

Message from the CEO



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

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

FY2013/14 Performance

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

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

Sustainable Growth

Promoting the shift from savings to investments

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

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

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Global strategy

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

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

Asia is expected to continue growing strongly over the long term and account for half of global GDP by 2050. As countries in the region develop, we can expect to see increased demand for funding among the corporate sector coupled with an expansion of personal financial assets as the middle class grows. We have generated synergies and

expanded our business in Japan through a successful business model that integrates our Retail and Wholesale operations. We believe we can reap the benefits of economic growth across Asia by rolling out a new integrated business model aligned to each market to connect the funding needs of corporates with the investment needs of investors in the East and West.

Diverse Workforce

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

We currently have over 1,000 female managers working for Nomura globally, including an Outside Director and senior managing directors. In recognition of this, Japan's Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange jointly granted Nomura the "Nadeshiko Brand" designation in March 2014, which is awarded to companies that encourage women to play active roles in the workplace.

In April, we appointed a woman as President of Nomura Trust and Banking, the first time a female has been appointed to run a bank in Japan. We have also expanded our management training program to offer mid-level managers a wide range of training opportunities.

Corporate Responsibility through our Core Business

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

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

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

Group CEO
Koji Nagai