FY2025/26 3Q Financial Results Conference Call Q&A

Date: January 30, 2026
Speaker: Hiroyuki Moriuchi, Chief Financial Officer, Nomura Holdings, Inc.

Q1: Regarding the loss incurred in EMEA, it was noted that the subsidiary Laser Digital was affected by market movements in October and November. I recall the subsidiary generated relatively large profits a year ago — what is the current position management approach, and what measures are being taken to limit future volatility?

A1: Laser Digital undertakes a range of activities, including market making for institutional investors, managing crypto-asset funds, and making seed and venture investments related to those operations. In providing services to clients, it maintains a portion of inventory. We already have a robust risk-management framework in place, but to reduce short-term volatility we will lower the risk exposure of our positions and pursue expansion of the business over the medium to long term.

Q2: The net inflows into investment trusts in Wealth Management was at a high level. Is it sustainable?

A2: Market conditions can materially affect inflows; accordingly, we do not provide guidance on whether the current level will be sustained.

Q3: Wealth Management delivered a 44% pre-tax margin in 3Q. Considering planned AI investments, what margin should investors assume going forward, and how do Nomura's competitive advantages compare with U.S. peers targeting approximately 30% margins?

A3: We do not disclose specific margin targets due to sensitivity to market fluctuations. Nevertheless, structural changes, which are the continued reallocation of household savings into investments and the execution of our strategic initiatives, have strengthened our ability to sustain elevated profitability. Operational efficiencies have lowered our breakeven point, and an expanding base of recurring revenues is contributing to greater earnings stability. While direct comparisons with U.S. peers are constrained by differing market and business models, we assess that our contribution margins remain high. We will pursue AI investments selectively and with discipline, prioritizing initiatives that preserve or enhance overall profitability.

Q4: Given that several face-to-face brokers have recently raised commission rates, is Nomura considering a review of Wealth Management's commission rates?

A4: As this relates to our strategy, we will refrain from providing specific details. We remain focused on delivering value to clients and will continue to evaluate and implement the most appropriate solutions.

Q5: What was the rationale for deciding to implement the share buyback in 3Q, and for setting the maximum amount at Y60 billion?

A5: The completion of the acquisition of the U.S. asset management firm on December 1, 2025 clarified the impact on our CET1 ratio and made our available investment capacity more certain. Taking market expectations into account, we decided to proceed with the share buyback in order to enable prompt returns to shareholders. The amount was set after balancing our investment strategy and future investment opportunities with the importance of shareholder returns.

Q6: The company announced Y60 billion share buybacks. Can we regard this as fulfilling the portion of the total shareholder return ratio (dividends plus repurchases) linked to the fiscal year ending March 2026 that corresponds to 10% or more?

A6: The final total shareholder return ratio will be determined based on the results of the fourth quarter. After reviewing the fourth quarter results, if a shortfall remains, additional measures will be considered at that time.

Q7: You mentioned that Global Markets have continued to perform well since January. Given concerns about a shortage of buyers in Japan due to the sharp rise in interest rates, what is your outlook for Rates in Japan?

A7: Japan Rates in January was somewhat slow as clients adopted a cautious approach amid rising yields and higher volatility in the ultra-long end of the curve. However, Global Markets have remained strong overall, with product diversification and growth in overseas business offsetting the domestic slowdown.

Q8: Regarding the contribution of Macquarie's acquired business, if one month revenue is Y7 billion, operating expenses are Y5 billion, and amortization of intangible assets is Y1 billion, is it reasonable to estimate the profit contribution as roughly Y1 billion per month, or about Y1 billion multiplied by 12 months?

A8: That is a reasonable approximation. However, please be aware that December figures include negative monthly valuation adjustments from seed investments and similar items, so this estimate should be treated as indicative rather than definitive.

Q9: I understand that one of the factors behind this increase in personnel expenses includes the impact of a partial accounting change for deferred compensation. How will this impact results from 4Q onward, and what is the actual amount?

A9: The actual impact in 3Q was approximately Y8 billion, and we expect a similar level of impact in 4Q. Next fiscal year, we expect the impact to be around 40% to 50% of this year's total approximately Y16 billion, and from the year after next it should decline to a negligible level. This reflects front-loaded expense recognition under the deferred compensation plan.

Q10: You mentioned that you had reduced the risk position in Laser Digital. As you expand your crypto-asset business going forward, how do you intend to manage volatility over the long term?

A10: While maintaining our risk-management policy, we will continue inventory trading activities such as market making, but with a reduced per-unit risk exposure. At the same time, we will diversify revenue sources by expanding asset-management businesses and custody services, and pursue ecosystem growth under stringent risk controls.

Q11: Do you have a crypto lending business?

A11: We do have this business in our product lineup, but it's pretty small.

Q12: Wholesale revenue / modified RWA is high at 7.8%, how do you assess this from a management perspective? Is it possible to raise this target further to improve divisional ROE?

A12: We view 7.8% as a reasonably solid level. The main driver has been business mix improvement from expanding risk-light businesses, rather than a dramatic gain in resource efficiency within any specific business. Focusing solely on regulatory capital-based metrics can encourage taking actions that overconsume economic capital, so we assess performance holistically alongside multiple risk measures. The introduction of self-funding has increased incentives for efficiency and has contributed to the current level.

Q13: Under the policy of "taking Japanese products overseas", if you were to attract capital into Japan's private assets, what scale of assets under management and revenue might you expect, and what additional capabilities would be required?

A13: We are not in a position to provide concrete estimates of scale or specific required capabilities at this time. We are continuing internal work to refine target strategies and to establish the operational framework for execution. Once we have firm, disclosable details, we will provide a comprehensive update.

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