

FOURTH SUPPLEMENT DATED 17 JULY 2026 TO THE BASE PROSPECTUS DATED 18 SEPTEMBER 2025

NOMURA

NOMURA INTERNATIONAL FUNDING PTE. LTD.

USD25,000,000,000

NOTE, WARRANT AND CERTIFICATE PROGRAMME

This supplement (the **Supplement**) to the Base Prospectus (the **Base Prospectus**) dated 18 September 2025, as previously supplemented by a supplement dated 28 November 2025 (the **First Supplement**), a supplement dated 10 March 2026 (the **Second Supplement**) and a supplement dated 21 May 2026 (the **Third Supplement**, and together with the First Supplement and the Second Supplement, the **Prior Supplements**), which comprises a base prospectus for the purposes of the Prospectus Regulation, constitutes a supplement to the Base Prospectus for the purposes of (i) Article 23(1) of the Prospectus Regulation and (ii) Part IV of the Luxembourg Act dated 16 July 2019 relating to prospectuses for securities (the **Prospectus Act**) and is prepared in connection with the USD25,000,000,000 Note, Warrant and Certificate Programme (the **Programme**) of Nomura International Funding Pte. Ltd. (the **Issuer**). Terms defined in the Base Prospectus have the same meaning when used in this Supplement. When used in this Supplement, **Prospectus Regulation** means Regulation (EU) 2017/1129. This Supplement has been approved by the *Commission de Surveillance du Secteur Financier*, for Non-Exempt Securities only, as competent authority under the Prospectus Regulation and by the Luxembourg Stock Exchange under Part IV of the Prospectus Act. For the avoidance of doubt, the approval of this Supplement by the CSSF does not relate to Exempt Securities.

This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus and the Prior Supplements.

Each of the Issuer, Nomura Holdings, Inc. (the **NHI Guarantor**), Nomura Securities Co., Ltd. (the **NSC Guarantor**) and in the case of Exempt Securities only, Nomura International (Hong Kong) Limited (the **NIHK Guarantor** and, together with the NHI Guarantor and the NSC Guarantor, the **Guarantors**, and each a **Guarantor**) accepts responsibility for the information contained in this Supplement. To the best of the knowledge of each of the Issuer and the Guarantors, the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

1. PURPOSE OF THIS SUPPLEMENT

The NHI Guarantor has recently published (i) a United States Securities and Exchange Commission Form 20-F filing dated 22 June 2026 for the financial year ended 31 March 2026 (the **NHI Guarantor's Form 20-F**) and (ii) a United States Securities and Exchange Commission Form 6-K/A filing dated 26 June 2026 of the NHI Guarantor's News Release Announcing Top Management Appointments (the **NHI Guarantor's Form 6-K/A News Release**).

The NSC Guarantor has recently published audited non-consolidated financial statements for the financial year ended 31 March 2026 including the auditor's report (the **NSC Guarantor's Annual Financial Statements**).

The Risk Factors relating to the Nomura Group detailed under the sub-category headed "Risks relating to the Nomura Group" contained on pages 26 to 40 of the Base Prospectus shall be updated and replaced by the information set out in the Annex to this Supplement as detailed in paragraph 6 below.

The purpose of this Supplement is (a) to incorporate by reference the NHI Guarantor's Form 20-F, (b) to incorporate by reference the NHI Guarantor's Form 6-K/A News Release, (c) to incorporate by reference the NSC Guarantor's Annual Financial Statements, (d) to update the material adverse change statements in relation to the Guarantors and (e) to amend the Risk Factors relating to the Nomura Group.

2. PUBLICATION OF THE NHI GUARANTOR'S FORM 20-F

The NHI Guarantor has recently published the NHI Guarantor's Form 20-F.

A copy of the NHI Guarantor's Form 20-F is available at:

https://www.nomuraholdings.com/en/investor/library/sec/main/01111110/teaserItems2/00/linkList/0/link/260622_e.pdf

As such:

- (i) the following text shall be added on page 118 of the Base Prospectus (as amended by the Prior Supplements) immediately following the existing paragraph (ww):

“(xx) the Form 20-F of the NHI Guarantor dated 22 June 2026, for the year ended 31 March 2026, containing the auditor's report and consolidated financial statements of the NHI Guarantor for that year (but excluding any documents incorporated therein) (available at: https://www.nomuraholdings.com/en/investor/library/sec/main/01111110/teaserItems2/00/linkList/0/link/260622_e.pdf);”; and
- (ii) the following additional section shall be added at the end of the Nomura Holdings, Inc. section of the table of cross-references which ends on page 121 of the Base Prospectus (as amended by the Prior Supplements):

Form 20-F for the year ended 31 March 2026	
Item 3.D - Risk Factors	Pages 3 to 21
Item 4.A - History and Development of the Company	Pages 21 to 22
Item 4.B - Business Overview	Pages 22 to 27
Item 5.B - Liquidity and Capital Resources–Capital Management–Dividends for the Fiscal Year	Page 95
Item 6.C - Board Practices	Pages 140 to 143
Item 7.A - Major Shareholders	Pages 144 to 145
Consolidated Balance Sheets	Pages F-6 to F-8
Consolidated Statements of Income	Page F-9
Consolidated Statements of Comprehensive Income	Page F-10
Consolidated Statements of Changes in Equity	Pages F-11 to F-12

Consolidated Statements of Cash Flows	Pages F-13 to F-14
Notes to the Consolidated Financial Statements	Pages F-15 to F-148
Report of Independent Registered Public Accounting Firm	Pages F-2 to F-5

3. PUBLICATION OF THE NHI GUARANTOR'S FORM 6-K/A NEWS RELEASE

The NHI Guarantor has recently published the NHI Guarantor's Form 6-K/A News Release.

A copy of the NHI Guarantor's Form 6-K/A News Release is available at:

<https://www.nomuraholdings.com/en/investor/library/sec/2026/main/0111111115/teaserItems2/0/linkList/0/link/260626.pdf>

By virtue of this Supplement, the NHI Guarantor's Form 6-K/A News Release is incorporated by reference in, and forms part of, the Base Prospectus.

As such:

- (i) the following text shall be added on page 118 of the Base Prospectus (as amended by the Prior Supplements) immediately following the new paragraph (xx) (inserted as described at paragraph 2(i) above):

 "(yy) the Form 6-K/A of the NHI Guarantor dated 26 June 2026, of the NHI Guarantor's News Release Announcing Top Management Appointments (but excluding any documents incorporated therein) (available at: <https://www.nomuraholdings.com/en/investor/library/sec/2026/main/0111111115/teaserItems2/0/linkList/0/link/260626.pdf>);" and
- (ii) the following additional section shall be added at the end of the Nomura Holdings, Inc. section of the table of cross-references which ends on page 121 of the Base Prospectus (as amended by paragraph 2(ii) above):

Form 6-K/A News Release Announcing Top Management Appointments	
Directors	Pages 5 to 6
Executive Officers	Page 7

4. PUBLICATION OF THE NSC GUARANTOR'S ANNUAL FINANCIAL STATEMENTS

The NSC Guarantor has recently published the NSC Guarantor's Annual Financial Statements.

A copy of the NSC Guarantor's Annual Financial Statements is available at:

<https://www.nomuranow.com/portal/site/public/en-gb/resources/upload/NSC-Financial-Statements-YE-310326.pdf>

By virtue of this Supplement, the NSC Guarantor's Annual Financial Statements are incorporated by reference in, and form part of, the Base Prospectus.

As such:

- (i) the following text shall be added on page 118 of the Base Prospectus (as amended by the Prior Supplements) immediately following the new paragraph (yy) (inserted as described at paragraph 3(i) above):
- "(zz) the English audited non-consolidated annual financial statements of the NSC Guarantor for the year ended 31 March 2026 including the auditor's report as published on 22 June 2026 (<https://www.nomuranow.com/portal/site/public/en-gb/resources/upload/NSC-Financial-Statements-YE-310326.pdf>); "; and
- (ii) the following additional section shall be added at the end of the Nomura Securities Co., Ltd. section of the table of cross-references which ends on page 122 of the Base Prospectus (as amended by the Prior Supplements):

Non-Consolidated Financial Statements for the year ended 31 March 2026	
Non-Consolidated Balance Sheets	Pages 2 to 4
Non-Consolidated Statements of Income	Page 5
Non-Consolidated Statements of Changes in Net Assets	Pages 6 to 7
Non-Consolidated Statements of Cash Flows	Page 8
Significant accounting policies and explanatory notes	Pages 9 to 38
Independent Auditor's Report	Cover pages

5. UPDATE OF THE MATERIAL ADVERSE CHANGE STATEMENTS

The paragraphs under the heading "7. Material Adverse Change" on page 1195 of the Base Prospectus shall be deemed deleted and replaced with the following:

"There has been no material adverse change in the prospects of the Issuer since 31 March 2025.

There has been no material adverse change in the prospects of the Guarantors since 31 March 2026."

6. AMENDMENT OF THE RISK FACTORS

The Risk Factors relating to the Nomura Group detailed under the sub-category headed "Risks relating to the Nomura Group" contained on pages 26 to 40 of the Base Prospectus shall be deemed updated and replaced with the Risk Factors in the Annex to this Supplement.

7. GENERAL

All references to pages in this Supplement are to the original unsupplemented Base Prospectus, notwithstanding any amendments described herein.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement and the Prior Supplements, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.

This Supplement and any documents incorporated by reference herein will be published on the website of the Luxembourg Stock Exchange (www.luxse.com).

If documents which are incorporated by reference themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement for the purposes of the Prospectus Regulation except where such information or other documents are specifically incorporated by reference or attached to this Supplement.

ANNEX

4. Risks relating to the Nomura Group

In this Document, the term "Nomura Group" describes the NHI Guarantor (or "NHI") and its consolidated subsidiaries, including the Issuer and the NSC Guarantor (or "NSC"), each of which is a wholly owned subsidiary of the NHI Guarantor. Any factors which affect the financial condition and/or creditworthiness of the NHI Guarantor may have a direct or indirect impact upon the financial condition and/or creditworthiness of other entities within the Nomura Group, including the Issuer and the NSC Guarantor. Accordingly, risks identified in this "Risks relating to the Nomura Group" section relating to the NHI Guarantor should, unless the context requires otherwise, be construed as potentially applying also to all other entities within the Nomura Group including, in particular, the Issuer and the NSC Guarantor.

The Nomura Group's business may be materially affected by financial markets, economic conditions and market fluctuations in Japan and elsewhere around the world, including the ones caused by geopolitical events

The Nomura Group's business and revenues may be affected by any adverse changes or volatility in the Japanese and global economic environments and financial markets. In addition to purely economic factors, events such as military disputes, acts of terrorism, economic or political sanctions, pandemics, natural disasters and other actual or anticipated geopolitical risks and geopolitical events could have an effect on the financial markets and economies of each country. If any adverse events including those discussed above were to occur, a market or economic downturn may last for a long period of time, which could adversely affect the Nomura Group's business and business continuity readiness, and could result in the Nomura Group incurring substantial losses. In addition to conditions in financial markets, social conditions such as the long-term trends of population ageing and population decline faced by Japan are expected to continue to put downward pressure on demand in the businesses in which the Nomura Group operates. The following are certain risks related to the financial markets and economic conditions for the Nomura Group's specific businesses.

Governmental fiscal and monetary policy changes in Japan, or in any other country or region where the Nomura Group conducts business may affect its business, financial condition and results of operations

The Nomura Group engages in its business globally through domestic and international offices. Governmental fiscal, monetary and other policy changes in Japan, or in any other country or region where the Nomura Group conducts business may affect its business, financial condition and results of operations. In particular, any changes to the monetary policy of the Bank of Japan or central banks in major economies worldwide, which could potentially lead to volatility in interest rate or yields, may negatively affect the Nomura Group's ability to provide asset management products to its clients as well as the Nomura Group's trading and investment activities or lead to increased interest expenses. In 2025, following the Bank of Japan's policy rate hikes in both January and December, Japan's 10-year government bond yield rose by approximately 1 percentage point over the course of the year. In addition, around the February 2026 Japanese House of Representatives election, there were periods of volatility in the Japanese government bond market as major political parties broadly campaigned on lowering the consumption tax rate, and, in April 2026, Japanese government bonds reached their highest yields in nearly 30 years following the collapse of peace talks between the U.S. and Iran. Uncertainty surrounding fiscal policy under the current U.S. administration is also a factor that has contributed to, and may continue to contribute to, increased market volatility.

The Nomura Group's brokerage and asset management revenues may decline

A market downturn could result in a decline in the revenues generated by the Nomura Group's brokerage business because of a decline in the volume and value of securities that the Nomura Group brokers for its clients. Also, in recent years, the Nomura Group's asset management business has been growing in importance,

both organically and through acquisitions such as the Macquarie Acquisition (as defined below), and further growth of this platform is one of the priorities of the Nomura Group's growth strategy. However, the Nomura Group may be unable to achieve the benefits of this strategy overall, or of the Macquarie Acquisition in particular. Moreover, the asset management business is subject to market downturns. Within the Nomura Group's asset management business, in most cases, the Nomura Group charges fees for managing its clients' portfolios that are based on the market value of their portfolios. A market downturn that reduces the market value of the Nomura Group's clients' portfolios would reduce the revenue it receives from these businesses and might increase the number of withdrawals or reduce the number of new investments in these portfolios. Also, any changes in the Nomura Group's clients' investment preferences on their asset portfolios, including shifting investment assets to deposits which are stable assets and passive funds which generate lower fee revenue, may also result in a decline in the Nomura Group's revenues. A market downturn or a change in investor preferences as described above may adversely affect the financial performance of the Nomura Group and the market perception thereof. In turn, this could have an adverse impact on the demand (if any) for the Securities in the secondary market.

The Nomura Group's investment banking revenues may decline

Changes in financial or economic conditions would likely affect the number and size of transactions for which the Nomura Group provides securities underwriting, financial advisory and other investment banking services. The Nomura Group's investment banking revenues, which include fees from these services, are directly related to the number and size of the transactions in which the Nomura Group participates and would therefore decrease if there are financial and market changes unfavourable to its investment banking business and its clients.

Any such decrease in the Nomura Group's investment banking revenues may have an adverse impact on the Nomura Group's financial performance, which could in turn adversely affect the value of the Securities. Ultimately, a sustained decrease in investment banking revenues caused by severe and continuing changes in financial or economic conditions may adversely affect the creditworthiness of the Issuer and, as a result, increase the risk that the Issuer will be unable to meet its obligations in respect of the Securities.

The Nomura Group may incur significant losses from its trading and investment activities

The Nomura Group maintains trading and investment positions in fixed income, equity and other markets, both for the purpose of facilitating its clients' trades and for proprietary purposes. The Nomura Group's positions consist of various types of assets such as interest rates, currency, credit, securitised products and equities, including securities, derivatives, repurchase agreements as well as loan transactions. Fluctuations in the markets where these assets are traded can adversely affect the value of the Nomura Group's positions. The Nomura Group may also incur losses if the value of these assets fluctuates significantly or if the financial system is overly stressed and the markets move in a way it has not anticipated. In addition, prices of crypto-assets may fluctuate significantly due to various factors such as developments in the industry or in regulation of crypto assets.

The Nomura Group's businesses has been, and may continue to be, affected by changes in market volatility levels. Certain of the Nomura Group's trading businesses such as those engaged in trading and arbitrage opportunities depend on market volatility to generate revenues. Lower volatility may lead to a decrease in business opportunities which may affect the results of operations of these businesses. On the other hand, while higher volatility can increase trading volumes, it also increases risk as measured by Value-at-Risk (**VaR**). Higher volatility and wider bid offer spreads may expose the Nomura Group to higher risks in connection with its market-making and proprietary trading businesses, and can also cause the Nomura Group to reduce the outstanding positions or size of these businesses where it considers necessary.

The Nomura Group also commits capital to take relatively large positions in connection with the Nomura Group's underwriting or warehousing assets to facilitate certain capital market transactions. Furthermore, the

Nomura Group also structures and takes positions in pilot funds for developing financial investment products and invests seed money to set up and support financial investment products. The Nomura Group may incur significant losses from these positions in the event of significant market fluctuations.

In addition, if the Nomura Group is the party providing collateral in a transaction, significant declines in the value of the collateral or a requirement to provide additional collateral due to a decline in its creditworthiness (by way of a lowered credit rating or otherwise) can increase its costs and reduce its profitability. On the other hand, if the Nomura Group is the party receiving collateral from its clients and counterparties, such declines may also affect its profitability due to a decrease in client transactions.

Holding large and concentrated positions of securities and other assets may expose the Nomura Group to significant losses

The Nomura Group regularly holds large and concentrated positions of certain securities in its businesses such as market-making, block trading, underwriting, asset securitisation, prime brokerage or providing business solutions to meet its clients' needs. The Nomura Group has committed substantial amounts of capital to these businesses. This often requires the Nomura Group to take large positions in the securities of a particular issuer or issuers in a particular industry, country or region. Fluctuations in the prices of these positions can significantly affect the prices at which the Nomura Group is able to liquidate them when needed, resulting in it incurring significant trading losses. The Nomura Group generally has higher exposure to counterparties engaged in financial services businesses, including commercial banks, broker-dealers, clearing houses, exchanges and investment companies.

Extended market declines and decreases in market participants can reduce liquidity and lead to material losses

Extended market declines can reduce the level of market activity and the liquidity of the assets traded in those markets in which the Nomura Group operates. Market liquidity may also be affected by decreases in market participants, for example, if financial institutions scale back market-related businesses due to increasing regulation or other reasons. As a result, it may be difficult for the Nomura Group to sell, hedge or value such assets. In the event that a market is unable to price such assets, it will be difficult to estimate their values. If the Nomura Group cannot properly close out or hedge its associated positions in a timely manner or in full, particularly with respect to Over-The-Counter (**OTC**) derivatives, it may incur substantial losses. Further, if the liquidity of a market significantly decreases and the market becomes unable to price financial instruments held by the Nomura Group, this could lead to unanticipated losses.

The Nomura Group's hedging strategies may not prevent losses

The Nomura Group uses a variety of financial instruments and strategies to hedge its exposure to financial risks arising from the financial instruments it enters into for its clients or for proprietary purposes. If the Nomura Group's hedging strategies are not effective, the Nomura Group may incur losses. The Nomura Group does not necessarily hedge every risk and base many of its hedging strategies on historical trading patterns and correlations. For example, if the Nomura Group holds an asset, it may hedge this position by taking a position in another asset which has, historically, moved in a direction that would offset a change in value of the former asset. However, historical trading patterns and correlations may not continue, as seen in the case of past financial crises, and hedging strategies aimed at certain specific risks may not be fully effective in mitigating the Nomura Group's risk exposure because it is exposed to all types of risk in a variety of market environments. Moreover, not all hedging strategies are effective, and certain strategies may, if the risk is not otherwise appropriately managed, increase the Nomura Group's risk.

The Nomura Group's risk management policies and procedures may not be fully effective in managing risks

The Nomura Group's policies and procedures to identify, monitor and manage risks may not be fully effective. Although some of the Nomura Group's methods of managing risk are based upon observed historical market data, future movements in the financial markets may not be the same as was observed in the past. As a result,

the Nomura Group may suffer significant losses through unexpected future risk exposures. Other risk management methods that the Nomura Group uses also rely on its evaluation of information regarding markets, clients or other matters, which is publicly available or otherwise accessible by the Nomura Group. This information may not be accurate, complete, up-to-date or properly evaluated, and the Nomura Group may be unable to properly assess its risks, and thereby suffer large losses. Furthermore, certain factors, such as market volatility, may render the Nomura Group's risk evaluation model unsuitable for a new market environment. In such event, the Nomura Group may be unable to evaluate or otherwise manage its risks adequately. Moreover, regardless of how well policies and procedures are designed, they must be properly implemented and followed in order to be effective, which may not always occur despite the Nomura Group's diligent efforts. Further, potential weaknesses in the Nomura Group's organisational structures and governance frameworks may lead to misunderstanding over roles and responsibilities.

Market risk may increase other risks that the Nomura Group faces

In addition to the potentially adverse effects on the Nomura Group's businesses described above, market risk could exacerbate other risks that the Nomura Group faces. For example, the risks inherent in financial instruments developed through financial engineering and innovation may be increased by market risk.

Also, if the Nomura Group incurs significant trading losses caused by its exposure to market risk, its need for liquidity could rise sharply while its access to cash may be impaired as a result of market perception of its credit risk.

Furthermore, in a downturn in the market overall or for specific securities, the Nomura Group's clients and counterparties could incur significant losses or experience other adverse events of their own, thereby weakening their financial condition and, as a result, increasing the credit risk they pose to the Nomura Group.

The Nomura Group may have to recognise impairment losses with regard to the amount of goodwill, tangible assets and intangible assets recognised on its consolidated balance sheets

The Nomura Group has purchased all or a part of the equity interests in, or operations from, certain other companies in order to pursue its business expansion, and expect to continue to do so when and as it deems beneficial. The Nomura Group accounts for certain of those and similar purchases and acquisitions as a business combination under U.S. GAAP by allocating the Nomura Group's acquisition costs to the assets acquired and liabilities assumed and recognising the remaining amount as goodwill. For example, in December 2025, the Nomura Group recognised additional goodwill of ¥150,976 million and additional intangible assets of ¥118,201 million on the Nomura Group's consolidated balance sheet in connection with the Macquarie Acquisition (as defined below).

The Nomura Group may have to recognise impairment losses, as well as other losses associated with subsequent transactions, with regard to the amount of goodwill, tangible assets and intangible assets recognised on the NHI Guarantor's consolidated group balance sheet which may adversely affect its financial condition and results of operations.

Liquidity risk could impair the Nomura Group's ability to fund operations and jeopardise its financial condition

Liquidity, or having ready access to cash, is essential to the Nomura Group's business. The Nomura Group defines liquidity risk as the risk of loss arising from difficulty in securing the necessary funding or from a significantly higher cost of funding than normal levels, due to a deterioration of its creditworthiness or a deterioration in market conditions. In addition to maintaining a readily available cash position, the Nomura Group seeks to secure ample liquidity through repurchase agreements and securities lending transactions, long-term borrowings and the issuance of long-term debt securities, as well as through diversification of its short-

term funding sources such as commercial paper, and by holding a portfolio of highly liquid financial assets. Despite this, there is a risk that it may lose liquidity under certain circumstances, including the following:

The Nomura Group may be unable to access unsecured or secured funding

The Nomura Group continuously accesses unsecured funding from issuance of securities in the short-term credit markets and debt capital markets as well as bank borrowings to finance its day-to-day operations, including refinancing. The Nomura Group also enters into repurchase agreements and securities lending transactions to raise secured funding for its trading businesses. An inability to access unsecured or secured funding or funding at significantly higher cost than normal levels could have a substantial negative effect on its liquidity. For example, lenders could refuse to extend the credit necessary for the Nomura Group to conduct its business based on their assessment of the Nomura Group's long-term or short-term financial prospects if:

- the Nomura Group incurs large trading losses,
- the level of its business activity decreases due to a market downturn,
- regulatory authorities take significant action against it, or
- its credit rating is downgraded.

In addition to the above, the Nomura Group's ability to borrow in the debt capital markets could also be adversely impacted by factors that are not specific to the Nomura Group, such as increases in market interest rates, reductions in banks' or other financial institutions' lending ability, a severe disruption of the financial and credit markets, negative views about the general prospects for the investment banking, brokerage or financial services industries, or negative market perceptions of Japan's financial soundness.

The Nomura Group may be unable to sell assets

If the Nomura Group is unable to raise funds or if its liquidity declines significantly, it will need to liquidate assets or take other actions in order to meet its maturing liabilities. In volatile or uncertain market environments, overall market liquidity may decline. In a time of reduced market liquidity, the Nomura Group may be unable to sell some of its assets, or it may have to sell at depressed prices, which could adversely affect its results of operations and financial condition. The Nomura Group's ability to sell assets may also be adversely impacted by other market participants seeking to sell similar assets into the market at the same time.

Lowering of the Nomura Group's credit ratings could impact its funding

The Nomura Group's funding depends significantly on its credit ratings. Rating agencies may downgrade or withdraw their ratings or place the Nomura Group on "credit watch" with negative implications. Downgrades could increase the Nomura Group's funding costs and limit its funding. This, in turn, could adversely affect its results of operations and its financial condition. In addition, other factors which are not specific to the Nomura Group may impact its funding, such as negative market perceptions of Japan's financial soundness.

Event risk, including the ones caused by geopolitical events, may cause losses in the Nomura Group's trading and investment assets as well as market and liquidity risk

Event risk refers to potential losses the Nomura Group may suffer through unpredictable events that cause large unexpected market price movements such as natural or man-made disasters, epidemics, acts of terrorism, military disputes or political instability, as well as adverse events specifically affecting the Nomura Group's business activities or counterparties. These events include significant events such as the COVID-19 pandemic in 2020, the invasion of Ukraine by the Russian Federation in 2022, and the geopolitical tensions in the Middle East, as well as sudden, unforeseen changes in trade and security policies resulting from decisions by the U.S.

administration or otherwise. More specifically, they include the following types of events that could cause losses in the Nomura Group's trading and investment assets:

- sudden and significant reductions in credit ratings with regard to financial instruments held by the Nomura Group's trading and investment businesses by major rating agencies;
- sudden changes in trading, tax, accounting, regulatory requirements, laws and other related rules which may make the Nomura Group's trading strategy obsolete, less competitive or no longer viable; or
- an unexpected failure in a corporate transaction in which the Nomura Group participates resulting in its not receiving the consideration the Nomura Group should have received, as well as bankruptcy, deliberate acts of fraud, and administrative penalties with respect to the issuers of its trading and investment assets.

The Nomura Group may be exposed to losses when third parties do not perform their obligations to the Nomura Group

The Nomura Group's counterparties are from time to time indebted or otherwise owe certain obligations (such as with regard to the posting of collateral) to the Nomura Group as a result of transactions or contracts, including loans, commitments to lend, other contingent liabilities and derivative transactions. The Nomura Group may incur material losses when its counterparties default or fail to perform on their obligations to it due to their filing for bankruptcy, a deterioration in their creditworthiness, lack of liquidity, operational failure, an economic or political event, repudiation of the transaction or for other reasons. In the year ended 31 March 2024, the Nomura Group recorded a loss of approximately ¥14 billion due to a failure to settle transactions between a subsidiary of the Nomura Group and a broker in the U.K. Although the Nomura Group establishes and maintains allowances for credit losses, such allowances reflect management judgments and assumptions based on information available to the Nomura Group. Such information may prove incorrect or incomplete, and these judgments and assumptions may prove to be incorrect, potentially significantly so.

The Nomura Group is also exposed to credit risk from holding securities issued by third parties as well as through the execution of securities, futures, currency or derivative transactions that fail to settle at the required time due to non-delivery by the counterparty of the Nomura Group, such as financial institutions and hedge funds, or to system failure by clearing agents, exchanges, clearing houses, etc.

Issues related to third party credit risk may include the following:

Defaults by a large financial institution could adversely affect the financial markets generally and the Nomura Group specifically

The commercial soundness of many financial institutions is closely interrelated as a result of credit, trading, clearing or other relationships among the institutions. As a result, concern about the creditworthiness of or a default by, a certain financial institution could lead to significant liquidity problems or losses in, or defaults by, other financial institutions. This may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which the Nomura Group interacts on a daily basis. Actual defaults, increases in perceived default risk and other similar events could arise in the future and could have an adverse effect on the financial markets and on the Nomura Group.

There can be no assurance as to the accuracy of the information about its credit risk, or the sufficiency of the collateral the Nomura Group uses in managing it

The Nomura Group regularly reviews its credit exposure to specific clients or counterparties and to specific countries and regions that it believes may present credit concerns. Default risk, however, may arise from events or circumstances that the Nomura Group does not detect, such as account-rigging and fraud. The Nomura

Group may also fail to receive full information with respect to the risks of a counterparty, or to accurately manage and assess such information internally. In addition, in cases where the Nomura Group has extended credit against collateral, sudden declines in market values of the collateral could result in such collateral being insufficient to cover the Nomura Group's exposure.

The Nomura Group's clients and counterparties may be unable to perform their obligations to the Nomura Group as a result of political or economic conditions

Country, regional and political risks are components of credit risk, as well as market risk. Political or economic pressures in a country or region, including those arising from local market disruptions or currency crises, may adversely affect the ability of clients or counterparties located in or subject to conditions in that country or region to obtain credit or foreign exchange, and therefore to perform their obligations owed to the Nomura Group.

The Nomura Group is exposed to model risk, i.e., risk of financial loss, incorrect decision making, or damage to its credibility arising from model errors or incorrect or inappropriate model application

The Nomura Group widely uses models for various purposes including the valuation of illiquid derivative transactions or the estimation of the creditworthiness of certain counterparties. However, models are never perfect, and their use subjects the Nomura Group to model risk. Model errors or incorrect or inappropriate model applications could lead to incorrect decision making, financial losses or damage to the Nomura Group's credibility.

Sustainability factors including climate change and broader associated policy changes in each jurisdiction could adversely affect the Nomura Group's business

The Nomura Group considers climate change one of the most important global challenges facing society. The direct impact of climate change (physical risk), and the resulting changes in the business environment (transition risk) could cause losses to the Nomura Group.

In addition, as a global financial institution, the Nomura Group provides a wide range of solutions that address environmental and social issues. However, amid rapidly changing circumstances around sustainability, there may be cases where it is deemed to lack sufficient focus on sustainability matters such as the environment or human rights in the Nomura Group's business activities, and the Nomura Group may not be able to provide adequate support to clients pursuing decarbonisation or other sustainability-related initiatives. Furthermore, regulatory and market expectations in each country continue to evolve rapidly and generate conflicting views and approaches. As a result, there may be cases where the Nomura Group's disclosure of sustainability-related information or its compliance with regulations is insufficient, or where it is perceived as such, or conversely, the Nomura Group's efforts toward sustainability, including participation in voluntary initiatives, may be perceived negatively by some stakeholders, potentially resulting in litigation, regulatory action or administrative penalties. In such cases, there is a possibility that its reputation, results of operations and financial condition may be adversely affected.

The financial services industry faces intense competition

The Nomura Group's businesses are intensely competitive, and are expected to remain so. The Nomura Group competes on the basis of a number of factors, including transaction execution capability, its products and services, innovation, reputation and price. The Nomura Group continues to experience intense price competition, particularly in brokerage, investment banking and other businesses.

Competition with other financial firms and financial services by non-financial companies is increasing

The Nomura Group faces intense competition in the financial services sector from a wide variety of competitors. The Nomura Group competes with other independent securities firms as well as securities firms affiliated with commercial banks and with firms that have broad footprints across regions. As a result, the Nomura Group's market shares and commissions earned in the sales and trading, investment banking and Wealth Management businesses in particular have been affected. The Nomura Group faces intense competition beyond the traditional financial sector based on the increasing digitalisation of the industry, not only with the rise of online securities firms but also FinTech companies and the entry of non-financial companies into the financial services sector. Moreover, the competitive environment has begun to change due to shifts in service models driven by the use of AI technology. In order to address such changes in the competitive landscape, the Nomura Group continues to adopt and transform its business models through various measures. However, these measures may not be successful in growing or maintaining the Nomura Group's market share in this increasingly fierce competitive environment, and the Nomura Group may lose business or transactions to its competitors, harming its business and results of operations.

Increased consolidation and reorganisation, business alliance and cooperation in the financial services industry mean increased competition for the Nomura Group

There has been substantial consolidation and convergence among companies in the financial services industry. In particular, a number of large commercial banks and other broad-based large financial services groups have established or acquired broker-dealers or have consolidated with other financial institutions. These large financial services groups have developed business linkage within their respective groups in order to provide comprehensive financial services to clients, offering a wide range of products, including loans, deposit-taking, insurance, brokerage, asset management and investment banking services within their group, which may enhance their competitive position compared with the Nomura Group. They also have the ability to supplement their investment banking and brokerage businesses with commercial banking and other financial services revenues in an effort to gain market share. In addition, the financial services industry has seen collaboration beyond the borders of businesses and industries, such as alliances between commercial banks and securities companies outside of the framework of existing corporate groups and recent alliances with non-financial companies including emerging companies. The Nomura Group's competitiveness may be adversely affected if its competitors are able to expand their businesses and improve their profitability through such business alliances.

Strategic alliances and investments and the launching of new businesses may subject the Nomura Group to significant impact

The Nomura Group may seek to grow its business from time to time through strategic alliances, investments such as acquisitions or minority investments and launch new businesses. However, if the sourcing, evaluation, development and implementation of these business strategies do not proceed as expected because of regulatory issues or otherwise, the Nomura Group may not be able to grow its business, maintain or improve its competitive position, achieve the expected synergies and other benefits or recoup related investments, and the Nomura Group may experience competition from other institutions for a limited number of attractive investment and alliance opportunities. These new strategic alliances, investments and business initiatives may subject the Nomura Group to increased risk as it engages in new activities, transacts with a broader array of clients and counterparties and exposes it to new asset classes and new markets.

The Nomura Group's global business continues to face intense competition and may require further revisions to its business model

The Nomura Group continues to believe there are significant opportunities in the international markets, but there is also significant competition associated with such opportunities. In order to take advantage of these

opportunities, the Nomura Group will have to compete successfully with financial services firms based in important non-Japanese markets, including the U.S., Europe and Asia.

The Nomura Group has been working to strengthen its global business platform, under which it aims to transform its business portfolio and pivot towards client businesses and growth areas, both organically and inorganically. The sale of stake of Capital Nomura Securities Public Company Limited in 2023 and the acquisition of all equity interests in Macquarie Management Holdings, Inc., Macquarie Investment Management Holdings (Luxembourg) S.à r.l., and Macquarie Investment Management Holdings (Austria) GmbH in 2025 (the **Macquarie Acquisition**) are recent examples of transforming the Nomura Group's business platform. The Nomura Group will continue to review its entire business portfolio while looking at the competitive environment, and intends to implement its strategies in consideration of potential risks. However, the risk remains that it may be required to incur greater costs and expenses than expected, or to commit greater financial, management and other resources to the strategies than expected, which could adversely affect its business and results of operations. Moreover, the assumptions and expectations upon which the strategies are based may not be accurate, which could lead to it realising fewer benefits or synergies than expected or could even harm its business and results of operations. Furthermore, to the extent it reduces compensation or headcount as part of this strategy, its ability to attract and retain the employees needed to successfully run its businesses could be adversely affected. It may also be unsuccessful in designing a streamlined management structure, which could harm its ability to properly control or supervise its many businesses across the world.

Operational risk could adversely affect the Nomura Group's business

Operational risk is the risk of financial loss or non-financial impact arising from inadequate or failed internal processes and systems, from a lack of appropriate personnel, from human errors, or from external events, and includes fraud, compliance, legal, IT, cyber and information security, third party, and other non-financial risks. The Nomura Group always faces the potential of operational risk, and if this materialises, it could adversely affect its business.

Reputational risk could adversely affect the Nomura Group's business

Reputational risk is the risk of possible damage to Nomura's reputation and associated risk to earnings, capital, or liquidity arising from any association, action, or inaction which could be perceived by stakeholders to be inappropriate, unethical, or inconsistent with Nomura Group's values and corporate philosophy. The Nomura Group always faces the potential of reputational risk which could adversely affect its business outlook, financial condition, or results of operations.

The Nomura Group may identify a material weakness in its internal control over financial reporting, indicating that its internal control over financial reporting may not be effective

As a New York Stock Exchange (NYSE) listed company and SEC registrant, the Nomura Group assesses the effectiveness of internal controls over financial reporting under the U.S. Sarbanes-Oxley Act of 2002, and management's report. The Nomura Group also assesses the effectiveness of internal controls over financial reporting pursuant to the Financial Instruments and Exchange Act and submits the Management's Report on Internal Control over Financial Reporting including the results of this evaluation as a part of its Japanese language annual securities report. The Nomura Group has established a framework with the goal of ensuring the effectiveness and appropriateness of these controls. However, the Nomura Group may identify a material weakness in its internal control over financial reporting, indicating that its internal control over financial reporting may not be effective.

For example, the Nomura Group identified a material weakness during the quarter ended 31 March 2024 in relation to certain classification and presentation matters within the consolidated statement of cash flows as included within its consolidated financial statements, which resulted in the need to restate the consolidated

statement of cash flows in certain of its annual and interim consolidated financial statements. The Nomura Group identified and implemented a number of remediation actions to address this material weakness and intended to mitigate the risk of similar errors occurring in the future within the consolidated statement of cash flows. The Nomura Group's management has concluded that its internal control over financial reporting was effective as of the end of each fiscal year, beginning with the year ended 31 March 2024.

If future material weaknesses are identified, the Nomura Group may be unable to provide financial information in its consolidated financial statements and elsewhere in an accurate, timely and reliable manner or requiring additional restatements of its consolidated financial statements or other aspects of its periodic reporting. Such issues may undermine confidence in the Nomura Group's published financial information and other reported information by users of its consolidated financial statements, including the holders of its securities, potentially causing reductions in the price of its common stock and/or ADRs. Additionally, such issues could limit its access to capital markets, affect clients' or counterparties' appetite to enter into transactions with the Nomura Group and subject the Nomura Group to potential regulatory investigations and sanctions. Each of these factors may materially and adversely affect its business, results of operations and financial condition.

Misconduct, fraud or other criminal activity by an employee, director or officer, or any third party, could occur, and the Nomura Group's reputation in the market and its relationships with clients could be harmed

The Nomura Group always faces the risk that its employees, directors or officers, or any third party, could engage in misconduct that may adversely affect its business. Misconduct by an employee, director or officer includes conduct such as entering into transactions in excess of authorised limits, acceptance of risks that exceed the Nomura Group's limits, concealment of unauthorised or unsuccessful activities or criminal or other unlawful actions against customers. The misconduct could also involve the improper use or disclosure of non-public information relating to the Nomura Group or its clients, such as insider trading, improper transmission of such information and the recommendation of trades based on such information, as well as other crimes, which could result in regulatory sanctions, legal liability and serious reputational or financial damage to the Nomura Group.

Third parties may also engage in fraudulent activities, including devising a fraudulent scheme to induce the Nomura Group's investment, loans, guarantee or any other form of financial commitment, both direct and indirect. Because of the broad range of businesses that the Nomura Group engages in and the large number of third parties with whom the Nomura Group deals in its day-to-day business operations, such fraud or any other misconduct may be difficult to prevent or detect, and its future reputation and financial condition could be adversely affected, which could result in serious reputational or financial damage to the Nomura Group in the future.

Measures which the Nomura Group has implemented or additional measures that may be implemented in the future may not be effective in preventing or managing the risk of misconduct or fraud in all cases, and the Nomura Group may not always be able to detect or deter misconduct or fraud by employees, directors, officers, or third parties. If any administrative or judicial sanction is issued against the Nomura Group as a result of such fraud or misconduct, it may lose business opportunities, and its future revenue and results of operations may be materially and adversely affected, even after the sanction is lifted, if and to the extent that its clients, especially public institutions, decide not to engage the Nomura Group for their financial transactions.

NHI's consolidated subsidiary, NSC, is addressing damages that occurred due to transactions, such as the purchase and sale of securities and other financial instruments, conducted by third parties using customers' assets through unauthorised access to securities accounts due to fraudulent activities, such as phishing. In regard to customer accounts that suffered damages since January 2025, NSC will handle each case based on the individual circumstances of each customer, including, at a maximum, restoring the accounts to the state prior to the unauthorised transactions. Currently, although strengthened cooperation with relevant parties, customer alerts, enhanced authentication measures and other initiatives have reduced the number of such

incidents compared with earlier periods, phishing and related techniques continue to become more sophisticated and diverse, and similar incidents may occur again in the future. If the Nomura Group or its customers become involved in such incidents, or if its response—such as loss compensation or security enhancements—is viewed as insufficient, the Nomura Group's future reputation, and financial condition may be adversely affected.

A failure to identify and appropriately address conflicts of interest could adversely affect the Nomura Group's business

The Nomura Group is a global financial institution that provides a wide range of products and services to a diverse group of clients, including individuals, corporations, other financial institutions and governmental institutions. As such, the Nomura Group faces potential conflicts of interest in the ordinary course of its business. Conflicts of interests can arise when the Nomura Group's services to a particular client conflict or compete, or are perceived to conflict or compete, with its own interests. In addition, where non-public information is not appropriately restricted or shared within the Nomura, conflicts of interest may also arise when a transaction within the Nomura Group or with another client conflicts or competes, or is perceived to conflict or compete, with a transaction with a particular client. A failure, or a perceived failure, to identify, disclose and appropriately address such conflicts could adversely affect its reputation, the willingness of current or potential clients to do business with it and give rise to potential regulatory actions or litigation against the Nomura Group, which could have a material adverse effect on its financial condition and results of operations.

The Nomura Group's business is subject to substantial legal and regulatory risks

Substantial legal liability or a significant regulatory action against the Nomura Group could have a material adverse effect on the Nomura Group's business, financial condition or results of operations, or cause reputational harm to it. Also, material changes in regulations applicable to the Nomura Group or to the markets in which the Nomura Group operates could adversely affect its business.

The Nomura Group faces significant legal risks in its businesses. These risks include liability under securities or other laws in connection with securities underwriting and offering transactions, liability arising from the purchase or sale of any securities or other financial products, disputes over the terms and conditions of complex trading arrangements or the validity of contracts for the Nomura Group's transactions, disputes with its business alliance partners and legal claims concerning its other businesses.

Legal liability related to the Nomura Group's business may occur and could adversely affect the Nomura Group's business, financial condition and results of operations

During a prolonged market downturn or upon the occurrence of an event that adversely affects one of the markets which the Nomura Group operates in, the Nomura Group may be exposed to an increase in claims or significant litigation against the Nomura Group. The cost of defending such claims or litigation may be substantial and the Nomura Group's involvement in litigation may damage its reputation. For example, during the year ended 31 March 2022, approximately ¥62.0 billion related to legacy transactions in the U.S. from before the global financial crisis (2007 – 2008) was recognised including legal expenses as well as certain transactions intended to mitigate future losses. In addition, even legal transactions might be subject to adverse public reaction according to the particular details of such transactions. These risks may be difficult to assess or quantify and their existence and magnitude may remain unknown for substantial periods of time.

Extensive regulation of the Nomura Group's businesses limits its activities and may subject the Nomura Group to significant penalties and losses

The financial services industry is subject to extensive regulation. The Nomura Group is subject to increasing regulation by governmental and self-regulatory organisations in Japan and in virtually all other jurisdictions

in which it operates, and such governmental and regulatory scrutiny may increase as its operations expand or as laws change. In addition, while regulatory complexities increase, possibilities of extra-territorial application of a regulation in one jurisdiction to business activities outside of such jurisdiction may also increase. These regulations are broadly designed to ensure the stability of financial systems and the integrity of the financial markets and financial institutions, and to protect clients and other third parties who deal with the Nomura Group. They may also limit the Nomura Group's activities and/or affect its profitability, through net capital, client protection and market conduct requirements. In addition, on top of traditional finance-related legislation, the scope of laws and regulations applying to, and/or impacting on, the Nomura Group's operations may become wider depending on the situation of the wider international political and economic environment or policy approaches taken by governmental authorities in respect of regulatory application or law enforcement. In particular, the number of investigations and proceedings against the financial services industry by governmental and self-regulatory organisations has increased substantially and the consequences of such investigations and proceedings have become more severe in recent years, and the Nomura Group is subject to the risk of such investigations and proceedings. The Nomura Group may not always be able to prevent such violations, and it could be fined, prohibited from engaging in some of its business activities, ordered to improve its internal governance procedures or be subject to revocation of its license to conduct business. The Nomura Group's reputation could also suffer from the adverse publicity that any administrative or judicial sanction against it may create, which may negatively affect the Nomura Group's business opportunities and ability to secure human resources. As a result of any such sanction, the Nomura Group may lose business opportunities for a period of time, even after the sanction is lifted, if and to the extent that its clients, especially public institutions, decide not to engage it for their financial transactions. In addition, certain market participants may refrain from investing in or entering into transactions with the Nomura Group if the Nomura Group engages in business activities in regions subject to international sanctions, even if the Nomura Group's activities do not constitute violations of sanctions laws and regulations.

Tightening of regulations applicable to the financial system and financial industry could adversely affect the Nomura Group's business, financial condition and results of operations

If regulations that apply to the Nomura Group's businesses are introduced, modified or removed, the Nomura Group could be adversely affected directly or through resulting changes in market conditions. The impact of such developments could make it economically unreasonable for the Nomura Group to continue to conduct all or certain of its businesses, or could cause it to incur significant costs to adjust to such changes.

New regulations or revisions to existing regulations relating to accounting standards, regulatory capital adequacy ratios, liquidity ratios and leverage ratios applicable to the Nomura Group could also have a material adverse effect on its business, financial condition and results of operations. Such new regulations or revisions to existing regulations include the so-called Basel III package formulated by the Basel Committee on Banking Supervision (**Basel Committee**) and the finalised Basel III reforms published in December 2017, and also finalised market risk capital framework published in January 2019. NHI is subject to the above revised regulatory capital adequacy ratios, liquidity ratios and leverage ratios since March 2025.

Furthermore, in December 2015, the Japanese FSA identified NHI as one of the domestic systemically important banks (**D-SIBs**) and imposed a surcharge of 0.5 per cent. on its required capital ratio after March 2016 with a 3-year transitional arrangement. In addition, the Financial Stability Board published the final standard requiring global systemically important banks (**G-SIBs**) to maintain a certain level of total loss-absorbing capacity (**TLAC**) upon their failure in November 2015. Under the Japanese FSA's policy implementing the TLAC framework in Japan as updated in April 2018, the TLAC requirements in Japan apply not only to Japanese G-SIBs but also to Japanese D-SIBs that are deemed (i) of particular need for a cross-border resolution arrangement and (ii) of particular systemic significance to the Japanese financial system if they fail. Based on the revised policy, in March 2019, the Japanese FSA published the notices and guidelines of TLAC regulations in Japan. According to these notices and guidelines, NHI is subject to the TLAC requirements in Japan from 31 March 2021 although NHI is not identified as a G-SIB as of the date of

publication on NHI's Form 20-F. These changes in regulations may increase the Nomura Group's funding costs or require it to liquidate financial instruments and other assets, raise additional capital or otherwise restrict its business activities in a manner that could adversely affect its operating or financing activities or the interests of its shareholders.

Deferred tax assets may be impacted due to a change in business condition or in laws and regulations, resulting in an adverse effect on the Nomura Group's operating results and financial condition

Under U.S. GAAP, the Nomura Group recognises deferred tax assets in its consolidated balance sheets as a possible benefit of tax relief in the future if certain criteria are met. If the Nomura Group experiences or forecasts future operating losses, if tax laws or enacted tax rates in the relevant tax jurisdictions in which it operates change, or if there is a change in U.S. GAAP in the future, it may be required to reduce the deferred tax assets recognised in its consolidated balance sheets which may adversely affect the Nomura Group's financial condition and results of operations.

Defects in the Nomura Group's anti-money laundering and counter-terrorism financing measures could have serious consequences, such as administrative penalties or punitive fines

In recent years, financial crimes have become more complex, sophisticated and diverse. As the world faces growing threats of military disputes, terrorism, and cyberattacks, it is highly important to counter the financing of crimes and terrorism. Financial institutions around the world are expected to take strong anti-money laundering (AML) and countering the financing of terrorism (CFT) measures. Despite the Nomura Group's efforts to improve its anti-money laundering and counter-terrorism financing measures, which it has implemented consistently across the Nomura Group in accordance with the recommendations provided by the Financial Action Task Force (FATF) and the Japanese FSA's "Guidelines on Anti-Money Laundering and Terrorist Financing", there remains a risk that such measures will not be fully effective in preventing or detecting all violations in a timely manner. As a consequence, Nomura Group could be subject to administrative penalties or punitive fines, which may adversely affect its financial condition and results of operations.

Unauthorised disclosure or misuse of personal information held by the Nomura Group may adversely affect its business

The Nomura Group keeps and manages personal information obtained from clients in connection with its business. In recent years, there have been many reported cases of personal information and records in the possession of corporations and institutions being improperly accessed, disclosed or misused. There is also a risk of unauthorised acquisition of client information and misuse of customer information by former employees.

Although the Nomura Group exercises care to protect the confidentiality of personal information and has in place policies and procedures designed to safeguard such information and ensure that it is used in compliance with applicable laws, rules and regulations, were any unauthorised disclosure or misuse of personal information to occur, its business could be adversely affected. For example, the Nomura Group could be subject to government actions such as administrative actions or penalties in case there is any violation of applicable personal data protection laws, rules and regulations or be subject to complaints and lawsuits for damages from clients if they are adversely affected due to the unauthorised disclosure or misuse of their personal information (including leakage of such information by an external service provider). In addition, the Nomura Group could incur additional costs associated with changing its security systems, either voluntarily or in response to administrative guidance or other regulatory initiatives. Moreover, restrictions on the Nomura Group's ability to use personal information collected from clients may adversely affect its existing businesses or its ability to develop new ones. Furthermore, any damage to the Nomura Group's reputation caused by such unauthorised disclosure or misuse could lead to a decline in new clients and/or a loss of existing clients, as

well as to increased costs and expenses incurred for public relations campaigns designed to prevent or mitigate damage to its corporate or brand image or reputation.

System failure, information leakage and cost of maintaining sufficient cybersecurity could adversely affect the Nomura Group's business, financial condition and results of operations

The Nomura Group's businesses rely on secure processing, storage, transmission and reception of personal, confidential and proprietary information on its systems. The Nomura Group has been in the past and may again become the target of attempted unauthorised access, computer viruses or malware, and other cyber-attacks designed to access and obtain information on its systems or to disrupt and cause other damage to its services. In recent years, many of the Nomura Group's employees increasingly work remotely using networking or other technologies, and these technologies have become even more critical to its business. The implementation of remote work arrangements may also increase the possibility that the Nomura Group will be subject to cyber-attacks and other information security breaches. In addition, Nomura is engaged in the cryptocurrency business, and if the cryptocurrency wallets used in that business become targets of cyberattacks or other information security breaches, there is a possibility of unauthorised outflow or loss of cryptocurrencies. The Nomura Group also faces emerging risks from increased use of AI (including generative AI), which may introduce new data leakage, model manipulation, fraud/social engineering and third-party/vendor risks if not governed and controlled appropriately. Although these threats may originate from human error or technological failure, they may also originate from the malice or fraud of internal parties, such as employees, or third parties, including foreign non-state actors and extremist parties. Additionally, the Nomura Group could also be adversely impacted if any of the third-party vendors, exchanges, clearing houses or other financial institutions to whom the Nomura Group is interconnected are subject to cyber-attacks or other informational security breaches. Such events could cause interruptions to the Nomura Group's systems, reputational damage, client dissatisfaction, legal liability, enforcement actions or additional costs, any and all of which could adversely affect its financial condition and operations.

While the Nomura Group continues to devote significant resources to monitor and update its systems and implement information security measures to protect its systems, there can be no assurance that any controls and procedures the Nomura Group has in place will be sufficient to protect it from future security breaches. As cyber threats are continually evolving, the Nomura Group's controls and procedures may become inadequate and it may be required to devote additional resources to modify or enhance its systems in the future.

The business of the Nomura Group may be adversely affected if it is unable to hire, retain and develop qualified personnel

Under the philosophy that the Nomura Group's people are its greatest assets, the Nomura Group views recruitment, talent development, performance appraisal, and mobility and advancement strategies as one human resources management cycle and pursue various talent-management initiatives comprehensively. Under these initiatives, the Nomura Group employs a large workforce globally, and faces various human-resources and workplace-related risks, such as discrimination, harassment, and inconsistencies with local laws and norms. Moreover, the Nomura Group faces intense competition for personnel due to factors such as compensation, working environment, training opportunities, employee benefits, and its reputation as an employer, and any failure to hire, retain, and develop qualified personnel as anticipated may materially and adversely affect the Nomura Group's business, financial condition and results of operations. Furthermore, spending to secure personnel may adversely affect its profitability. In addition, developing the human resources and fostering a uniform corporate culture requires sustained and thorough efforts, and may take longer than anticipated.

Natural disasters, geopolitical events and infectious diseases could adversely affect the Nomura Group's business

Unexpected events such as natural disasters, geopolitical events or infectious diseases could exceed the assumptions of Nomura Group's event response preparation and framework, and it may not always be able to respond to every situation. As a result its officers and employees may become unable to perform their duties, and its facilities, systems, or communication networks may not function, adversely affecting its business continuity management. In particular, Japan, where Nomura has its group head office, is prone to natural disasters such as earthquakes and tsunamis; if a large-scale earthquake or other natural disasters were to occur in regions where the Nomura Group's main offices are concentrated, it could have a serious impact on its ability to carry out business operations, its financial condition and its business performance. Geopolitical events include cases such as armed conflict or heightened military tensions, acts of terrorism, political instability, and trade fragmentation.

NHI is a holding company and depends on payments from its subsidiaries

NHI is a holding company and is heavily dependent on dividends, distributions and other payments from its subsidiaries to be able to settle its financial obligations and liabilities. Regulatory and other legal restrictions, such as those under the Companies Act of Japan (the **Companies Act**), may limit NHI's ability to transfer funds freely, either to or from its subsidiaries. In particular, many of NHI's subsidiaries, including its broker-dealer subsidiaries, are subject to laws and regulations, including regulatory capital requirements, that authorise regulatory bodies to block or reduce the flow of funds to the parent holding company, or that prohibit such transfers altogether in certain circumstances. For example, NSC, Nomura Securities International, Inc., Nomura International plc and NIHK, NHI's main broker-dealer subsidiaries, are subject to regulatory capital requirements and changes in such regulatory capital requirements and the required level could limit the transfer of funds to NHI. While NHI monitors and manages the transfer of funds within the Nomura Group on the basis of the relevant laws and regulations on a daily basis, these laws and regulations may hinder NHI's ability to access funds needed to be able to settle its financial obligations and liabilities.

The Nomura Group may not be able to realise gains it expects, and may even suffer losses, on its investments in equity securities and non-trading debt securities

The Nomura Group holds substantial investments in equity securities including private equity investments and investments in affiliates for which the fair value option was elected, and non-trading debt securities. Under U.S. GAAP, depending on market conditions, the Nomura Group may recognise significant losses in connection with these investments, which could have an adverse impact on its financial condition and results of operations. Moreover, while the Nomura Group may decide to dispose of these equity securities and debt securities, depending on the market conditions, the Nomura Group may not be able to dispose of these equity securities and debt securities when it would like to do so, as quickly as it may wish or at the desired price.

Equity investments in affiliates and other investees accounted for under the equity method in the Nomura Group's consolidated financial statements may decline significantly over a period of time and result in it recognising impairment losses

Under U.S. GAAP, the Nomura Group has affiliates and investees accounted for under the equity method in its consolidated financial statements and whose shares are publicly traded. If there is a decline in the market price of the shares, the Nomura Group holds in such affiliates below the carrying amount of its investments over a period of time, and it determines that the decline is other than temporary, then it recognises an impairment loss through earnings which may have an adverse effect on its financial condition and results of operations.

The Nomura Group may face an outflow of clients' assets due to losses incurred within cash reserve funds or debt securities it offers to clients

Cash reserve funds, such as money market funds and money reserve funds are typically categorised as low risk financial products. As a result of a sudden rise in interest rates, such cash reserve funds may fall below their par value due to losses resulting from price decreases, defaults or negative interest charges arising from debt securities held by the fund. If the Nomura Group determines that a stable return cannot be achieved from the investment performance of cash reserve funds, the Nomura Group may accelerate the redemption of, or impose a deposit limit on, such cash reserve funds. In addition, issuers of debt securities that the Nomura Group sells may default or otherwise delay the payment of interest and/or principal. Such events may result in the loss of client confidence and lead to an outflow of client assets from its custody or preclude it from increasing such client assets.