.

### **3. Dismissal or Non-Reappointment Policy**

- (1) If the Accounting Auditor corresponds to any of the items stipulated under Article 340, Paragraph 1 of the Companies Act, the Audit Committee shall consider dismissal of the Accounting Auditor, and if dismissal is determined to be reasonable, the Audit Committee will dismiss the Accounting Auditor by an unanimous consent of all members of the Audit Committee. In such event, an Audit Committee Member appointed by the Audit Committee shall report the dismissal of the Accounting Auditor and reasons for dismissal at the general meeting of shareholders to be convened immediately after the dismissal.
- (2) In cases where the Audit Committee determines that the Accounting Auditor has issues in terms of the fairness, or that maintenance of more appropriate audit structure is needed, a proposal on dismissal or non-reappointment of the Accounting Auditor will be submitted to the annual general meeting of shareholders.

### **4. Matters Concerning Order if the Accounting Auditor was Subject to Business Suspension Order during the Last Two Years**

Summary of the order announced by the Financial Services Agency on December 22, 2015

(1) Subject of the order  
Ernst & Young ShinNihon LLC (Address: Chiyoda-ku, Tokyo)

(2) Contents of the order

Suspension of accepting new engagements: three months  
(From January 1, 2016 to March 31, 2016)

Business improvement order (improvement of the operation control structure)

\* In addition to the above, administrative monetary penalty payment order of approximately JPY2.1 billion was decided on January 22, 2016.

(3) Reasons for the order

In relation to the audit of financial statements for TOSHIBA CORPORATION for the fiscal years ended March 31, 2010, March 31, 2012, and March 31, 2013, seven certified public accountants, in negligence of due care, attested financial statements containing material false statements as those containing no material false statements.

The above mentioned audit firm's operation of the services was found to be remarkably inappropriate.

---

**Table of Contents**

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

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

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

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

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

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

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

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

- (1) The Board of Directors may appoint a Director, not concurrently serving as an Executive Officer, as the Audit Mission Director. The Audit Mission Director shall support audits performed by the Audit Committee, and in order for the Board of Directors to effectively supervise the execution by the Directors and Executive Officers of their duties, the Audit Mission Director shall perform the Audit Mission Director's duties in accordance with the Audit Committee's instructions.
- (2) The Company shall put in place the Office of the Audit Committee to support the duties of the Audit Committee. The Audit Committee or a member of the Audit Committee designated by the Audit Committee shall evaluate employees of the Office of the Audit Committee. Regarding the hiring, transfer and discipline of the employees of the Office of the Audit Committee, the consent of the Audit Committee or a member of the Audit Committee designated by the Audit Committee must be obtained.

[Summary of Implementation Status]

The Company has set up the Office of Audit Committee as a unit dedicated to assisting with the duties of the Audit Committee. To secure the independence of the structure in which audits are carried out independently from business execution, employees of the Group Office of Audit Committee are evaluated by an Audit Committee Member designated by the Audit Committee.

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

- (1)

## Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

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

- (2) The Audit Committee shall audit the legality, adequacy and efficiency of the business of the Nomura Group in coordination, as necessary, with the Audit Committee of its subsidiaries.

## **Table of Contents**

[Summary of Implementation Status]

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

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

- (1) Members of the Audit Committee designated by the Audit Committee or the Audit Mission Director may participate in or attend important meetings including meetings of the Executive Management Board.
- (2) The Audit Committee may require an explanation from accounting auditors and accounting firms that conduct audits of financial statements about the audit plan at the beginning of the period, audit status during the period, audit results at the end of the period, and the status of internal controls over financial reporting. Members of the Audit Committee and the Audit Mission Director may exchange opinions with accounting auditors and accounting firms that conduct audits of financial statements as necessary.
- (3) A member of the Audit Committee designated by the Audit Committee may investigate the Company or its subsidiaries through, as necessary, himself/herself, other members of the Audit Committee or the Audit Mission Director.
- (4) The Audit Committee in conducting audits may engage attorneys, certified public accountants, consultants or other outside advisors as deemed to be necessary.

[Summary of Implementation Status]

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

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

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

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

### **4. Coordination with the Internal Audit Division**

## Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

- (1) The Company shall obtain the consent of the Audit Committee, or a member of the Audit Committee designated by the Audit Committee, regarding implementation plans and formulation of the budget of the Internal Audit Division, as well as the election and dismissal of the Head of the Internal Audit Division.
  
- (2) The Audit Committee shall coordinate with the Internal Audit Division by attending meetings of the Internal Controls Committee, hearing reports regarding the status of internal audits, and with regard to internal audits, issuing recommendations, etc., concerning the modification of the implementation plan, additional audits, development of remedial measures, etc.

## **Table of Contents**

[Summary of Implementation Status]

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

## **<II. Matters Concerning the Executive Officers>**

### **1. Compliance Structure**

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

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

#### **(2) Establishment and Maintenance of the Compliance Structure**

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

#### **(3) Compliance Hotline**

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

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

#### **(4) Severing Relations with Anti-Social Forces**

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

[Summary of Implementation Status]

## Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

The officers and employees of the Nomura Group are required to annually affirm that they will comply with the Code of Ethics of Nomura Group, which sets forth the Group's basic policy for compliance. In addition, the Group has designated the Nomura Founding Principles and Corporate Ethics Day as a day to reconfirm corporate culture and ethics based on Our Founder's Principles.

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

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

At the Nomura Group, within the Code of Ethics of Nomura Group, it is essentially set forth that transactions will never be entered into with antisocial forces and the basic policy is that all relationships with antisocial forces are to be cut off. Based on this, the Group has set up a supervising unit for the purpose of promoting organizational measures to cope with antisocial forces, and at the same time as related information being gathered/accumulated and strictly managed, whilst consulting/coordinating with attorneys, police, etc., as necessary, antisocial forces are being eliminated and measures for the purpose of ensuring appropriate corporate behavior are being taken.



---

**Table of Contents**

**2. Risk Management Structure**

- (1) Executive Officers shall acknowledge the importance of identification, evaluation, monitoring and management of various risks relating to the execution of the Nomura Group's business centered on risks such as market risk, credit risk, liquidity risk, and operational risk and ensure understanding and management of such risks at each company within the Nomura Group.
- (2) Executive Officers shall strive to maintain a system to ensure the effectiveness of risk management in the Nomura Group through, among other means, the maintenance of regulations concerning risk management and the installation of responsible divisions and persons.
- (3) Executive Officers shall report the status of risk management structures within the Nomura Group to the Group Integrated Risk Management Committee. The Group Integrated Risk Management Committee shall analyze the risk management status of the entire Nomura Group based on the report and take appropriate measures to establish the most suitable risk management structures for the business.
- (4) Executive Officers shall maintain a structure that enables the Nomura Group to prevent or avoid crises, ensure the safety of customers, officers and employees of the Nomura Group, protect operating assets, reduce damage and ensure early recovery from any damage by establishing basic principles of business continuity including precautionary measures against crises, such as natural disasters or system failures, and emergency measures.

[Summary of Implementation Status]

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

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

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

In addition, the Company prescribes the basic principles of crisis management at the Nomura Group in the Nomura Group Crisis Management Regulations. The Company, in accordance with such regulations, has established the Nomura Group Crisis Management Committee made up of crisis management officers from domestic and overseas Group companies, which reports to the Executive Management Board, and is thereby maintaining a structure to allow for the handling of crisis management and business continuity. Besides the above, the administrative office of the Nomura Group Crisis Management Committee, to ensure that the safety of all Nomura Group employees and officers can be ascertained in a time of crisis, conducts training such as safety confirmation training, emergency drills and business continuity training on a continuous basis in normal conditions, thereby undertaking to bring about an awareness of crisis management and sustaining/strengthening the emergency response structure.

**Table of Contents**

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

- (1) Executive Officers shall report on the status of their own execution of duties not less frequently than once every 3 (three) months. They shall also maintain a reporting structure that governs reporting with respect to Nomura Group directors, executives, and employees.
- (2) Executive Officers shall report the following matters on a regular basis to the Audit Committee directly or through the members of the Audit Committee or the Audit Mission Director:
  - (a) The implementation status of internal audits, internal audit results, and remediation status;
  - (b) The maintenance and operational status of the compliance structure;
  - (c) Risk management status;
  - (d) The outline of quarterly financial results and material matters (including matters concerning the selection and application of significant accounting policies and matters concerning internal controls over financial reporting); and
  - (e) The operational status of the Compliance Hotline and details of the reports received.
- (3) In the event that an Executive Officer, Senior Managing Director, or employee is requested to report on a matter concerning the execution of such person's duties by an Audit Committee Member designated by the Audit Committee or the Audit Mission Director, such person shall promptly report on such matters.
- (4) In the event that a Director, Executive Officer or Senior Managing Director becomes aware of a matter raised below, an immediate report must be made to an Audit Committee member or Audit Mission Director. Moreover, in the event that the person who becomes aware of such a matter is an executive officer or senior managing director, a report must be made simultaneously to the Executive Management Board. The Executive Management Board will deliberate concerning such matter, and in the event that it is admitted as necessary, based on such results, appropriate measures will be taken.
  - (a) Any material violation of law or regulation or other important matter concerning compliance.
  - (b) Any legal or financial problem that may have a material impact on the business or financial conditions of each Nomura Group company.
  - (c) Any order from any regulatory authority or other facts that may potentially cause the Nomura Group to incur a significant loss.
- (5) In the event that a Nomura Group director, officer, or employee discovers a matter raised above, the Company must maintain a structure that provides for immediate direct or indirect reporting to an Audit Committee Member or Audit Mission Director.

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

[Summary of Implementation Status]

Executive Officers provide reports concerning the deliberation status of the Executive Management Board, the Group's financial status, and the business execution status of each division at each meeting of the Board of Directors. The Board of Directors held 10 meetings during this fiscal year. Further, Executive Officers provide reports concerning their business execution status directly to the Audit Committee or through an Audit Committee Member. At the same time, as for Executive Officers, Senior Managing Directors and employees, if an Audit Committee Member seeks a report on matters concerning the execution of their duties, a report is presented on such matters promptly.

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

## **Table of Contents**

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

- (1) Executive Officers shall determine the Nomura Group's management strategy and business execution, and execute business in accordance with the management organization and allocation of business duties determined by the Board of Directors.
- (2) Executive Officers shall determine the allocation of business duties between each Senior Managing Director and the scope of authority of each employee, and thereby ensure the effectiveness of the structure for the execution of duties and establish a responsibility structure for the execution of duties.
- (3) Of the matters whose business execution decision has been delegated to Executive Officers based on a resolution adopted by the Board of Directors, certain important matters shall be determined through the deliberation and determination by bodies, such as the Executive Management Board, or through documents requesting managerial decisions.
- (4) The Executive Management Board shall determine or review the necessary allocation of management resources based on the business plan and budget application of each division and regional area to ensure the effective management of the Nomura Group.

#### [Summary of Implementation Status]

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

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

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

- (1) Executive Officers shall retain the minutes of important meetings, conference minutes, documents regarding requests for managerial decisions, contracts, documents related to finances and other material documents (including their electronic records), together with relevant materials, for at least ten years, and shall maintain access to such documents if necessary.
- (2) Executive Officers shall maintain a structure to protect the Nomura Group's non-public information, including its financial information, and promote fair, timely and appropriate disclosure of information to external parties, thereby securing the trust of customers, shareholders, investors, etc.

## **Table of Contents**

[Summary of Implementation Status]

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

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

### **6. Internal Audit System**

- (1) Executive Officers shall install a department in charge of internal audit, and by implementing an internal audit program, shall ensure effective and adequate internal controls across the entire business of the Nomura Group.
- (2) The Internal Controls Committee shall deliberate or determine basic matters concerning internal controls within the Nomura Group, the annual plan regarding internal audit and the implementation status and results.
- (3) Executive Officers shall report on the status of the internal audit within the Nomura Group and the results thereof to the Internal Controls Committee at least once every three months.

[Summary of Implementation Status]

To secure the validity and suitability of internal controls, the Group Internal Audit Department has been put in place within the Company and units dedicated to internal audit have also been put in place at each major subsidiary under the Company. These internal audit departments carry out audits independent from business execution and provide advice and recommendations for business improvements. The implementation status of internal audits is reported to the Internal Controls Committee at which Audit Committee Members participate and the content of the Internal Controls Committee meetings are reported to the Board of Directors.

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

- (1) Executive Officers shall secure the appropriateness of the Nomura Group's business by ensuring that each company within the Nomura Group is fully aware of the Internal Controls System of the Company and by requiring the maintenance of an internal controls system at each company that reflects the actual conditions of each company.
- (2) Executive Officers shall ensure the effectiveness of internal controls concerning financial reporting by the Company by, among other means, maintaining the structures listed in I through III above.



**Table of Contents**

[Summary of Implementation Status]

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

Note: Monetary values and number of shares stated in this report are rounded up or down to the nearest unit of disclosure.

**Table of Contents****Consolidated Balance Sheet** (As of March 31, 2016)

	(Millions of yen)
<b>ASSETS</b>	
Cash and cash deposits:	3,898,843
Cash and cash equivalents	3,476,261
Time deposits	196,632
Deposits with stock exchanges and other segregated cash	225,950
Loans and receivables:	2,969,578
Loans receivable	1,605,603
Receivables from customers	210,844
Receivables from other than customers	1,156,608
Allowance for doubtful accounts	(3,477)
Collateralized agreements:	15,077,660
Securities purchased under agreements to resell	9,205,165
Securities borrowed	5,872,495
Trading assets and private equity investments:	16,410,002
Trading assets	16,379,424
Private equity investments	30,578
Other assets:	2,734,084
Office buildings, land, equipment and facilities (net of accumulated depreciation and amortization of 402,599 million yen)	355,507
Non-trading debt securities	870,812
Investments in equity securities	137,970
Investments in and advances to affiliated companies	395,284
Other	974,511
<b>Total assets</b>	<b>41,090,167</b>
<b>LIABILITIES</b>	
Short-term borrowings	662,902
Payables and deposits:	4,249,118
Payables to customers	688,196
Payables to other than customers	1,337,931
Deposits received at banks	2,222,991
Collateralized financing:	16,605,591
Securities sold under agreements to repurchase	14,192,309
Securities loaned	1,937,009
Other secured borrowings	476,273
Trading liabilities	7,499,335
Other liabilities	1,200,647
Long-term borrowings	8,129,559
<b>Total liabilities</b>	<b>38,347,152</b>
Commitments and contingencies	
<b>EQUITY</b>	
Common stock	594,493
Authorized 6,000,000,000 shares	
Issued 3,822,562,601 shares	
Outstanding 3,608,391,999 shares	
Additional paid-in capital	692,706
Retained earnings	1,516,577
Accumulated other comprehensive income	44,980
Common stock held in treasury, at cost 214,170,602 shares	(148,517)



Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

Total Nomura Holdings, Inc. shareholders' equity	2,700,239
Noncontrolling interests	42,776
Total equity	2,743,015
Total liabilities and equity	41,090,167

**Table of Contents****Consolidated Statement of Income** (April 1, 2015 – March 31, 2016)

	(Millions of yen)
Commissions	431,959
Fees from investment banking	118,333
Asset management and portfolio service fees	229,006
Net gain on trading	354,031
Gain on private equity investments	13,761
Interest and dividends	440,050
Gain (loss) on investments in equity securities	(20,504)
Other	156,460
<b>Total revenue</b>	<b>1,723,096</b>
Interest expense	327,415
<b>Net revenue</b>	<b>1,395,681</b>
Compensation and benefits	574,191
Commissions and floor brokerage	123,881
Information processing and communications	189,910
Occupancy and related depreciation	78,411
Business development expenses	35,892
Other	228,238
Non-interest expenses	1,230,523
<b>Income before income taxes</b>	<b>165,158</b>
Income tax expense	22,596
<b>Net income</b>	<b>142,562</b>
Less: Net income attributable to noncontrolling interests	11,012
<b>Net income attributable to Nomura Holdings, Inc. shareholders</b>	<b>131,550</b>

**Table of Contents****Consolidated Statement of Changes in Equity (April 1, 2015 – March 31, 2016)**

	(Millions of yen)
<b>Common Stock</b>	
Balance at beginning of year	594,493
Balance at end of year	594,493
<b>Additional paid-in capital</b>	
Balance at beginning of year	683,407
Issuance and exercise of common stock options	4,127
Changes in an affiliated company's interests in its subsidiary	5,172
Balance at end of year	692,706
<b>Retained earnings</b>	
Balance at beginning of year	1,437,940
Net income attributable to Nomura Holdings, Inc.'s shareholders	131,550
Cash dividends	(46,797)
Purchase / sale (disposition) of subsidiary shares, etc., net	(6,116)
Balance at end of year	1,516,577
<b>Accumulated other comprehensive income (loss):</b>	
Cumulative translation adjustments	
Balance at beginning of year	133,371
Net change during the year	(79,953)
Balance at end of year	53,418
<b>Defined benefit pension plans</b>	
Balance at beginning of year	(15,404)
Pension liability adjustment	(17,921)
Balance at end of year	(33,325)
<b>Non-trading securities</b>	
Balance at beginning of year	25,772
Unrealized gain on non-trading securities	(885)
Balance at end of period	24,887
Balance at end of year	44,980
<b>Common stock held in treasury</b>	
Balance at beginning of year	(151,805)
Repurchases of common stock	(20,002)
Sales of common stock	1
Common stock issued to employees	23,296
Other net change in treasury stock	(7)
Balance at end of year	(148,517)
Total NHI shareholders' equity	
Balance at end of year	2,700,239

Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

Noncontrolling Interests	
Balance at beginning of year	37,172
Cash dividends	(9,978)
Net income attributable to noncontrolling interests	11,012
Accumulated other comprehensive income (loss) attributable to noncontrolling interest	
Cumulative translation adjustments	(1,140)
Net unrealized gain on non-trading securities	(525)
Purchase/sale (disposition) of subsidiary shares, etc., net	500
Other net change in noncontrolling interests	5,735
Balance at end of year	42,776
Total equity balance at end of year	2,743,015

**Table of Contents**

[Translation]

**Report of Independent Auditors**

May 10, 2016

The Board of Directors  
Nomura Holdings, Inc.

Ernst & Young ShinNihon LLC

Tadayuki Matsushige

Certified Public Accountant

Designated and Engagement Partner

Noboru Miura

Certified Public Accountant

Designated and Engagement Partner

Yuichiro Sakurai

Certified Public Accountant

Designated and Engagement Partner

Toyohiro Fukata

Certified Public Accountant

Designated and Engagement Partner

Pursuant to Article 444, Section 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity and the notes to the consolidated financial statements of Nomura Holdings, Inc. applicable to the fiscal year from April 1, 2015 through March 31, 2016.

*Management's Responsibility for the Consolidated Financial Statements*

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

*Auditors' Responsibility*

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

## Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

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

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

### *Opinion*

In our opinion, the consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America with certain disclosure items omitted pursuant to the same provisions in the second sentence of Article 120, section 1 of the Ordinance on Accounting of Companies, as applied to Article 120-3, section 3, referred above present fairly, in all material respects, the financial position and results of operations of Nomura Holdings, Inc. and its consolidated subsidiaries, applicable to the fiscal year ended March 31, 2016.

### *Conflicts of Interest*

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

### *(Note)*

This is an English translation of the Japanese language Report of Independent Auditors issued by Ernst & Young ShinNihon LLC in connection with the audit of the consolidated financial statements of Nomura Holdings, Inc., prepared in Japanese, for the year ended March 31, 2016. Ernst & Young ShinNihon LLC have not audited the English language version of the consolidated financial statements for the above-mentioned year.

---

**Table of Contents**

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

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

The Audit Committee of Nomura Holdings, Inc. (the Company) has audited the Company's consolidated financial statements (the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity and the notes to the consolidated financial statements) applicable to the 112th fiscal year (from April 1, 2015 to March 31, 2016). We hereby report the method, contents and results of the audit as follows:

1. METHOD AND DETAILS OF THE AUDIT

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

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

2. RESULT OF THE AUDIT

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

3. SUBSEQUENT EVENTS

As referred in III-4. Other Significant Matters concerning Stock Acquisition Rights in the Report for the 112th fiscal year, a resolution to issue Stock Acquisition Rights as stock options to executives and employees, etc. of the Company as well as executives and employees, etc. of subsidiaries of the Company was passed on May 16, 2016.

May 17, 2016

THE AUDIT COMMITTEE OF  
NOMURA HOLDINGS, INC.

Tsuguoki Fujinuma, Chairman of the Audit Committee  
Toshinori Kanemoto, Member of the Audit Committee  
Hiroshi Kimura, Member of the Audit Committee  
Hiroyuki Suzuki, Member of the Audit Committee

Note: Messrs. Tsuguoki Fujinuma, Toshinori Kanemoto, and Hiroshi Kimura are Outside Directors as provided for in Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.

**Table of Contents****Balance Sheet (As of March 31, 2016)**

	(Millions of yen)
<b>ASSETS</b>	
Current Assets:	4,058,321
Cash and time deposits	1,269
Money held in trust	2,007
Short-term loans receivable	3,891,651
Accounts receivable	71,239
Deferred tax assets	1,076
Others	91,079
Fixed Assets:	3,320,801
Tangible fixed assets:	30,509
Buildings	11,901
Furniture & fixtures	12,206
Land	6,402
Intangible assets:	117,059
Software	117,059
Others	0
Investments and others:	3,173,233
Investment securities	130,459
Investments in subsidiaries and affiliates (at cost)	2,322,122
Other securities of subsidiaries and affiliates	4,931
Long-term loans receivable from subsidiaries and affiliates	574,719
Long-term guarantee deposits	25,712
Deferred tax assets	62,029
Others	53,292
Allowance for doubtful accounts	(32)
<b>Total assets</b>	<b>7,379,122</b>
<b>LIABILITIES</b>	
Current Liabilities:	1,599,923
Short-term borrowings	1,189,300
Bond due within one year	204,451
Collaterals received	76,883
Accrued income taxes	782
Accrued bonuses	2,077
Others	126,430
Long-term Liabilities:	3,358,039
Bonds payable	1,326,129
Long-term borrowings	2,030,376
Others	1,534
<b>Total liabilities</b>	<b>4,957,962</b>
<b>NET ASSETS</b>	
Shareholders' equity:	2,305,324
Common stock	594,493
Additional paid-in capital:	559,676
Capital reserves	559,676
Retained earnings:	1,297,647
Retained earnings reserve	81,858
Other retained earnings	1,215,789
Retained earnings carried forward	1,215,789



Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

Treasury stock	(146,493)
Valuation and translation adjustments:	67,933
Net unrealized gain on investments	42,211
Deferred gains or loss on hedges	25,722
Stock acquisition rights	47,904
Total net assets	2,421,160
Total liabilities and net assets	7,379,122

**Table of Contents****Statement of Income (April 1, 2015 – March 31, 2016)**

	(Millions of yen)
Operating revenue	585,394
Property and equipment fee revenue	116,241
Rent revenue	31,372
Royalty on trademark	22,307
Dividend from subsidiaries and affiliates	352,978
Interest income from loans to subsidiaries and affiliates	52,964
Others	9,532
Operating expenses	227,749
Compensation and benefits	30,688
Occupancy and equipment costs	39,742
Data processing and office supplies	58,099
Depreciation and amortization	42,174
Taxes	1,847
Others	6,149
Interest expenses	49,049
Operating income	357,645
Non-operating income	5,533
Non-operating expenses	10,120
Ordinary income	353,058
Extraordinary income	1,525
Gain on sales of investment securities	353
Gain on sales of fixed assets	276
Gain on reversal of subscription rights to shares	895
Extraordinary losses	2,477
Loss on sales of investment securities	71
Loss on retirement of fixed assets	2,163
Loss on sales of fixed assets	244
Income before income taxes	352,105
Income taxes - current	6,690
Income taxes - deferred	(74,092)
Net income	419,507

**Table of Contents****Statement of Changes in Net Assets (April 1, 2015 – March 31, 2016)**

	(Millions of yen)
<b>Shareholders' Equity</b>	
Common stock	
Balance at beginning of the year	594,493
Balance at end of the year	594,493
Additional paid-in capital	
Capital reserve	
Balance at beginning of the year	559,676
Balance at end of the year	559,676
Total capital reserve	
Balance at beginning of the year	559,676
Balance at end of the year	559,676
Retained earnings	
Retained earnings reserve	
Balance at beginning of the year	81,858
Balance at end of the year	81,858
Other retained earnings	
Retained earnings carried forward	
Balance at beginning of the year	885,181
Change in the year	
Cash dividends	(82,783)
Net income	419,507
Disposal of treasury stock	(6,116)
Total change in the year	330,608
Balance at end of the year	1,215,789
Total retained earnings	
Balance at beginning of the year	967,039
Change in the year	
Cash dividends	(82,783)
Net income	419,507
Disposal of treasury stock	(6,116)
Total change in the year	330,608
Balance at end of the year	1,297,647
Treasury stock	
Balance at beginning of the year	(149,788)
Change in the year	
Purchases of treasury stock	(20,002)
Disposal of treasury stock	23,297
Total change in the year	3,295
Balance at end of the year	(146,493)

**Table of Contents**

	(Millions of yen)
<b>Total shareholders' equity</b>	
Balance at beginning of the year	1,971,421
<b>Change in the year</b>	
Cash dividends	(82,783)
Net income	419,507
Purchases of treasury stock	(20,002)
Disposal of treasury stock	17,180
Total change in the year	333,903
<b>Balance at end of the year</b>	<b>2,305,324</b>
<b>Valuation and translation adjustments</b>	
<b>Net unrealized gain on investments</b>	
Balance at beginning of the year	58,665
<b>Change in the year</b>	
Other-net	(16,454)
Total change in the year	(16,454)
Balance at end of the year	42,211
<b>Deferred gains or loss on hedges</b>	
Balance at beginning of the year	20,349
<b>Change in the year</b>	
Other-net	5,373
Total change in the year	5,373
Balance at end of the year	25,722
<b>Total valuation and translation adjustments</b>	
Balance at beginning of the year	79,014
<b>Change in the year</b>	
Other-net	(11,081)
Total change in the year	(11,081)
<b>Balance at end of the year</b>	<b>67,933</b>
<b>Stock acquisition rights</b>	
Balance at beginning of the year	44,673
<b>Change in the year</b>	
Other-net	3,231
Total change in the year	3,231
<b>Balance at end of the year</b>	<b>47,904</b>
<b>Total net assets</b>	
Balance at beginning of the year	2,095,108
<b>Change in the year</b>	
Cash dividends	(82,783)
Net Income	419,507
Purchases of treasury stock	(20,002)
Disposal of treasury stock	17,180
Other-net	(7,850)
Total change in the year	326,053
<b>Balance at end of the year</b>	<b>2,421,160</b>

**Table of Contents**

[Translation]

**Report of Independent Auditors**

May 10, 2016

The Board of Directors  
Nomura Holdings, Inc.

Ernst & Young ShinNihon LLC

Tadayuki Matsushige

Certified Public Accountant

Designated and Engagement Partner

Noboru Miura

Certified Public Accountant

Designated and Engagement Partner

Yuichiro Sakurai

Certified Public Accountant

Designated and Engagement Partner

Toyohiro Fukata

Certified Public Accountant

Designated and Engagement Partner

Pursuant to Article 436, Section 2, Paragraph 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements and the related supplementary schedules of Nomura Holdings, Inc. (the "Company") applicable to the 112th fiscal year from April 1, 2015 through March 31, 2016.

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

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

*Auditors' Responsibility*

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

## Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

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

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

*Opinion*

In our opinion, the financial statements and the related supplementary schedules referred above present fairly, in all material respects, the financial position and results of operations of Nomura Holdings, Inc. applicable to the fiscal year ended March 31, 2016 in conformity with accounting principles generally accepted in Japan.

*Conflicts of Interest*

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

(Note)

This is an English translation of the Japanese language Report of Independent Auditors issued by Ernst & Young ShinNihon LLC in connection with the audit of the financial statements of Nomura Holdings, Inc., prepared in Japanese, for the year ended March 31, 2016. Ernst & Young ShinNihon LLC have not audited the English language version of the financial statements for the above-mentioned year.

---

**Table of Contents**

**Report of the Audit Committee**

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of Nomura Holdings, Inc. (the Company) audited the execution by the Directors and Executive Officers of the Company of their duties during the 112th fiscal year (from April 1, 2015 to March 31, 2016). We hereby report the method, contents and results of the audit as follows:

1. METHOD AND DETAILS OF THE AUDIT

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

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

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

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

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

2. RESULT OF THE AUDIT

(1) Result of the audit

1. We have found that business report and its supplementary schedules fairly present the status of the Company, in conformity with the applicable laws and regulations and the Articles of Incorporation.
2. In relation to the performance of the duties by the Directors and the Executive Officers, we have found no misconduct or material facts that violate applicable laws and regulations or the Articles of Incorporation.
- 3.



## Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

We have found that the content of the resolution of the Board of Directors regarding the internal control system is adequate. Moreover, we have no remarks to point out on the content of the business report and on the execution of the duties by the Directors and the Executive Officers regarding status of the establishment and maintenance of the internal control system based on such resolution, including internal control over financial reporting required under the Financial Instruments and Exchange Act.

### (2) Result of Audit of Financial Statements and Supplementary Schedules

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

**Table of Contents**

3. SUBSEQUENT EVENTS

As referred in III-4. Other Significant Matters concerning Stock Acquisition Rights in the Report for the 112th fiscal year, a resolution to issue Stock Acquisition Rights as stock options to executives and employees, etc. of the Company as well as executives and employees, etc. of subsidiaries of the Company was passed on May 16, 2016.

May 17, 2016

THE AUDIT COMMITTEE OF

NOMURA HOLDINGS, INC.

Tsuguoki Fujinuma, Chairman of the Audit Committee

Toshinori Kanemoto, Member of the Audit Committee

Hiroshi Kimura, Member of the Audit Committee

Hiroyuki Suzuki, Member of the Audit Committee

Note: Messrs. Tsuguoki Fujinuma, Toshinori Kanemoto and Hiroshi Kimura are Outside Directors as provided for in Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.

**Table of Contents**

Shareholder Notes

Fiscal Year	April 1 to March 31
Annual General Meeting of the Shareholders	Held in June

**<Special Note Regarding Forward-Looking Statements>**

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

**Table of Contents**

*This document is a translation of the Japanese language original prepared solely for convenience of reference. In the event of any discrepancy between this translated document and the Japanese language original, the Japanese language original shall prevail.*

**Matters available on the website in relation to the Notice of Convocation of the 112<sup>th</sup> Annual General Meeting of Shareholders**

- (1) The following section of the business report: VII. Basic Policy Regarding the Status of Persons with Control over Decisions Concerning the Company's Financial and Business Policies
  
- (2) Notes to the Consolidated Financial Statements
  
- (3) Notes to the Financial Statements

The above information is made available on Nomura Holdings, Inc. (the Company) 's website at <http://www.nomuraholdings.com/investor/shm/> pursuant to relevant laws and Article 25 of the Company 's Articles of Incorporation.

Nomura Holdings, Inc.

**Table of Contents**

**1. The following section of the business report: VII. Basic Policy Regarding the Status of Persons with Control over Decisions Concerning the Company's Financial and Business Policies**

**VII. Basic Policy Regarding the Status of Persons with Control over Decisions Concerning the Company's Financial and Business Policies**

With regard to the basic policy to address a shareholder holding a quantity of shares enabling such shareholder to control decisions concerning the Company's management policy, the Company believes that the decision of whether to permit a party to seek ownership of such a volume of shares should ultimately be left to the judgment of the shareholders. Accordingly, the Company has not adopted any so-called takeover defense strategies, such as a prior issue of new stock acquisition rights (a rights plan), etc., at this time.

In the event of an attempt to take over the Company by a party inappropriate for business value and the common benefit of shareholders, a Corporate Value Enhancement Committee established within the Company will examine and evaluate the takeover proposal, etc., and after consultation with a council composed of the Company's outside directors, through sufficient deliberations by the Board of Directors, a conclusion will be rendered in regard to the best strategy for shareholders from the perspective of business value and the common benefit of the shareholders.

**2. Notes to the Consolidated Financial Statements**

**Notes to the Consolidated Financial Statements**

[Significant Basis of Presentation of Consolidated Financial Statements]

1. Basis of presentation

The Company's consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ( U.S. GAAP ) pursuant to Article 120-3, Paragraph 1 of the Ordinance for Company Calculation (Ministry of Justice Ordinance No. 13 of 2006). However, certain disclosures required under U.S. GAAP are omitted pursuant to Article 120-3, Paragraph 3 and the latter part of Article 120, Paragraph 1 of the Ordinance for Company Calculation.

2. Scope of consolidation and equity method application

The consolidated financial statements include the accounts of the Company and other entities in which it has a controlling financial interest (collectively referred to as Nomura ). Generally, the ownership of a majority of the voting interest meets the majority of financial control condition, and Nomura, therefore, consolidates its wholly-owned and majority-owned subsidiaries. In accordance with Accounting Standard Codification ( ASC ) 810 Consolidation , Nomura also consolidates any variable interest entities for which Nomura is a primary beneficiary.

Equity investments in entities in which Nomura has significant influence over operating and financial decisions (generally defined as 20 to 50 percent of the voting rights of a corporate entity, or at least 3 percent of a limited partnership and similar entities) are accounted for under the equity method of accounting and are reported in *Other Assets Investments in and advances to affiliated companies*. Nomura does not apply the equity method of accounting for the equity investments that Nomura elected the fair value option under ASC 825 *Financial Instruments* and they are carried at fair value and are reported in *Trading assets, Private equity investments, or Other*. Nomura elected to apply the fair value option to its investments in Ashikaga Holdings Co., Ltd. representing 36.9% share ownership, and reports the investments and associated gains and losses within *Other assets Other and Revenue Other*, respectively.

Also, investment companies within the scope of ASC 946 *Financial Services Investment Companies* carry all of their investments at fair value, with changes in fair value recognized through earnings, rather than apply the equity method of accounting or consolidation.

## Table of Contents

[Significant Accounting Policies]

### 3. Basis and methods of valuation for securities, derivatives and others

#### (1) Trading assets and trading liabilities

Trading assets and trading liabilities, including contractual commitments arising pursuant to derivative transactions, are recorded on the consolidated balance sheet on a trade date basis at fair value. The related gains and losses are recognized currently in income.

#### (2) Private equity investments

Private equity investments are carried at fair value. Corresponding changes in the fair value of these investments are recognized currently in income.

#### (3) Investments in equity securities

Investments in equity securities consist of marketable and non-marketable equity securities that have been acquired for operating or other than operating purposes. Investments in equity securities for operating purposes and investments in equity securities for other than operating purposes are included in the other assets section of the consolidated balance sheet in *Other assets Investments in equity securities* and *Other assets Other*, respectively.

Investments in equity securities for operating purposes and for other than operating purposes held by non-trading subsidiaries are recorded at fair value and unrealized gains and losses are recognized currently in income. Changes in fair value of equity securities for other than operating purposes held by the insurance subsidiary are reported within *Other comprehensive income* on a net-of-tax basis.

#### (4) Non trading debt securities

Non-trading debt securities mainly consist of debt securities held by non-trading subsidiaries and the insurance subsidiary. Non-trading debt securities held by the insurance subsidiary are carried at fair value, with changes in fair value reported within *Revenue Other* for those designated in fair value hedge relationships, otherwise within *Other comprehensive income* on a net-of-tax basis. Non-trading debt securities held by non-trading subsidiaries are carried at fair value and unrealized gains and losses are recognized currently in income.

### 4. Depreciation and amortization

Depreciation for tangible assets is generally computed by the straight-line method over the estimated useful lives of assets according to general class, type of construction and use. Software is generally amortized by the straight-line method over its estimated useful life. Intangible assets with finite lives are amortized by the straight-line method over the estimated useful lives.

### 5. Long-lived assets

ASC 360 *Property, Plant, and Equipment* ( ASC 360 ) provides guidance on the financial accounting and reporting for the impairment or disposal of long-lived assets.

In accordance with ASC 360, long-lived assets, excluding goodwill and indefinite-lived intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the estimated future undiscounted cash flow is less than the carrying amount of the assets, a loss would be recognized to the extent the carrying value exceeded its fair value.

6. Goodwill and intangible assets

In accordance with ASC 350 *Intangibles Goodwill and Other* , goodwill and intangible assets not subject to amortization are reviewed annually, or more frequently in certain circumstances, for impairment.

7. Basis of allowances

(1) Allowance for loan losses

Management establishes an allowance for loan losses against these loans not carried at fair value which reflects management's best estimate of probable losses incurred. The allowance for loan losses comprises a specific component for loans which have been individually evaluated for impairment and a general component for loans which, while not individually evaluated for impairment, have been collectively estimated for impairment based on historical loss experience.

**Table of Contents**

The specific component of the allowance for loan losses reflects probable losses incurred within loans which have been individually evaluated for impairment. Factors considered by management in determining impairment include an assessment of the ability of borrowers to pay by considering various factors such as the nature of the loan, prior loan loss experience, current economic conditions, the current financial situation of the borrower and the fair value of any underlying collateral. The allowance is measured on a loan by loan basis by adjusting the carrying value of the impaired loan to either the present value of expected future cash flows discounted as the loan's effective interest rate, the loan's obtainable market price, or the fair value of the collateral if the loan is collateral dependent.

The general component of the allowance for loan losses is for loans not individually evaluated for impairment and includes judgment about collectability based on available information at the balance sheet date, and the uncertainties inherent in those underlying assumptions. The allowance is measured taking into consideration historical loss experience adjusted for qualitative factors such as current economic conditions.

(2) Accrued pension and severance costs

In accordance with ASC 715 *Compensation - Retirement Benefits*, the funded status of the defined benefit postretirement plan, which is measured as the difference between the fair value of the plan assets and the projected benefit obligation, is recognized to prepare for the employees retirement and severance benefits.

The unrecognized prior service cost is amortized on a straight-line basis over the average remaining service period of active participants.

Actuarial gains and losses in excess of 10% of the greater of the projected benefit obligation or the fair value of plan assets are amortized on a straight-line basis over the average remaining service period of active participants.



**Table of Contents**

8. Hedging activities and derivatives used for non-trading purposes

Nomura's principal objectives in using derivatives for purposes other than trading are managing market risk of certain non-trading liabilities such as issued debt, foreign exchange risk of certain foreign currency denominated non-trading debt securities held by the insurance subsidiary, and foreign exchange risk of certain net investments in foreign operations.

These derivative contracts are linked to specific assets or liabilities and are designated as hedges as they are effective in reducing the risk associated with the exposure being hedged and are highly correlated with changes in the fair value or the foreign exchange of the underlying hedged items. Nomura applies fair value and net investment hedge accounting to these hedging transactions. The relating unrealized profit and losses are recognized together with those of the hedged assets and liabilities as *Interest expense* or *Revenue* *Other*, or reported within *Change in cumulative translation adjustments*.

Further, derivatives are also utilized for non-trading purposes to manage equity price risk arising from certain stock-based compensation awards granted to employees and others.

9. Foreign currency translation

All assets and liabilities of subsidiaries which have a functional currency other than Japanese yen are translated into Japanese yen at exchange rates in effect at the balance sheet date; all revenue and expenses are translated at the average exchange rates for the respective fiscal years and the resulting translation adjustments are accumulated and reported as *Accumulated other comprehensive income (loss)*. Foreign currency assets and liabilities are translated at exchange rates in effect at the balance sheet date and the resulting translation gains or losses are credited or charged to income for the respective fiscal years.

10. The Company and its wholly-owned domestic subsidiaries adopt the consolidated tax return system.

11. Accounting changes

*Foreclosed mortgage loans*

In January 2014, the Financial Accounting Standards Board ( FASB ) issued amendments to ASC 310-40 *Receivables Troubled Debt Restructurings by Creditors* ( ASC 310-40 ) through issuance of Accounting Standards Update ( ASU ) 2014-04 *Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans upon Foreclosure* ( ASU 2014-04 ). ASU 2014-04 expands ASC 310-40 to provide guidance on when an in substance repossession or foreclosure occurs, when a creditor is considered to have received physical possession of a residential real estate property collateralizing a consumer mortgage loan and introduces new disclosure requirements regarding foreclosed residential real estate property held by the creditor and consumer mortgage loans currently in foreclosure proceedings.

ASU 2014-04 is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2014 with early adoption permitted.

Nomura adopted ASU 2014-04 from April 1, 2015 and these amendments have not had a material impact on these consolidated financial statements.

*Foreclosed government-guaranteed mortgage loans*

In August 2014, the FASB issued amendments to ASC 310-40 through issuance of ASU 2014-14 *Classification of Certain Government-Guaranteed Mortgage Loans upon Foreclosure* ( ASU 2014-14 ). ASU 2014-14 expands ASC 310-40 to provide guidance on when a creditor should recognize a separate receivable instead of real estate upon foreclosure of a government-guaranteed mortgage loan.

ASU 2014-14 is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2014 with early adoption permitted and may be adopted using either a modified retrospective approach or prospectively.

Nomura adopted ASU 2014-14 from April 1, 2015 and these amendments have not had a material impact on these consolidated financial statements.



**Table of Contents***Reporting discontinued operations*

In April 2014, the FASB issued amendments to ASC 205 *Presentation of Financial Statements* and ASC 360 through issuance of ASU 2014-08 *Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity* ( ASU 2014-08 ). ASU 2014-08 changes the criteria for discontinued operations reporting with the intention of less disposals qualifying and also introduces new presentation and disclosure requirements.

ASU 2014-08 is effective prospectively for all disposals or expected disposals classified as held for sale that occur within annual periods beginning on or after December 15, 2014 and interim periods within those years. Early adoption is permitted, but only for disposals or expected disposals classified as held for sale that have not been reported in financial statements previously issued or available for issue.

Nomura adopted ASU 2014-08 from April 1, 2015 and these amendments have not had a material impact on these consolidated financial statements.

[Notes to the Consolidated Balance Sheet]

## 12. Assets pledged

Pledged securities that can be sold or re-pledged by the secured party, including Gensaki Repo transactions, reported mainly within <i>Trading assets</i> and <i>Private equity investments</i> .	6,483,857 million yen
Nomura owned securities and loans receivable, which have been pledged as collateral, primarily to stock exchanges and clearing organizations, without allowing the secured party the right to sell or re-pledge them.	3,763,788 million yen
Nomura owned securities and loans receivable, which have been pledged to collateralize borrowing transactions, and pledged for other purposes. <sup>(1)(2)</sup>	1,952,439 million yen

- (1) The asset balances, which have been pledged as collateral for secured loans from special purpose entities and for transfer dealings in which the control over the asset is not relinquished, are included.
- (2) In addition, Nomura re-pledged 14,502 million yen of securities received as collateral and securities borrowed.

## 13. Securitizations

Nomura utilizes special purpose entities ( SPEs ) to securitize commercial and residential mortgage loans, government agency and corporate bonds and other types of financial assets. Those SPEs are incorporated as stock companies, Tokumei kumiai (silent partnerships), Cayman special purpose companies ( SPCs ) or trust accounts. Nomura's involvement with SPEs includes structuring SPEs, underwriting, distributing and selling debt instruments and beneficial interests issued by SPEs to investors. Nomura accounts for the transfer of financial assets in accordance with ASC 860 *Transfers and Servicing* ( ASC 860 ). This statement requires that Nomura accounts for the transfer of financial assets as a sale when Nomura relinquishes control over the assets. ASC 860 deems control to be relinquished when the following conditions are met: (a) the assets have been isolated from the transferor (even in bankruptcy or other receivership), (b) the transferee has the right to pledge or exchange the assets received, or if the transferee is an entity whose sole purpose is to engage in securitization or asset-backed financing activities, and that entity is constrained from pledging or exchanging the assets it receives, the holders of its beneficial interests have the right to pledge or exchange the beneficial interests, and (c) the transferor has not maintained effective control over the transferred assets. Nomura may retain an interest in the financial assets, including residual interests in the SPEs. Any such interests are accounted for at fair value and reported within Trading assets in Nomura's consolidated balance sheet, with the change in fair value reported within *Revenue-net gain (loss) on trading*. Fair value for retained interests in securitized financial assets is determined by using observable prices; or in cases where observable prices are not available for certain retained interests, Nomura estimates fair value based on the present value of expected future cash flows using its best estimates of the key assumptions, including forecasted credit losses, prepayment rates, forward yield curves and discount rates commensurate with the risks involved. Nomura may also enter into derivative transactions in relation to the financial assets transferred to an SPE.



**Table of Contents**

As noted above, Nomura may have continuing involvement with SPEs to which Nomura transferred assets. For the year ended March 31, 2016, Nomura received cash proceeds from SPEs on transfer of assets in new securitizations of 381.7 billion yen and the associated gain on sale was not significant. For the year ended March 31, 2016, Nomura received debt securities issued by these SPEs with an initial fair value of 1,867.3 billion yen and cash inflows from third parties on the sale of those debt securities of 1,412.4 billion yen. The cumulative balance of financial assets transferred to SPEs with which Nomura has continuing involvement was 6,532.7 billion yen as of March 31, 2016. Nomura's retained interests were 199.9 billion yen as of March 31, 2016. For the year ended March 31, 2016, Nomura received cash flows of 50.7 billion yen from the SPEs on the retained interests held in the SPEs. Nomura had outstanding collateral service agreements or written credit default swap agreements in the amount of 2.0 billion yen. Nomura does not provide financial support to SPEs beyond its contractual obligations.

**14. Contingencies***Investigations, lawsuits and other legal proceedings*

In the normal course of business as a global financial services entity, Nomura is involved in investigations, lawsuits and other legal proceedings and, as a result, may suffer loss from any fines, penalties or damages awarded against Nomura, any settlements Nomura chooses to make to resolve a matter, and legal and other advisory costs incurred to support and formulate a defense.

The ability to predict the outcome of these actions and proceedings is inherently difficult, particularly where claimants are seeking substantial or indeterminate damages, where investigations and legal proceedings are at an early stage, where the matters present novel legal theories or involve a large number of parties, or which take place in foreign jurisdictions with complex or unclear laws.

The Company regularly evaluates each legal proceeding and claim on a case-by-case basis in consultation with external legal counsel to assess whether an estimate of possible loss or range of loss can be made, if recognition of a liability is not appropriate. In accordance with ASC 450 *Contingencies* (ASC 450), the Company recognizes a liability for this risk of loss arising on each individual matter when a loss is probable and the amount of such loss or range of loss can be reasonably estimated. The amount recognized as a liability is reviewed at least quarterly and is revised when further information becomes available. If these criteria are not met for an individual matter, such as if an estimated loss is only reasonably possible rather than probable, no liability is recognized. However, where a material loss is reasonably possible, the Company will disclose details of the legal proceeding or claim below. Under ASC 450 an event is defined as reasonably possible if the chance of the loss to the Company is more than remote but less than probable.

The most significant actions and proceedings against Nomura are summarized below. The Company believes that, based on current information available as of the date of these consolidated financial statements, the ultimate resolution of these actions and proceedings will not be material to the Company's financial condition. However, an adverse outcome in certain of these matters could have a material adverse effect on the consolidated statements of income or cash flows in a particular quarter or annual period.

For certain of the significant actions and proceedings described below, the Company is currently able to estimate the amount of reasonably possible loss, or range of reasonably possible losses, in excess of amounts recognized as a liability (if any) against such cases. These estimates are based on current information available as of the date of these consolidated financial statements and include, but are not limited to, the specific amount of damages or claims against Nomura in each case. As of May 10, 2016, for those cases where an estimate of the range of reasonably possible losses can be made, the Company estimates that the total aggregate reasonably possible maximum loss in excess of amounts recognized as a liability (if any) against these cases is approximately ¥49 billion.

For certain other significant actions and proceedings, the Company is unable to provide an estimate of the reasonably possible loss or range of reasonably possible losses because, among other reasons, (i) the proceedings are at such an early stage there is not enough information available to assess whether the stated grounds for the claim are viable; (ii) damages have not been identified by the claimant; (iii) damages are unsupported and/or exaggerated; (iv) there is uncertainty as to the outcome of pending appeals or motions; (v) there are significant legal issues to be resolved that may be dispositive, such as the applicability of statutes of limitations; and/or (vi) there are novel or unsettled legal theories underlying the claims.

---

**Table of Contents**

In January 2008, Nomura International plc ( NIP ) was served with a tax notice issued by the tax authorities in Pescara, Italy alleging breaches by NIP of the U.K.-Italy Double Taxation Treaty of 1998 ( Tax Notice ). The alleged breaches relate to payments to NIP of tax credits on dividends on Italian shares. The Tax Notice not only denies certain payments to which NIP claims to be entitled but also seeks reimbursement of approximately EUR 33.8 million, plus interest, already refunded. NIP continues vigorously to challenge the Pescara Tax Court's decisions in favor of the local tax authorities.

In October 2010 and June 2012, two actions were brought against NIP, seeking recovery of payments allegedly made to NIP by Fairfield Sentry Ltd. and Fairfield Sigma Ltd. (collectively, Fairfield Funds ), which are now in liquidation and were feeder funds to Bernard L. Madoff Investment Securities LLC (in liquidation pursuant to the Securities Investor Protection Act in the U.S. since December 2008) ( BLMIS ). The first suit was brought by the liquidators of the Fairfield Funds. It was filed on October 5, 2010 in the Supreme Court of the State of New York, but was subsequently removed to the U.S. Bankruptcy Court, where it is presently pending. The second suit was brought by the Trustee for the liquidation of BLMIS ( Madoff Trustee ). NIP was added as a defendant in June 2012 when the Madoff Trustee filed an amended complaint in the U.S. Bankruptcy Court. Both actions seek to recover approximately \$35 million.

In March 2011, PT Bank Mutiara Tbk. ( Bank Mutiara ) commenced proceedings in the Commercial Court of the Canton of Zurich ( Zurich Commercial Court ) against a special purpose entity ( SPE ) established at the request of NIP. The proceedings were to challenge the SPE's rights over approximately \$156 million in an account held in Switzerland. The SPE, which is consolidated by NIP, had a security interest over the money pursuant to a loan facility with Telltop Holdings Limited ( Telltop ), a third party company. Telltop is currently in liquidation. The SPE did not believe that Bank Mutiara had any enforceable security interest over the funds and sought release of the monies. NIP was notified on October 2, 2014 that the Zurich Commercial Court had found that the SPE alone is entitled to the funds. Bank Mutiara appealed this decision. On July 9, 2015 the Federal Supreme Court of Switzerland upheld the decision of the Zurich Commercial Court. Bank Mutiara has no further right of appeal so the funds have been released to the SPE.

In April 2011, the Federal Home Loan Bank of Boston ( FHLB-Boston ) commenced proceedings in the Superior Court of Massachusetts against numerous issuers, sponsors and underwriters of residential mortgage-backed securities ( RMBS ), and their controlling persons, including Nomura Asset Acceptance Corporation ( NAAC ), Nomura Credit & Capital, Inc. ( NCCI ), Nomura Securities International, Inc. ( NSI ) and Nomura Holding America Inc. ( NHA ). The action alleges that FHLB-Boston purchased RMBS issued by NAAC for which the offering materials contained untrue statements or omitted material facts concerning the underwriting standards used by the original lenders and the characteristics of the loans underlying the securities. FHLB-Boston seeks rescission of its purchases or compensatory damages pursuant to state law. FHLB-Boston alleges that it purchased certificates in four offerings issued by NAAC in the original principal amount of approximately \$406 million. The case is currently in the discovery phase.

In July 2011, the National Credit Union Administration Board ( NCUA ) commenced proceedings in the United States District Court for the Central District of California as liquidating agent of Western Corporate Federal Credit Union ( WesCorp ) against various issuers, sponsors and underwriters of RMBS purchased by WesCorp. The complaint alleges that WesCorp purchased RMBS issued by NAAC and Nomura Home Equity Loan Inc. ( NHEL ), among others, for which the offering materials contained untrue statements or omitted material facts concerning the underwriting standards used by the original lenders. The complaint alleges that WesCorp purchased certificates in two offerings in the original principal amount of approximately \$83 million and seeks rescission of its purchases or compensatory damages. The court has dismissed NCUA's claims against NHEL and NCUA has appealed to the Ninth Circuit and the appeal is pending. NCUA's claim against NAAC is proceeding.

---

**Table of Contents**

In September 2011, the Federal Housing Finance Agency ( FHFA ), as conservator for the government sponsored enterprises, Federal National Mortgage Association and Federal Home Loan Mortgage Corporation ( GSEs ), commenced proceedings in the United States District Court for the Southern District of New York against numerous issuers, sponsors and underwriters of RMBS, and their controlling persons, including NAAC, NHEL, NCCI, NSI and NHA (the Company s U.S. subsidiaries). The action alleged that the GSEs purchased RMBS issued by NAAC and NHEL for which the offering materials contained untrue statements or omitted material facts concerning the underwriting standards used by the original lenders and the characteristics of the loans underlying the securities. FHFA alleged that the GSEs purchased certificates in seven offerings in the original principal amount of approximately \$2,046 million and sought rescission of its purchases. The case was tried before the Court beginning March 16, 2015 and closing arguments were completed on April 9, 2015. On May 15, 2015, the Court issued a judgment and ordered the defendants to pay \$806 million to GSEs upon GSEs delivery of the certificates at issue to the defendants. The Company s U.S. subsidiaries have appealed the decision to the United States Court of Appeals for the Second Circuit. Subject to the outcome of the appeal, the defendants agreed to a consent judgment for costs and attorneys fees recoverable under the blue sky statutes at issue in the maximum amount of \$33 million.

In October 2011, the NCUA commenced proceedings in the United States District Court for the District of Kansas as liquidating agent of U.S. Central Federal Credit Union ( U.S. Central ) against various issuers, sponsors and underwriters of RMBS purchased by U.S. Central, including NHEL. The complaint alleges that U.S. Central purchased RMBS issued by NHEL, among others, for which the offering materials contained untrue statements or omitted material facts concerning the underwriting standards used by the original lenders. The complaint alleges that U.S. Central purchased a certificate in one offering in the original principal amount of approximately \$50 million and seeks rescission of its purchase or compensatory damages. The Court denied, in part, motions to dismiss filed by the defendants, and the Tenth Circuit Court of Appeals affirmed the trial court s holding; the Supreme Court vacated that decision and remanded the matter to the Tenth Circuit Court of Appeals for reconsideration in light of recent Supreme Court authority. Upon remand, the Tenth Circuit reinstated its decision.

In November 2011, NIP was served with a claim filed by the Madoff Trustee appointed for the liquidation of BLMIS in the United States Bankruptcy Court Southern District of New York. This is a clawback action similar to claims filed by the Madoff Trustee against numerous other institutions. The Madoff Trustee alleges that NIP received redemptions from the BLMIS feeder fund, Harley International (Cayman) Limited in the six years prior to December 11, 2008 (the date proceedings were commenced against BLMIS) and that these are avoidable and recoverable under the U.S. Bankruptcy Code and New York law. The amount that the Madoff Trustee is currently seeking to recover from NIP is approximately \$21 million.

In August 2012, The Prudential Insurance Company of America and certain of its affiliates filed several complaints in the Superior Court of New Jersey, which was removed to federal court, against various issuers, sponsors and underwriters of RMBS, including an action against NHEL, NCCI and NSI. The complaint alleged that the plaintiffs purchased over \$183 million in RMBS from five different offerings, the offering materials for which contained fraudulent misrepresentations regarding the underwriting practices and quality of the loans underlying the securities. On August 11, 2015, the parties entered into a confidential settlement and the action has been dismissed with prejudice.

In March 2013, Banca Monte dei Paschi di Siena SpA ( MPS ) issued a claim in the Italian Courts against (1) two former directors of MPS and (2) NIP. MPS alleged that the former directors improperly caused MPS to enter into certain structured financial transactions with NIP in 2009 ( Transactions ) and that NIP acted fraudulently and was jointly liable for the unlawful conduct of MPS s former directors. MPS claimed damages of not less than EUR 1.142 billion.

In March 2013, NIP commenced a claim against MPS in the English Courts. The claim was for declaratory relief confirming that the Transactions remained valid and contractually binding. MPS filed and served its Defence and Counterclaim to these proceedings in March 2014. MPS alleged in its Counterclaim that NIP was liable to make restitution of a net amount of approximately EUR 1.5 billion, and sought declarations regarding the illegality and invalidity of the Transactions.

## Table of Contents

On September 23, 2015, NIP entered into a settlement agreement with MPS to terminate the Transactions. NIP believes that the Transactions were conducted legally and appropriately, and does not accept the allegations made against it or admit any wrongdoing. Taking into account the views of relevant European financial authorities and the advice provided by external experts, NIP considered it to be in its best interests to reach a settlement in relation to this matter. As part of the agreement, the Transactions were unwound at a discount of EUR 440 million in favour of MPS and the civil proceedings between MPS and NIP in Italy and England, respectively, will no longer be pursued. Pursuant to the settlement agreement MPS and NIP applied to the Italian Courts to discontinue the proceedings brought by MPS against NIP. In December 2015, the Italian Courts ordered the discontinuance of all claims against NIP except a claim brought by a former director of MPS. The financial impact of the settlement on the Company's consolidated results for the fiscal year ended March 31, 2016 is a loss of approximately ¥34.0 billion and has been included in *Net gain on trading* in the consolidated statement of income for the fiscal year ended March 31, 2016.

In July 2013, a claim was also issued against the same former directors of MPS, and NIP, by the shareholder group Fondazione Monte dei Paschi di Siena ( FMPS ). The grounds of the FMPS claim are similar to those on which the MPS claim was founded. The level of damages sought by FMPS is not less than EUR 315.2 million. NIP filed and served Defences to both the MPS and the FMPS claims.

In April 2013, an investigation was commenced by the Public Prosecutor's office in Siena, Italy, into various allegations against MPS and certain of its former directors, including in relation to the Transactions. The investigation was subsequently transferred to the Public Prosecutor of Milan. On April 3, 2015, the Public Prosecutor's office in Milan issued a notice concluding its preliminary investigation. The Public Prosecutor is seeking to indict MPS, three individuals from MPS's former management, NIP and two NIP individuals for, among others, the offences of false accounting and market manipulation in relation to MPS's previous accounts. The preliminary hearing at which the court will consider whether or not to grant the indictment started on October 12, 2015 in relation to MPS's accounts for 2009.

NIP will continue to vigorously defend its position in the ongoing proceedings.

In January 2016, the Municipality of Civitavecchia in Italy ( Municipality ) commenced civil proceedings against NIP in the local courts in Civitavecchia. The Municipality's claim relates to derivatives transactions entered into by the Municipality between 2003 and 2005. The Municipality alleges that NIP failed to comply with its duties under an advisory agreement and seeks to recover approximately EUR 35 million in damages. NIP intends to vigorously contest the proceedings.

Nomura Securities Co., Ltd. ( NSC ) is the leading securities firm in Japan with approximately 5.39 million client accounts. Accordingly, with a significant number of client transactions, NSC is from time to time party to various Japanese civil litigation and other dispute resolution proceedings with clients relating to investment losses. These include an action commenced against NSC in April 2012 by a corporate client seeking ¥5,102 million in damages for losses on the pre-maturity cash out of 16 series of currency-linked structured notes purchased from NSC between 2003 and 2008, an action commenced in April 2013 by a corporate client seeking ¥10,247 million in damages for losses on currency derivative transactions and the pre-maturity cash out or redemption of 11 series of equity-linked structured notes purchased from NSC between 2005 and 2011, and an action commenced in October 2014 by a corporate client seeking ¥2,143 million in damages for losses on currency derivative transactions conducted between 2006 and 2012. Although the allegations of the clients involved in such actions include the allegation that NSC's explanation was insufficient at the time the contracts were entered into, NSC believes these allegations are without merit.

The Company supports the position of its subsidiaries in each of these claims.

### *Other mortgage-related contingencies in the U.S.*

Certain of the Company's subsidiaries in the U.S. securitized residential mortgage loans in the form of RMBS. These subsidiaries did not generally originate mortgage loans, but purchased mortgage loans from third-party loan originators ( originators ). In connection with such purchases, these subsidiaries received loan level representations from the originators. In connection with the securitizations, the relevant subsidiaries provided loan level representations and warranties of the type generally described below, which mirror the representations the subsidiaries received from the originators.



**Table of Contents**

The loan level representations made in connection with the securitization of mortgage loans were generally detailed representations applicable to each loan and addressed characteristics of the borrowers and properties. The representations included, but were not limited to, information concerning the borrower's credit status, the loan-to-value ratio, the owner occupancy status of the property, the lien position, the fact that the loan was originated in accordance with the originator's guidelines, and the fact that the loan was originated in compliance with applicable laws. Certain of the RMBS issued by the subsidiaries were structured with credit protection provided to specified classes of certificates by monoline insurers.

The relevant subsidiaries have received claims demanding the repurchase of certain loans from trustees of various securitization trusts, made at the instance of one or more investors, or from certificate insurers. The total original principal amount of loans for which repurchase claims were received by the relevant subsidiaries within six years of each securitization is \$3,203 million. The relevant subsidiaries summarily rejected any demand for repurchase received after the expiration of the statute of limitations applicable to breach of representation claims. For those claims received within six years, the relevant subsidiaries reviewed each claim received, and rejected those claims believed to be without merit or agreed to repurchase certain loans for those claims that the relevant subsidiaries determined to have merit. In several instances, following the rejection of repurchase demands, investors instituted actions through the trustee alleging breach of contract. The breach of contract claims that were brought within the six-year statute of limitations for breach of contract actions have survived motions to dismiss and are at early stages. These claims involve substantial legal, as well as factual, uncertainty and the Company cannot provide an estimate of reasonably possible loss at this time, in excess of the existing reserve.

**15. Guarantees**

In accordance with ASC 460 *Guarantees* ( ASC 460 ), Nomura recognizes obligations under certain issued guarantees and records the fair value of these guarantee obligations on the consolidated balance sheet.

The information about maximum potential payout or notional total of derivative contracts, standby letters of credit and other guarantees that could meet the definition of a guarantee is as below.

For information about the maximum potential amount of future payments that Nomura could be required to make under certain derivatives, the notional amount of contracts has been disclosed. However, the maximum potential payout for certain derivative contracts, such as written interest rate caps and written currency options, cannot be estimated, as increases in interest or foreign exchange rates in the future could be theoretically unlimited. Nomura records all derivative contracts at fair value. Nomura believes the notional amounts generally overstate its risk exposure.

Derivative contracts <sup>(1)(2)</sup>	204,781,587 million yen
Standby letters of credit and other guarantees <sup>(3)</sup>	8,422 million yen

(1) The carrying value of derivative contracts is 5,710,433 million yen (liability).

(2) The notional amount and the carrying value of the written credit derivatives not included in derivative contracts are 21,827,398 million yen and 194,933 million yen (asset), respectively.

(3) The carrying value of standby letters of credit and other guarantees is 242 million yen (liability).

**Table of Contents**

[Notes to Financial Instruments]

## 16. Financial Instruments

**The fair value of financial instruments**

A significant amount of Nomura's financial instruments are carried at fair value. Financial assets carried at fair value on a recurring basis are reported in the consolidated balance sheet within *Trading assets and private equity investments, Loans and receivables, Collateralized agreements* and *Other assets*. Financial liabilities carried at fair value on a recurring basis are reported within *Trading liabilities, Short-term borrowings, Payables and deposits, Collateralized financing, Long-term borrowings* and *Other liabilities*.

In all cases, fair value is determined in accordance with ASC 820 *Fair Value Measurements and Disclosures* which defines fair value as the amount that would be exchanged to sell a financial asset or transfer a financial liability in an orderly transaction between market participants at the measurement date. It assumes that the transaction occurs in Nomura's principal market, or in the absence of the principal market, the most advantageous market for the relevant financial assets or financial liabilities.

**Information on financial instruments and risk**

Most of Nomura's trading activities are customer oriented. Nomura utilizes a variety of derivative financial instruments as a means of bridging customers' specific financial needs and investors' demands in the securities markets. Nomura also actively trades securities and various derivatives to assist its customers in adjusting their risk profiles as markets change. In performing these activities, Nomura carries an inventory of capital markets instruments and maintains its access to market liquidity by quoting bid and offer prices to and trading with other market makers. These activities are essential to provide customers with securities and other capital markets products at competitive prices.

In the normal course of business, Nomura enters into transactions involving derivative financial instruments to meet customer needs, for its trading activities and to reduce its own exposure to loss due to adverse fluctuations in interest rates, currency exchange rates and market prices of securities. These financial instruments include contractual agreements such as commitments to swap interest payment streams, exchange currencies or purchase or sell securities and other financial instruments on specific terms at specific future dates. To the extent these derivative financial instruments are economically hedging financial instruments or securities positions of Nomura, the overall risk of loss may be fully or partly mitigated by the hedged position.

Nomura seeks to minimize its exposure to market risk arising from its use of these derivative financial instruments through various control policies and procedures, including position limits, monitoring procedures and hedging strategies whereby Nomura enters into offsetting or other positions in a variety of financial instruments. Credit risk associated with these financial instruments is controlled by Nomura through credit approvals, limits and monitoring procedures. To reduce default risk, Nomura requires collateral, principally cash collateral and government securities, for certain derivative transactions.

Concentrations of credit risk may arise from trading, securities financing transactions and underwriting activities, and may be impacted by changes in political or economic factors. Nomura has credit risk concentrations on bonds issued by the Japanese Government, U.S. Government, Governments within the European Union ( EU ), their states and municipalities, and their agencies. The following table presents geographic allocations of Nomura's positions related to government, agency and municipal securities. The Company's exposure to the over-the-counter derivatives is mainly with the financial institutions in the amount of 502.2 billion yen which represents the net amount after the counterparty netting of derivative assets and liabilities as well as cash collateral netting against net derivatives.

	Billions of yen March 31, 2016				
	Japan	U.S.	EU	Other	Total <sup>(1)</sup>
Government, agency and municipalities securities	3,188.2	2,445.1	2,197.2	417.5	8,248.0

(1) Other than above, there were 577.0 billion yen of government, agency and municipal securities in *Other asset Non-trading debt securities* as of March 31, 2016. The vast majority of these securities are Japanese government, agency and municipal securities.

**Table of Contents**

Fair value hierarchy

All financial instruments measured at fair value, including those carried at fair value using the fair value option, have been categorized into a three-level hierarchy ( fair value hierarchy ) based on the transparency of valuation inputs used by Nomura to estimate fair value. A financial instrument is classified in the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement of the financial instrument. The three levels of the fair value hierarchy are defined as follows, with Level 1 representing the most transparent inputs and Level 3 representing the least transparent inputs:

Level 1:

Unadjusted quoted prices for identical financial instruments in active markets accessible by Nomura at the measurement date.

Level 2:

Quoted prices in inactive markets or prices containing other inputs which are observable, either directly or indirectly. Valuation techniques using observable inputs reflect assumptions used by market participants in pricing financial instruments and are based on data obtained from independent market sources at the measurement date.

Level 3:

Unobservable inputs that are significant to the fair value measurement of the financial instrument. Valuation techniques using unobservable inputs reflect management's assumptions about the estimates used by other market participants in valuing similar financial instruments. These valuation techniques are developed based on the best available information at the measurement date.

**Table of Contents**

The following table presents information about Nomura's financial instruments measured at fair value on a recurring basis as of March 31, 2016 within the fair value hierarchy.

	(Billions of yen) March 31, 2016				
	Level 1	Level 2	Level 3	Counterparty and Cash Collateral Netting <sup>(1)</sup>	Balance as of March 31, 2016
<b>Assets:</b>					
Trading assets and private equity investments					
Cash Instruments	8,035.0	6,741.3	261.7		15,038.0
Derivatives	18.1	37,452.1	226.6	(36,324.8)	1,372.0
Loans and receivables <sup>(2)</sup>		277.0	26.3		303.3
Collateralized agreements <sup>(3)</sup>		1,098.8			1,098.8
Other assets	761.9	656.3	61.2		1,479.4
<b>Total</b>	<b>8,815.0</b>	<b>46,225.5</b>	<b>575.8</b>	<b>(36,324.8)</b>	<b>19,291.5</b>
<b>Liabilities:</b>					
Trading Liabilities					
Cash Instruments	5,135.3	1,311.4	3.0		6,449.7
Derivatives	21.2	37,271.0	213.0	(36,455.6)	1,049.6
Short-term borrowings <sup>(4)</sup>	0.6	308.8	21.4		330.8
Payables and deposits <sup>(5)</sup>		0.0	(0.2)		(0.2)
Collateralized financing <sup>(3)</sup>		571.4			571.4
Long-term borrowings <sup>(4)(6)(7)</sup>	104.6	2,265.0	330.7		2,700.3
Other liabilities <sup>(8)</sup>	150.6	110.8	2.0		263.4
<b>Total</b>	<b>5,412.3</b>	<b>41,838.4</b>	<b>569.9</b>	<b>(36,455.6)</b>	<b>11,365.0</b>

(1) Represents the amount offset under counterparty netting of derivative assets and liabilities as well as cash collateral netting against net derivatives.

(2) Includes loans for which the fair value option is elected.

(3) Includes collateralized agreements or collateralized financing for which the fair value option is elected.

(4) Includes structured notes for which the fair value option is elected.

(5) Includes embedded derivatives bifurcated from deposits received at banks. If unrealized gains are greater than unrealized losses, deposits are reduced by the excess amount.

(6)

## Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

Includes embedded derivatives bifurcated from issued structured notes. If unrealized gains are greater than unrealized losses, borrowings are reduced by the excess amount.

- (7) Includes liabilities recognized from secured financing transactions that are accounted for as financings rather than sales. Nomura elected the fair value option for these liabilities.
- (8) Includes loan commitments for which the fair value option is elected.

**Table of Contents****Estimated Fair Value**

Certain financial instruments are not carried at fair value on a recurring basis in the consolidated balance sheet since they are neither held for trading purposes nor are elected for the fair value option. These are typically carried at contractual amounts due or amortized cost.

The carrying value of the majority of the financial instruments detailed below will approximate fair value since they are short-term in nature and contain minimal credit risk. These financial instruments include financial assets reported within *Cash and cash equivalents*, *Time deposits*, *Deposits with stock exchanges and other segregated cash*, *Receivables from customers*, *Receivables from other than customers*, *Securities purchased under agreements to resell* and *Securities borrowed* and financial liabilities reported within *Short-term borrowings*, *Payables to customers*, *Payables to other than customers*, *Deposits received at banks*, *Securities sold under agreements to repurchase*, *Securities loaned* and *Other secured borrowings* in the consolidated balance sheet.

The estimated fair values of other financial instruments which are longer-term in nature or may contain more than minimal credit risk may be different to their carrying value. Financial assets of this type primarily include certain loans which are reported within *Loans receivable* while financial liabilities primarily include long-term borrowings which are reported within *Long-term borrowings*. In our financial instruments, the instruments which have a material difference between the carrying value and the estimated fair value are long-term borrowings. For long-term borrowings, certain financial instruments including structured notes are carried at fair value under the fair value option. Except for those instruments, long-term borrowings are carried at historical amounts unless such borrowings are designated as the hedged item in a fair value hedge. The fair value of long-term borrowings is estimated using quoted market prices where available or by discounting future cash flows. As of March 31, 2016, the carrying values of long-term borrowings were 8,129.6 billion yen and the fair values or estimated fair values of long-term borrowings were 8,128.4 billion yen.

**Maturities tables of long-term borrowings**

The aggregate annual maturities of long-term borrowings, including adjustments related to fair value hedges and liabilities measured at fair value, as of March 31, 2016 consist of the following:

<b>Year ending March 31</b>	<b>Billions of yen</b>
2017	652.3
2018	1,032.8
2019	1,128.1
2020	1,057.0
2021	835.2
2022 and thereafter	3,296.6
<b>Sub-Total</b>	<b>8,002.1</b>
Trading balances of secured borrowings	127.5
<b>Total</b>	<b>8,129.6</b>

## Trading balances of secured borrowings

These balances of secured borrowings consist of the liabilities related to transfers of financial assets that are accounted for as financings secured by the financial assets without recourse to Nomura rather than sales under ASC 860. These borrowings are not borrowed for the purpose of Nomura's funding but are related to Nomura's trading activities to gain profits from the distribution of financial products secured by the financial assets.

**Table of Contents****[Notes to Per-Share Data]**

## 17. Per-Share Data

Total NHI shareholders equity per share	748.32 yen
Basic net income attributable to NHI shareholders per share	36.53 yen

## Subsequent Event

On April 27, 2016 the Board of Directors of the Company approved a resolution to set up a share buyback program, pursuant to the company's articles of incorporation set out in accordance with Article 459-1 of the Companies Act of Japan.

## (1) Reasons

To use the acquired treasury stock to issue shares upon the exercise of stock options and to raise capital efficiency and ensure a flexible capital management policy.

## (2) Contents of Buyback

Type of stock to be purchased	Common Stock
Total number of stocks to be purchased	Upper limit of 35,000,000 shares (0.9% of outstanding shares)
Total amount of stocks	Maximum of 20,000 million yen
Term	from May 18, 2016 to July 22, 2016
Method	Purchase on the stock exchange via a trust bank

**[Other Notes]**

## 18. Other additional information

Changes in Tax Laws

On March 29, 2016, the Act to partially revise the Income Tax Act and Others (Act No.15 of 2016) ( Act 15 ) and Act to partially revise the Local Tax Act and Others (Act No.13 of 2016) ( Act 13 ) were enacted. Under Act 13 and Act 15, effective from the fiscal year beginning on or after April 1, 2016, corporate tax rate has been reduced from 32% to 31% for the temporary differences expected to be reversed in the fiscal year beginning on or after April 1, 2016. Use of operating loss carryforwards for the tax purposes will be limited to 60% of the current year taxable income before deducting operating loss carryforwards for tax purpose after the fiscal years beginning on or after April 1, 2016, and 55% after the fiscal years beginning on or after April 1, 2017. The fiscal years beginning on or after April 1, 2018, use of operating loss carryforwards for the tax purposes will continue to be limited to 50%.

Due to these revisions, net deferred tax liabilities decreased by 1,525 million yen and income tax expenses decreased by the same amount.

Issuance of Stock Options

In April 2016, the Company announced the issuance of stock acquisition rights to directors, executive officers and/or employees of the Company and/or its subsidiaries, etc. The number of stock acquisition rights is estimated to be approximately 230 thousand units (23 million shares)

## Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

equivalent). The exercise price of the stock acquisition rights will be one (1) yen per share. The stock acquisition rights will be issued as deferred compensation to grantees and are restricted from being exercised for approximately six months up to three years from the issuance resolution date. The exercise period will be five years from the beginning day of exercise period.

Nomura also offers a compensation plan linked to the Company's stock price, a world index and the Company's performances. The employees (directors, executive officers and certain employees) covered by this plan must provide service as employees of the Company for a specified service period in order to receive payments under the plan and also are subject to forfeitures due to termination of employment under certain conditions. The Company plans to make compensation payments in the future based on the Company's stock price, a world index and the Company's performances for its and subsidiaries' directors and certain employees. The Company will remunerate either in cash or an equivalent amount of assets with a value linked to the average stock price for a certain period immediately preceding the applicable future payment date.



## **Table of Contents**

### **3. Notes to the Financial Statements**

#### **Notes to the Financial Statements**

The Company's financial statements are prepared in accordance with the Ordinance for Company Calculation (Ministry of Justice Ordinance No. 13 of 2006).

The amounts shown therein are rounded to the nearest million.

#### **[Significant Accounting Policies]**

1. Basis and methods of valuation for financial instruments

(1) Other securities

a. Securities with market value

Recorded at market value

The difference between the cost using the moving average method or amortized cost and market value less deferred taxes is recorded as *Net unrealized gain on investments in Net assets* on the balance sheet.

b. Securities without market value

Recorded at cost using the moving average method or amortized cost

With respect to investments in investment enterprise partnerships and similar ones which are regarded as equivalent to securities in accordance with Paragraph 2, Article 2 of the Securities and Exchange Act, the pro rata shares of such partnerships are recorded at net asset values based on the available current financial statements on the reporting date set forth in the partnership agreements.

(2) Stocks of subsidiaries and affiliates

Recorded at cost using the moving average method

2. Basis and method of valuation for derivative transaction

Accounted for at fair value based on the mark-to-market method

3. Basis and method of valuation for money held in trust

Accounted for at fair value based on the mark-to-market method

4. Depreciation and amortization

(1) Depreciation of tangible fixed assets

Tangible fixed assets are depreciated primarily on the declining balance method, except for buildings acquired on or after April 1, 1998, which are depreciated on the straight-line method.

(2) Amortization of intangible assets, investments and others

Intangible assets, investments and others are amortized over their estimated useful lives primarily on the straight-line method. The useful lives of software are based on those determined internally.

5. Deferred Assets

(1) Bond issuance costs

Bond issuance costs are expensed upon incurred.

6. Translation of assets and liabilities denominated in foreign currencies

Financial assets and liabilities denominated in foreign currencies are translated into Japanese yen using exchange rates as of the balance sheet date. Gains and losses resulting from translation are reflected in the statement of income.

7. Provisions

(1) Allowance for doubtful accounts

To provide for bad loans, Nomura Holdings, Inc. (the Company ) recorded an allowance for doubtful accounts based on an estimate of the uncollectible amounts calculated using historical loss ratios or a reasonable estimate based on the financial condition of individual borrowers.

**Table of Contents**

(2) Accrued bonuses

To prepare for bonus payments to employees, the estimated amount was recorded in accordance with the prescribed calculation method.

8. Hedging activities

(1) Hedge accounting

Mark-to-market profits and losses on hedging instruments are deferred as assets or liabilities until the profits or losses on the underlying hedged items are realized for interest rate risk hedge and foreign currency risk hedge. Fair value hedge is applied and all the profits and losses are recognized for share price risk hedge.

(2) Hedging instrument and hedged item

The Company utilizes interest rate swap contracts to hedge the interest rate risk on bonds, borrowings and other instruments that the Company issued. The Company utilizes currency forward contracts and bonds to hedge foreign currency risk on investments in subsidiaries. Additionally, The Company utilizes total return swap contracts to hedge share price risk on a part of investment securities.

(3) Hedging policy

As a general rule, the interest rate risk on bonds and borrowings is fully hedged until maturity. Foreign currency investment in subsidiaries is hedged by currency forward contracts and long term foreign currency liabilities including long term bonds issued. A part of investment securities are hedged by total return swap contracts.

(4) Valuating the validity of hedging instruments

Regarding to the hedge of the interest risk and foreign currency risk, the Company regularly verifies the result of risk offsetting by each hedging instrument and hedged item, and verifies the validity of the hedge. For the hedge of share price risk, the Company verifies the hedge effectiveness by comparing the change in fair value of each investment security and total return swap contract.

9. Consumption taxes and local consumption taxes are accounted for based on the tax exclusion method.

10. The Company applies the consolidated tax return system.

[Additional Information]

(Share price related risk hedge)

The Company entered into total return swap contracts to hedge share price risk of a part of investment securities.

(Revised accounting guidance of deferred tax asset)

The Company applied revised Guidance No.26 (Accounting Standard Board of Japan, revised March 28th, 2016) Implementation Guidance on Recoverability of Deferred Tax Assets. The impact of this application is not significant.



**Table of Contents****[Notes to the Balance Sheet]**

## 1. Balances of receivables and payables with subsidiaries and affiliates

Short-term receivables	2,267,190 million yen
Short-term payables	1,334,007 million yen
Long-term receivables	2,350,344 million yen
Long-term payables	10,000 million yen
2. Accumulated depreciation on tangible fixed assets	51,885 million yen
3. Securities deposited	
The Company loaned investment securities (mainly investments in subsidiaries and affiliates) with a book value of 30,894 million yen based on securities loan contracts which provide borrowers with the rights to resell or repledge the securities.	
4. Bonds include 323,200 million yen of subordinated bonds.	
5. Balance of guaranteed obligations <sup>(1)</sup>	
Guarantee of principal on US\$1,045 thousand in stock lending transactions by Nomura International plc and JPY302 million in futures transactions, US\$94,887 thousand in repurchase transactions, US\$2,958,659 thousand in derivative transactions, etc. and US\$2,394,000 thousand in borrowings, repurchase transactions, etc. by the same company.	
	612,124 million yen <sup>(2)</sup>
Guarantee of US\$1,069,484 thousand, EUR2,172,600 thousand, AU\$218,795 thousand, CA\$14,000 thousand, GBP495,946 thousand, ZAR460,000 thousand, INR3,040,000 thousand, NZ\$36,000 thousand, BRL2,942,800 thousand, MEX\$670,000 thousand, TRY356,500 thousand, IDR135,000,000 thousand, RUB1,220,000 thousand, CNY18,000 thousand and JPY1,135,818 million in principal and coupons on medium term notes issued by Nomura Europe Finance N.V.	
	1,757,165 million yen <sup>(2)</sup>
Guarantee of US\$1,706,345 thousand, EUR352,501 thousand, AU\$6,000 thousand and JPY15,096 million in principal and coupons on medium term notes issued by Nomura Bank International plc and EUR135,000 thousand in borrowings, US\$1,489 thousand in accounts payable from commodity transactions by the same company.	
	269,356 million yen
Guarantee of US\$1,007,050 thousand in derivative transactions, etc. by Nomura Global Financial Products, Inc.	
	113,082 million yen <sup>(2)</sup>
Guarantee of US\$223,983 thousand in principal and coupons on medium term notes issued by Nomura America Finance LLC.	
	25,151 million yen
Guarantee of US\$58,207 thousand in derivative transactions, etc. by Nomura Financial Investment (Korea) Co., Ltd.	
	6,536 million yen
Guarantee of US\$1,890,682 thousand, EUR530,675 thousand, GBP7,204 thousand, AU\$103,300 thousand, IDR67,550,000 thousand, CNY679,263 thousand, KRW150,000,000 thousand and HKD820,995 thousand, in principal and coupons on medium term notes issued by Nomura International Funding Pte. Ltd.	
	328,792 million yen
Guarantee of US\$1,991 thousand in derivative transactions, etc. by Nomura Fixed Income Securities Private Limited.	
	224 million yen

**Table of Contents**

Guarantee of US\$17,530 thousand in repurchase transactions, etc. by Nomura Securities International Inc.	1,968 million yen
Guarantee of US\$102 thousand in security transactions by Instinet Pacific Ltd.	12 million yen
Guarantee of US\$135 thousand in settlement of security transactions by Instinet Singapore Services Private Limited.	15 million yen
Guarantee of US\$3,232 thousand in derivative transactions by Nomura Singapore Limited.	363 million yen
Guarantee of US\$3,815 thousand in derivative transactions by Nomura Financial Products & Services, Inc.	428 million yen <sup>(2)</sup>

(1) In accordance with Japan Institute of Certified Public Accountants Audit and Assurance Practice Committee Practical Guideline No. 61, items recognized as effectively bearing the obligation of guarantee of liabilities are included in notes items equivalent to guaranteed obligations.

(2) Includes joint guarantee with Nomura Securities Co., Ltd.

**Table of Contents****[Notes to the Statement of Income]**

## 1. Transactions with subsidiaries and affiliates

Operating revenue	583,832 million yen
Operating expenses	85,280 million yen
Non-operating transactions	24,743 million yen

2. Property and equipment fee revenue consists of revenue mainly from Nomura Securities Co., Ltd. ( NSC ), a subsidiary of the Company, from leasing furniture, fixtures and software.

3. Rent revenue consists of revenue mainly from NSC from renting office accommodations.

4. Royalty on trademark consists of revenue from NSC from the use of the Company's trademark.

5. Others includes revenue from the operation service and securities lending fees mainly from NSC.

**[Notes to the Statement of Changes in Net Assets]**

## 1. Shares outstanding

Type of shares	Beginning of current year	Increase	Decrease	End of current year
Common stock (shares)	3,822,562,601			3,822,562,601

## 2. Treasury stock

Type of shares	Beginning of current year	Increase	Decrease	End of current year
Common stock (shares)	222,555,702	24,364,753	33,879,686	213,040,769
(Summary of reasons for change)				

The reasons for increase were as follows:

Increase related to buying in the stock market	24,331,100 shares
Increase related to requests to purchase shares less than full trading units	33,653 shares

The reasons for decrease were as follows:

Reduction related to exercise of stock acquisition rights	33,879,000 shares
Reduction related to buying to complete full trading units	686 shares

**Table of Contents**3. Stock acquisition rights<sup>(1)</sup>

Name of Stock Acquisition Rights	Date of allocation of stock acquisition rights	Type of shares	Number of shares
Stock Acquisition Rights No.28	April 30, 2009	Common stock	138,400
Stock Acquisition Rights No.29	June 16, 2009	Common stock	39,800
Stock Acquisition Rights No.30	June 16, 2009	Common stock	114,000
Stock Acquisition Rights No.31	August 5, 2009	Common stock	116,000
Stock Acquisition Rights No.32	August 5, 2009	Common stock	1,936,500
Stock Acquisition Rights No.34	May 18, 2010	Common stock	380,100
Stock Acquisition Rights No.35	May 18, 2010	Common stock	646,800
Stock Acquisition Rights No.37	July 28, 2010	Common stock	1,381,100
Stock Acquisition Rights No.38	July 28, 2010	Common stock	647,000
Stock Acquisition Rights No.39	November 16, 2010	Common stock	1,594,300
Stock Acquisition Rights No.40	June 7, 2011	Common stock	1,065,000
Stock Acquisition Rights No.41	June 7, 2011	Common stock	1,388,200
Stock Acquisition Rights No.42	June 7, 2011	Common stock	2,047,400
Stock Acquisition Rights No.43	November 16, 2011	Common stock	1,514,900
Stock Acquisition Rights No.44	June 5, 2012	Common stock	950,200
Stock Acquisition Rights No.45	June 5, 2012	Common stock	1,570,500
Stock Acquisition Rights No.46	June 5, 2012	Common stock	2,464,100
Stock Acquisition Rights No.49	June 5, 2012	Common stock	1,646,400
Stock Acquisition Rights No.51	November 13, 2012	Common stock	1,852,400
Stock Acquisition Rights No.52	June 5, 2013	Common stock	1,091,600
Stock Acquisition Rights No.53	June 5, 2013	Common stock	1,883,800
Stock Acquisition Rights No.55	November 19, 2013	Common stock	2,683,700
Stock Acquisition Rights No.56	June 5, 2014	Common stock	2,550,900
Stock Acquisition Rights No.59	June 5, 2014	Common stock	1,336,800
Stock Acquisition Rights No.60	June 5, 2014	Common stock	4,580,300
Stock Acquisition Rights No.66	June 5, 2015	Common stock	1,668,300

1. Excludes items for which the first day of the exercise period has not arrived.

## 4. Dividends

## (1) Dividends paid

Decision	Type of shares	Total dividend value	Dividend-per share	Record date	Effective date
		(millions of yen)	(yen)		
Board of Directors April 30, 2015	Common stock	46,800	13.00	March 31, 2015	June 2, 2015
Board of Directors October 28, 2015	Common stock	35,983	10.00	September 30, 2015	December 1, 2015

(2) Items for which the record date of dividends belonging to the current period will be effective in the next period

Decision	Type of shares	Total dividend value	Dividend-per share	Record date	Effective date
		(millions of yen)	(yen)		
Board of Directors April 27, 2016	Common stock	10,829	3.00	March 31, 2016	June 1, 2016





**Table of Contents****[Notes to Accounting for Tax Effects]**

<b>Breakdown of deferred tax assets and liabilities</b>	
Deferred tax assets	
Loss on devaluation of securities	159,732 million yen
Loss carry-forward on local tax	33,443 million yen
Deferred gain and loss on hedges	3,241 million yen
Loss on devaluation of fixed assets	3,221 million yen
Stock option	2,810 million yen
Others	2,109 million yen
Subtotal of deferred tax assets	204,556 million yen
Valuation allowance	(111,498) million yen
Total of deferred tax assets	93,058 million yen
Deferred tax liabilities	
Net unrealized gain on investments	(17,244) million yen
Deferred gain and loss on hedges	(12,452) million yen
Others	(257) million yen
Total of deferred tax liabilities	(29,953) million yen
Net deferred tax assets	63,105 million yen

**[Changes in Tax Laws]**

On March 29, 2016, the Act to partially revise the Income Tax Act and Others (Act No.15 of 2016) ( Act 15 ) and Act to partially revise the Local Tax Act and Others (Act No.13 of 2016) ( Act 13 ) were enacted. Under Act 13 and Act 15, effective from the fiscal year beginning on or after April 1, 2016, corporate tax rate has been reduced from 32% to 31% for the temporary differences expected to be reversed in the fiscal year beginning on or after April 1, 2016. Use of operating loss carryforwards for the tax purposes will be limited to 60% of the current year taxable income before deducting operating loss carryforwards for tax purpose after the fiscal years beginning on or after April 1, 2016, and 55% after the fiscal years beginning on or after April 1, 2017. The fiscal years beginning on or after April 1, 2018, use of operating loss carryforwards for the tax purposes will continue to be limited to 50%.

Due to these revisions, net deferred tax assets decreased by 1,607 million yen while income taxes-deferred, deferred gain and loss on hedges, and net unrealized gain on investments increased by 2,461 million yen, 297 million yen, and 556 million yen, respectively.

**[Notes to Fixed Assets Used in Leasing]**

In addition to the fixed assets recorded on the balance sheet, certain automobiles and information devices, etc. are used under finance lease contracts wherein ownership is not transferred.

**Table of Contents****[Notes to Related Party Transactions]**

## Subsidiaries and affiliates

						<b>Balance as of</b>	
		<b>Relationship</b>		<b>Transaction</b>		<b>March 31,</b>	
<b>Affiliation</b>	<b>Name of company</b>	<b>Proportion of voting rights owned (owned by)</b>	<b>with related party</b>	<b>Nature of transaction</b>	<b>(millions of yen)</b>	<b>Name of account</b>	<b>(millions of yen) No</b>
Subsidiary	Nomura Securities Co., Ltd.	(Owned)	Provision of	Data processing system usage fees received	109,193	Accrued income	20,886
		directly 100%	equipments				
			Loans receivable	Loans receivable	1,254,039	Short-term loans	1,299,902
			Concurrent	Interest received	14,405	Accrued income	476
			officers				
				Establishment of a commitment line with subordinated terms	700,000	Long-term loans receivable from subsidiaries and affiliates	250,000
				Loans receivable	150,000		
				Commitment line	902		
				establishment fees			
				received			
Subsidiary	Nomura International plc	(Owned)	Loans receivable	Loans receivable	199,364	Short-term loans	13,363
		indirectly 100%	Guarantee	Interest received	41	Accrued income	1
			obligation	Guarantee obligation	612,124		
			Concurrent				
			officers				
				Guarantee fee received	598	Accrued income	590
Subsidiary	Nomura International Funding Pte. Ltd	(Owned)	Guarantee	Guarantee obligation	328,792		
		directly 100%	obligation	Guarantee fee received	106	Accrued income	105
Subsidiary	Nomura Holding America Inc.	(Owned)	Loans receivable	Loans receivable	1,815,109	Short-term loans	1,664,931
		directly 100%	Concurrent	Interest received	22,855	Accrued income	2,564
			officers				
Subsidiary		(Owned)		Guarantee obligation	269,356		

Edgar Filing: NOMURA HOLDINGS INC - Form 6-K

	Nomura Bank International plc	indirectly 100%	Guarantee obligation	Guarantee fee received	101	Accrued income	100
Subsidiary	NHI Acquisition Holding Inc.	(Owned)	Loans receivable	Loans receivable	160,668	Short-term loans	141,198
		directly 100%					
Subsidiary	Nomura Facilities Co., Ltd.	(Owned)	Usage and maintenance of equipments	Loans receivable	74,600	Long-term loans receivable from subsidiaries and affiliates	74,600
		directly 100%	Loans receivable				
Subsidiary	Nomura Europe Finance N.V.	(Owned)	Borrowings	Borrowings	650,819	Short-term borrowings	1,144,000
		directly 100%	Guarantee obligation				
				Interest paid	5,431	Accrued expense	432
				Guarantee obligation	1,757,165		
				Guarantee fee received	739	Accrued income	737
Subsidiary	Nomura Global Financial Products Inc.	(Owned)	Guarantee obligation	Guarantee obligation	113,082		
		indirectly 100%					
Subsidiary	Nomura Europe Holdings plc	(Owned)	Capital increase underwritten	Capital increase underwritten	195,746		
		directly 100%					
Subsidiary	Nomura Financial Products & Services, Inc.	(Owned)	Loans receivable	Loans receivable	511,623	Short-term loans	714,856
		directly 100%	Concurrent officers	Interest received	10,610	Accrued income	711
				Establishment of a commitment line with subordinated terms	355,000	Long-term loans receivable from subsidiaries and affiliates	250,119
				Loans receivable Commitment line establishment fees received	140	Accrued income	140
Affiliate	Nomura Research Institute, Ltd.	(Owned)	Purchases of system solution and consulting knowledge services	Data processing system usage fees paid	32,623		
		directly 6.2% indirectly 30.6%		Software purchase	16,855	Accounts payable	3,833

**Table of Contents**

Terms of transactions, policies determining terms of transactions, etc.

- (1) Usage fees related to data processing systems are determined rationally based on the original cost to the Company.
- (2) Interest rates on loans receivable are determined rationally in consideration of market interest rates. No collateral is obtained.
- (3) Transaction amounts and balance as of March 31, 2016 do not include the transaction amounts for establishment of a commitment line with subordinated terms of (4) and (5).
- (4) The transaction amounts for the establishment of a commitment line with subordinated terms is the amount of the financing limit, and there were 250,000 million yen relating to finance execution as of the balance sheet date.
- (5) The transaction amounts for the establishment of a commitment line with subordinated terms is the amount of the financing limit, and there were 250,119 million yen (The amount based on the transaction dates' exchange rates is 230,424 million yen) relating to finance execution as of the balance sheet date.
- (6) The guarantee obligation with respect to Nomura International plc represents the Company's guarantee of obligations related to CP issued and derivative transactions, etc. by that company. The guaranteed rate of CP etc. is 0.04% and the guaranteed rates of derivative transaction, etc. are 0.125% (stand alone guarantee) and 0.0625% (joint guarantee with Nomura Securities Co., Ltd.) per annum of the guarantee amount, respectively.
- (7) The guarantee obligation with respect to Nomura International Funding Pte. Ltd. represents the Company's guarantee of obligations related to principal and coupons on medium term notes issued by that company. The guaranteed rate is 0.04% per annum of the guarantee amount.
- (8) The guarantee obligation with respect to Nomura Bank International plc represents the Company's guarantee of obligations related to principal and coupons on medium term notes, loans issued by that company and the payables to commodities. The guaranteed rate is 0.04% per annum of the guarantee amount and 0.125% per annum of the payables to commodities.
- (9) Interest rates on borrowings are determined rationally in consideration of market interest rates. No collateral is provided.
- (10) The guarantee obligation with respect to Nomura Europe Finance N.V. represents the Company's guarantee of obligations related to principal and coupons on medium term notes issued by that company. The guaranteed rates are 0.04% (stand alone guarantee) and 0.02% (joint guarantee with Nomura Securities Co., Ltd.) per annum of the guarantee amount.
- (11) The guarantee obligation with respect to Nomura Global Financial Products Inc. represents the Company's guarantee of obligations related to derivative transactions, etc. by that company. The guaranteed rates are 0.125% (stand alone guarantee) and 0.0625% (joint guarantee with Nomura Securities Co., Ltd.) per annum of the guarantee amount.
- (12) The capital increase with respect to Nomura Europe Holdings plc represents underwriting of 195,746 million yen.

(13) Usage fees related to data processing systems and software are determined for each transaction in consideration of operating maintenance costs, original costs related to system development and net book value in case of selling, etc.

(14) Transaction amounts do not include consumption taxes, etc., and balance as of March 31, 2016 includes consumption taxes, etc.  
**[Notes to Per Share Data]**

Net assets per share	670.77 yen
Net income per share	116.47 yen

**Table of Contents**

**[Notes to Material Subsequent Event]**

(Issuance of Stock Options)

In April 2016, the Company announced the issuance of stock acquisition rights to directors, executive officers and/or employees of the Company and/or its subsidiaries, etc. The number of stock acquisition rights is estimated to be approximately 230 thousand units (23 million shares equivalent). The exercise price of the stock acquisition rights will be one (1) yen per share. The stock acquisition rights will be issued as deferred compensation to grantees and are restricted from being exercised for approximately six months up to three years from the issuance resolution date. The exercise period will be five years from the beginning day of exercise period.

(Treasury Stock Buyback)

On April 27, 2016 the Board of Directors of the Company approved a resolution to set up a share buyback program, pursuant to the company's articles of incorporation set out in accordance with Article 459-1 of the Companies Act of Japan.

(1) Reason to buyback treasury stocks

To use the acquired treasury stock to issue shares upon the exercise of stock options and to raise capital efficiency and ensure a flexible capital management policy.

(2) Contents of Buyback

Type of stock to be purchased	Common Stock
Total number of stocks to be purchased	Upper limit of 35,000,000 shares (0.9% of outstanding shares)
Total amount of stocks	Maximum of 20,000 million yen
Term	May 18, 2016 to July 22, 2016
Method	Purchase on the stock exchange via a trust bank