

NOMURA HOLDINGS INC
Form 6-K
August 06, 2014
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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 August 2014

NOMURA HOLDINGS, INC.

(Translation of registrant's name into English)

9-1, Nihonbashi 1-chome

Chuo-ku, Tokyo 103-8645

Japan

(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):

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Information furnished on this form:

EXHIBIT

Exhibit Number

1. (English Translation) Corporate Governance Report

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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: August 6, 2014

By: /s/ Hajime Ikeda
Hajime Ikeda
Managing Director

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[Translation of the Corporate Governance Report filed with the Tokyo Stock Exchange on August 1, 2014]

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.

CORPORATE GOVERNANCE

Nomura Holdings, Inc.
Last updated: August 1, 2014

Nomura Holdings, Inc.

Koji Nagai, Group Chief Executive Officer

Contact: 81-3-5255-1000

Securities Code: 8604 (Tokyo Stock Exchange)

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

Corporate Governance Information

1 Underlying Concept of Corporate Governance, Capital Structure, Corporate Attributes, and Other Fundamental Information

1. Underlying Concept

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

The Company has strengthened the supervisory function by separating management s supervisory and executive functions and has adopted the Company with Committees structure, a highly transparent governance structure, which has the following three committees: the nomination, audit, and compensation committees, each made up of a majority of Outside Directors.

The Board of Directors will have a sufficient number of members/composition that enables active discussion from diverse perspectives and will supervise effectively. A director who does not concurrently serve as an executive officer will serve as the chairman and, as a general rule, the majority of the Board of Directors will be Outside Directors meeting the Independence Criteria for Outside Directors established by the Company. Business execution decisions will be made flexibly and efficiently by executive officers to whom authority has been delegated by the Board of Directors.

The Nomination Committee will, referencing the opinions of external evaluation institutions and others, strive to assess talented individuals and will decide on candidates for the office of director based on certain election standards. For the election of candidates for the office of outside director, in addition to corporate management experience and expertise in law and accounting, diversity, including nationality and gender, will be considered.

The Compensation Committee, in deciding the compensation of directors and executive officers, will, on the basis of the general rule of paying compensation commensurate with business performance, seek to enhance objectivity and transparency based on analysis performed

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by external evaluation institutions and others. Moreover, by utilizing deferred compensation, such as equity-related compensation with a certain exercise limitation period, the interests of the directors and executive officers will be matched with the interests of shareholders and long-term incentives will be increased. However, business-performance-based bonuses and equity-based compensation will not be provided to outside directors.

The Audit Committee will include at least one member who is a financial expert and transparency will be increased by having an Outside Director serve as chairman. To raise the effectiveness of legality/adequacy audits performed by the Audit Committee, a full-time director that does not concurrently serve as an executive officer from within the company, that is well-versed in the affairs of the company, will be a member of the Audit Committee or an Audit Mission Director, and a full-time support organization will be put in place.

Regarding the internal control system, it will be developed based on resolutions adopted by the Board of Directors and the effectiveness/adequacy of the system will be secured through activities such as audits by the Audit Committee and activities of the Internal Audit Department that is independent from business execution. With a focus on the Internal Controls Committee in which both Audit Committee members and business execution managers participate, the Company will strive to strengthen/enhance the internal control system.

Regarding risk management, high standards are constantly pursued and the Group Integrated Risk Management Committee has been put in place to heighten management effectiveness and will appropriately submit reports/recommendations to the Board of Directors.

Regarding matters concerning a company's social responsibility beginning with compliance, the Code of Ethics of Nomura Group has been established as the rules of conduct that all directors, officers and employees of the Nomura Group must comply with, and the Nomura Group will strive to carry out its responsibilities to all stakeholders.

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Ratio of Shares held by Foreign Investors Over 30%
<Major Shareholders>

Name	Number of Shares	Percentage
Japan Trustee Services Bank, Ltd. (Trust Account)	162,108	4.24
The Master Trust Bank of Japan, Ltd. (Trust Account)	128,994	3.37
The Bank of New York Mellon SA/NV 10	124,073	3.25
The Bank of New York Mellon as Depository Bank for Depository Receipt Holders	44,659	1.17
State Street Bank West Client-Treaty	43,994	1.15
Japan Trustee Services Bank, Ltd. (Trust Account 6)	42,067	1.10
Japan Trustee Services Bank, Ltd. (Trust Account 5)	42,022	1.10
Japan Trustee Services Bank, Ltd. (Trust Account 1)	41,720	1.09
Japan Trustee Services Bank, Ltd. (Trust Account 3)	41,440	1.08
Japan Trustee Services Bank, Ltd. (Trust Account 2)	41,337	1.08

Controlling shareholder other than the parent company None
 Parent company None
Supplementary Explanation

Information concerning major shareholders is as of March 31, 2014. Numbers of shares are in thousands.

3. Corporate Attributes

Listed exchanges and market section	Tokyo 1 st section, Nagoya 1 st section
Fiscal year end	March
Industry	Securities and Commodity Futures
Number of employees (consolidated)	Over 1,000
Sales (consolidated)	Over 1 trillion yen
Consolidated subsidiaries	Over 300

4. Guidelines Regarding Measures to Protect Minority Shareholders in the Event of Transactions with the Controlling Shareholder**5. Other Special Conditions with Potentially Significant Effects on Corporate Governance**

Regarding the Company's listed subsidiaries, the Company's policy is to respect the independence of each entity's management, and other than appropriate governance in proportion to its voting rights, the Company's involvement is limited.

II Organizations regarding Managerial Decision Making, Execution, Management and Status of Other Corporate Governance System

1. Organizational structure and management

Organizational structure <Directors>	Company with Committees
Number of seats on the Board of Directors pursuant to the Company's Articles of Incorporation	20
Term of office of Directors pursuant to the Company's Articles of Incorporation	1 year
Chairman of the meetings of the Board of Directors	Chairman of the Board of Directors (<i>kaicho</i>) (except when concurrently serving as a president)
Number of Directors in office <Outside Directors>	11
Number of Outside Directors in office	6
Number of Outside Directors qualifying as Independent Directors <i>Relationship with the Company (1)</i>	6

Name	Attribution	Relationship with the company (*1)								
		a	b	c	d	e	f	g	h	i
Masahiro Sakane	External				X					X
Tsuguoki Fujinuma	CPA				X					X
Clara Furse	External				X					X
Takao Kusakari	External				X					X
Toshinori Kanemoto	Attorney				X					X
Michael Lim Choo San	CPA				X					X

*1 Descriptors for relationship with the company :

a - From the parent company;

b - From an affiliated company;

c - Major shareholder of the Company;

d - Concurrently serves as an Outside Director or Outside Statutory Auditor of another company;

e - Serves as a an Executive Director or Executive Officer or the like of another company;

f - Spouse or relative within the third degree or their equivalent of an Executive Director and/or Executive Officer or the like of the company or a special related entity of the Company;

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g - Receives compensation, etc. as an Officer from the Company's parent company or a subsidiary of such parent company;

h - Has entered into a limitation of liability agreement with the Company; or

i - Other

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Relationship with the Company (2)

Name	*1	Supplementary description	Reason for appointment (if designated as an Independent Director, also including grounds for such designation)
Masahiro Sakane	Ⓟ	Mr. Sakane concurrently serves as Councilor of Komatsu Ltd. and Outside Director of Tokyo Electron Limited, ASAHI GLASS Co., Ltd., and Takeda Pharmaceutical Company Limited, etc.	<p><Reason for appointment as Outside Director></p> <p>Mr. Sakane has extensive experience with respect to management. He has held a number of significant positions, including Director and Chairman of Komatsu Ltd. His achievements and insights have been evaluated highly. The Company believes that he will play a full role as an Outside Director in determining important managerial matters and overseeing the business execution of the Company.</p> <p><Reason for designation as Independent Director></p> <p>Mr. Sakane satisfies the Independence Criteria for Outside Directors established by the Company (Please see Matters relating to Independent Directors below). He is not considered to be in any situation where the degree of independence required by the Exchanges is called in doubt, and hence he is unlikely to have conflicts of interest with general investors, and has been designated as an Independent Director.</p>
Tsuguoki Fujinuma	Ⓟ	<p>Mr. Fujinuma concurrently serves as Outside Statutory Auditor of Sumitomo Corporation, Outside Statutory Auditor of Takeda Pharmaceutical Company Limited, Outside Director of Sumitomo Life Insurance Company, and Outside Statutory Auditor of Seven & i Holdings Co., Ltd., etc.</p> <p>Although Mr. Fujinuma was, until June 2007, a partner of Ernst & Young ShinNihon LLC, the current corporate auditor of the Company, he was never involved in an accounting audit of the Company. Further, following his departure from the firm, he has had no involvement whatsoever in the management or the financial policy of the firm.</p>	<p><Reason for appointment as Outside Director></p> <p>Mr. Fujinuma has held a number of significant positions including President of the International Federation of Accountants, Chairman and President of the Japanese Institute of Certified Public Accountants and Trustee of the International Accounting Standards Committee Foundation. He is well versed in international accounting systems and has a high degree of expertise corresponding to a financial expert as defined in the Sarbanes-Oxley Act of 2002. The Company believes that he will play a full role as an Outside Director in determining important managerial matters and overseeing the business execution of the Company.</p> <p><Reason for designation as Independent Director></p> <p>Mr. Fujinuma satisfies the Independence Criteria for Outside Directors established by the Company. He is not considered to be in any situation where the degree of independence required by the Exchanges is called in doubt, and hence he is unlikely to have conflicts of interest with general</p>

investors, and has been designated as an Independent Director.

¹ Independent director

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Clara Furse	b	<p>Dame Clara concurrently serves as Non-Executive Director of Amadeus IT Holding, S.A. and External Member of the Bank of England's Financial Policy Committee, etc.</p>	<p><Reason for appointment as Outside Director></p> <p>Dame Clara has held a number of significant positions, including Chief Executive of the London Stock Exchange Group, and has extensive experience with respect to financial businesses. She was made Dame Commander of the Order of the British Empire (the female equivalent of a Knight) and her achievements and insights have been evaluated highly. Applying her global and extensive experience and independence, the Company believes that she will play a full role as an Outside Director in determining important managerial matters and the overseeing the business execution of the Company.</p>
			<p><Reason for designation as Independent Director></p> <p>Dame Clara satisfies the Independence Criteria for Outside Directors established by the Company. She is not considered to be in any situations where the degree of independence required by the Exchanges is called in doubt, and hence she is unlikely to have conflicts of interest with general investors, and has been designated as an Independent Director.</p>
Takao Kusakari	b	<p>Mr. Kusakari concurrently serves as Corporate Advisor of NYK Line, etc.</p>	<p><Reason for appointment as Outside Director></p> <p>Mr. Kusakari has held a number of significant positions including the Chairman of NYK Line, and has extensive experience with respect to management. His achievements and insights have been evaluated highly. The Company believes that he will play a full role as an Outside Director in determining important managerial matters and overseeing the business execution of the Company.</p>
			<p><Reason for designation as Independent Director></p> <p>Mr. Kusakari satisfies the Independence Criteria for Outside Directors established by the Company. He is not considered to be in any situation where the degree of independence required by the Exchanges is called in doubt, and hence he is unlikely to have conflicts of interest with general investors, and has been designated as an Independent Director.</p>
Toshinori Kanemoto	b	<p>Mr. Kanemoto concurrently serves as Outside Statutory Auditor of JX Holdings, Inc., etc.</p>	<p><Reason for appointment as Outside Director></p> <p>Mr. Kanemoto has held a number of significant positions including President of ICPO-INTERPOL and is currently active as an attorney with sophisticated expertise in his field. His</p>

achievements and insights have been evaluated highly. The Company believes that he will play a full role as an Outside Director in determining important managerial matters and overseeing the business execution of the Company.

<Reason for designation as Independent Director>

Mr. Kanemoto satisfies the Independence Criteria for Outside Directors established by the Company. He is not considered to be in any situation where the degree of independence required by the Exchanges is called in doubt, and hence he is unlikely to have conflicts of interest with general investors, and has been designated as an Independent Director.

Michael Lim Choo
San

b Mr. Lim concurrently serves as Chairman of the Land Transport Authority of Singapore and Independent Director of Olam International Limited, etc.

<Reason for appointment as Outside Director>

Mr. Lim has held a number of significant positions including Executive Chairman of PricewaterhouseCoopers, Singapore. He is well versed in international accounting systems. He has also served in a number of public service related roles in Singapore. His achievements and insights have been evaluated highly. The Company believes that he will play a full role as an Outside Director in determining important managerial matters and overseeing the business execution of the Company.

<Reason for designation as Independent Director>

Mr. Lim satisfies the Independence Criteria for Outside Directors established by the Company. He is not considered to be in any situation where the degree of independence required by the Exchanges would be called in doubt, and hence he is unlikely to have conflicts of interest with general investors, and has been designated as an Independent Director.

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<Committees>

Composition of each committee and attributes of the committee chairman

	Number of members	Number of full-time members	Number of Inside Directors	Number of Outside Directors	Attributes of the committee chairman
Nomination Committee	3	0	1	2	Inside Director
Compensation Committee	3	0	1	2	Inside Director
Audit Committee	3	1	1	2	Outside Director

<Executive Officers>

Number of Executive Officers 7

Concurrent positions

Name	Authority to represent company	Concurrently serving as a Director			Concurrent status as employee
		Member of Nomination Committee	Member of Compensation Committee		
Koji Nagai	Yes	Yes	No	No	No
Atsushi Yoshikawa	Yes	Yes	No	No	No
Tetsu Ozaki	No	No	No	No	No
Toshio Morita	No	No	No	No	No
Kunio Watanabe	No	No	No	No	No
Shoichi Nagamatsu	No	No	No	No	No
Shigesuke Kashiwagi	No	No	No	No	No

<Audit Structure>

Whether the Audit Committee is assisted by Directors/employees Yes

Matters relating to the independence of Directors and employees from Executive Officers

The Company has established the Office of Audit Committee to support the Audit Committee, including providing support to Members of the Audit Committee in the performance of audits and administrative tasks for the Audit Committee. An Audit Committee member elected by the Audit Committee performs personal evaluations of the staff employees working in the Office of Audit Committee, and the consent of an Audit Committee member elected by the Audit Committee is required for recruitments, transfers, and discipline of employees serving in the Office of Audit Committee. Further, in order to increase the effectiveness of audit work, a non-executive full-time Director may be appointed as an Audit Mission Director as necessary.

Cooperation between the Audit Committee members, Independent Auditor, and the Internal Audit Division

Further, in order to ensure effective and adequate internal controls, the Group Internal Audit Department and other similar audit sections placed in major affiliated subsidiaries conduct internal audits of the Company and its subsidiaries. The implementation status of the internal audit is reported to the Internal Controls Committee, which includes a member of the Audit Committee, and the matters discussed at the Internal Controls Committee are also reported to the Board of Directors. Results of individual internal audits are also reported periodically (monthly as a general rule) to the Audit Committee by the Group Internal Audit Department.

In addition, to strengthen the independence of the internal audit sections from the business execution functions, 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 require

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the consent of the Audit Committee, or a member of the Audit Committee designated by the Audit Committee. Audit Committee members may recommend to Executive Officers changes to the implementation plan, additional audit procedures or improvement plan preparations.

The Company has appointed Ernst & Young ShinNihon LLC as its Accounting Auditor. The Audit Committee has the authority to approve the accounting auditor's annual audit plan, hear reports and explanations regarding the accounting audit from the accounting auditor at least once each quarter, exchange information from time to time with the accounting auditor, audit the method and result of the accounting auditor's audits in view of the appropriateness thereof and examine the relevant financial statements, etc. In addition, audit fees to be paid to the accounting auditor are approved by the Audit Committee upon an explanation from the CFO. Furthermore, regarding services rendered by the accounting auditor and its affiliates to the Company and its subsidiaries and the fees to be paid, the Company has a procedure for deliberation and prior approval by the Audit Committee upon the request of the CFO, pursuant to the U.S. Sarbanes-Oxley Act of 2002 and the relevant rules of the U.S. Securities and Exchange Commission.

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<Independent Directors>

Number of Independent Directors 6

Matters relating to Independent Directors

The Company has designated all qualifying directors as Independent Directors.

The Company has established Independence Criteria for Outside Directors as follows:

Independence Criteria for Outside Directors of Nomura Holdings, Inc.

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 (*juuyou 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.

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*4: Certain Amount of Donation shall mean a donation that exceeds 10 million yen per year that is greater than 2% of the donee institution's gross revenues or ordinary income.

<Incentives and Remuneration>

Implementation of Initiatives to offer Incentives to Directors and Executive Officers

Supplementary Explanation

Introduction of a performance-linked remuneration system, introduction of stock option plans and others

Pursuant to the Compensation Policy (the details explained in *Remuneration of Directors and Executive Officers*) set by the Compensation Committee, the compensation of Directors and Executive Officers is composed of base salary, annual bonus and long-term incentive plans. Regarding annual bonus, depending on the level of bonus payment, a portion of payment of annual bonus may be deferred.

The Company's deferred compensation plans are as follows:

1. Core deferral plans

Stock Acquisition Right (SAR) Plan B or Notional Stock Unit (NSU) Plan (linked to the Company's stock price. Designed to replicate the key features of the SAR Plan B, and allows equity-linked awards to be made in countries where SARs are less favorably treated from tax or other perspectives)

2. Supplemental deferral plans

Collared Notional Stock Unit Plan (linked to the value of the Company's stock price subject to a cap and a floor) or Notional Indexed Unit Plan (linked to a world stock index quoted by Morgan Stanley Capital International)

3. Multi-Year Performance Deferral plan

Number of units to be granted upon achieving a certain performance target is notified to applicable candidates in advance. At the end of a 2 year performance period, number of units is adjusted, subject to a degree of achievement, and granted in the form of Plan B SARs or NSUs. In case of performance below certain levels, no SARs or NSUs will be granted.

Such deferred bonus may be unpaid or forfeited under specific circumstances.

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Persons Eligible for Stock Options

Inside Directors, Executive Officers, employees, Directors/Executive Officers/ employees of subsidiaries

Supplementary Explanation

The Company has two types of SAR plans to maintain incentives for high levels of performance and to recruit talented staff. The exercise price for SAR Plan A is determined based on the market price when issued, and the exercise price of SAR Plan B is 1 yen per share.

<Remuneration of Directors and Executive Officers>

Disclosure of individual Director Remuneration

Disclosed in part

Disclosure of individual Executive Officer Remuneration

Disclosed in part

Supplementary Explanation

Information concerning compensation for Directors and Executive Officers is disclosed in the *Yukashoken-hokokusho* (Annual Report), Business Report, Form 20-F submitted to the SEC, Explanatory Document on the Status of Operation and Property and other documents all of these documents can be accessed on the Company's website. Individual compensation of certain Directors and Executive Officers is disclosed in the Annual Report in accordance with the Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc.

Whether there are any policies for the calculation of remuneration

Yes

Amount of Remuneration or disclosure of the policy for the calculation of remuneration

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 to ensure we attract, retain, motivate and develop our key talent.

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.

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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.

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.