



Tetsu Ozaki
Group COO

Working toward 2020 Management Vision

With three years remaining to realize management's Vision C&C for the fiscal year ending March 2020, Nomura is fulfilling various initiatives and programs that are aligned with the vision and the Road to 2020.

As technology continues to evolve and the political and economic landscape around the globe reaches a historic turning point, we anticipate the business models of financial institutions will change more rapidly than ever before. Under these circumstances, we continue to challenge ourselves and pursue our philosophy of "placing clients at the heart of everything we do." Over the last five years, we have dedicated ourselves to accomplishing the two main strategic goals of "business model transformation in Japan" and "improvement of profitability of our international businesses." With these goals at our core, we believe we are poised to steadily progress toward our management goal for 2020 of EPS of ¥100.

The environment in the previous fiscal year was characterized by an undercurrent of historic changes marked by the referendum in the U.K. over Brexit and the U.S. presidential election – two events made us remember that we live in an age of uncertainty. Notwithstanding, Nomura achieved EPS of ¥65.65, the record-high level since the financial crisis in 2008.

Performance and initiatives in each business

Below is an explanation of each division's performance in FY2016/17 and new initiatives planned for the next three years to help us progress toward our March 2020 goals.

The Retail Division struggled in a difficult market environment and grappled with attracting new assets for the purpose of long-term investment. In the first quarter, revenue hit a low but began rising toward the end of the

Management target (EPS*) and its progress

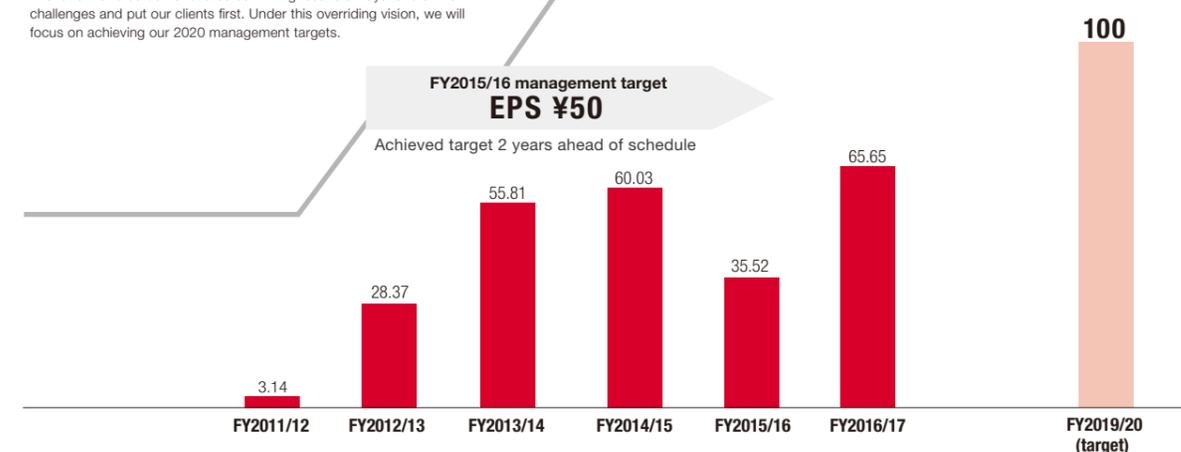
"Vision C&C"

The business environment surrounding Nomura is expected to change even more dramatically than in the past. We see this as the perfect chance to take decisive action and change the way we operate. We have expressed this as "Vision C&C," where "C&C" represents a chance to change. The letter "C" also demonstrates our willingness to always take on new challenges and put our clients first. Under this overriding vision, we will focus on achieving our 2020 management targets.

Long-term management vision for 2020
"Vision C&C"

Two Challenges

- Transforming business model in Japan
- Improving profitability of international business



* Net income attributable to Nomura Holdings shareholders per share

fiscal year on the back of a market recovery. In addition, while negative interest rate policy in Japan made investing unprecedentedly challenging, we still managed to grow our investment solutions business for financial institution clients and the Division successfully grew its business succession and asset management platform for the owners of small to medium-sized enterprises.

We remain focused on achieving ¥150 trillion of clients assets by 2020, one of our key performance indicators (KPIs). To facilitate this asset growth, the structure of the Retail Division has been changed to allow more frequent and more effective touch points with clients. Also, as part of the structural change, heads of retail branches across Japan have been given the discretion to make more business decisions to remain flexible and stay closer to clients.

At the same time, within Retail, efforts to promote financial innovation through the introduction of FinTech, etc., will be accelerated. ⇒ For details, please refer to "Special Feature 2: Leveraging of New Technologies" on page 30.

The Asset Management Division successfully brought assets under management (AuM) to a record high as of March 2017. The increase in AuM can be attributed to an expansion of our ETF business, as we were able to offer a wide range of products to meet investors' needs, while

also expanding market share. In addition, as a result of mandates won from institutional investors both in Japan and abroad, funds flowed into high-performing high-yield products. And finally, markets appreciated globally during the year, positively impacting AuM. Even amid a declining return environment, the Division was able to prudently manage the costs associated with each asset class to achieve the highest income before income taxes since the fiscal year ended March 2002.

As we head toward March 2020, we aim to maintain and expand our market share, while also contributing to the development and growth of Japan's asset management industry. As part of our efforts to achieve ¥55 trillion of AuM by 2020, one of our KPIs, we will also further expand our investment advisory business overseas by deepening our collaboration with American Century Investments.

The most important theme for the Retail Division and the Asset Management Division is to help address Japan's national challenge of expanding risk assets and increasing the flow of money from cash to securities and other investments. With regard to the recently reconfirmed "Customer-Oriented Business Conduct," both divisions are aiming to resolve any issues and improve performance by retaining the de facto standards

Message from Group COO

of a leading company.

As a result of the strategic review of businesses in EMEA and the Americas conducted in April 2016, the Wholesale Division succeeded in increasing revenues and greatly lowering the breakeven point overseas. Although revenue was slow in Japan due to rigid interest rates and a lack of momentum in the equity market, our enhanced risk culture (⇒ for details, please refer to “Risk Management” on page 64) helped us successfully navigate major events overseas, such as the decision of Brexit and the start of the Trump Administration. Through the year, we were able to improve productivity both in Global Markets and Investment Banking and we have come to the point where we can acknowledge our success in “improving profitability of our international business.”

In Global Markets, we successfully broadened our client base and diversified revenue streams as we continued to win clients’ trust, especially in businesses

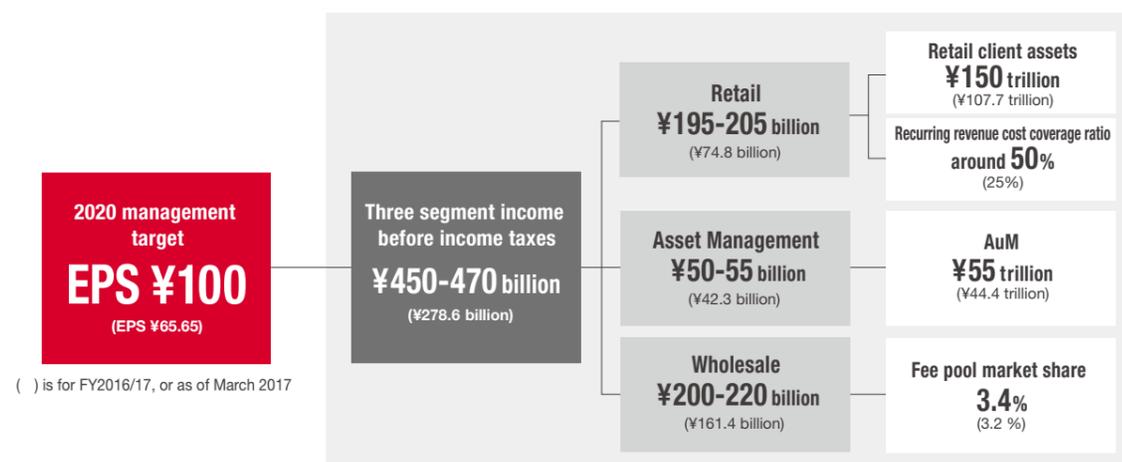
such as Rates and Emerging Markets, including currencies. In Investment Banking, in addition to winning cross-border M&A mandates and ancillary transactions, we deepened collaboration with Global Markets to strengthen our origination and distribution structure, which resulted in a significant improvement of productivity, especially in the Americas.

As we move toward March 2020, we will continue to expand our Origination and Emerging Market businesses to meet clients’ needs by deepening the collaboration between Global Markets and Investment Banking. Also, we will continue to focus on cross-border businesses by promoting and developing relationships across regions. Lastly, we will continue to balance prudent risk management and efficient resource allocation to establish a more stable business model that is not easily influenced by market fluctuations.

declining birthrate, Japan is confronting the challenge of improving productivity and resolving a generational divide. As Japanese society undergoes rapid changes, it is also pursuing a new growth model. Through the implementation of Nomura Work Style Innovation, Nomura will endeavor to provide more effective services in a more efficient manner. In other words, we will enable our clients to make the most

of Nomura’s strengths while, at the same time, working on measures to improve productivity, including Company-wide cost controls. We expect Nomura’s business efforts will complement broader initiatives across Japan that are intended to promote financial innovation, attract a greater number of participants, and ultimately revitalize the country’s financial markets.

Key performance indicators (KPIs) to achieve 2020 management target*



* FY2019/20 market assumptions: Nikkei 225 at ¥25,000; USD/JPY rate ¥115; Effective tax rate for Japanese corporates below 30%; Global fee pool annual growth rate of 1%

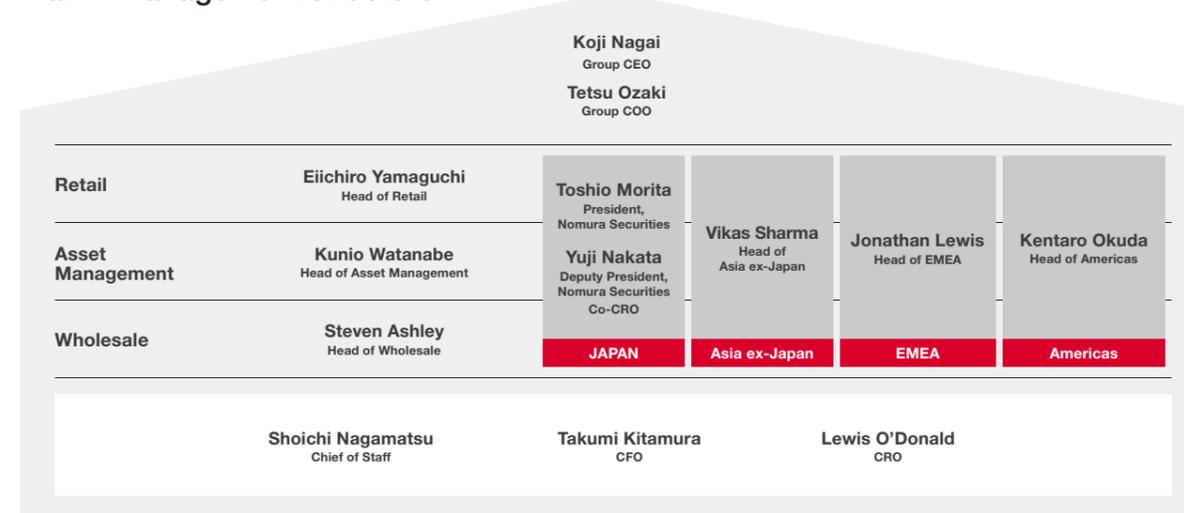
Our matrix management structure

In the fiscal year ended March 2017, Nomura’s matrix-based management structure was strengthened to enable each region to resolve challenges and achieve its previously defined goals. With Brexit in the background, the EMEA region is now at a turning point that will determine whether we are going to be chosen

by clients. The Americas region has entered a critical stage that will determine whether we can establish a structure that allows us to address growing needs for cross-border businesses, while also retaining enhanced productivity. And across Asia, we will accelerate our offering of cross-divisional services to build Nomura’s franchise in emerging countries, including China.

Against the backdrop of an aging population and a

Matrix management structure



From the left: Vikas Sharma, Head of Asia ex-Japan; Kunio Watanabe, Head of Asset Management; Steven Ashley, Head of Wholesale; Tetsu Ozaki, Group COO; Koji Nagai, Group CEO; Shoichi Nagamatsu, Chief of Staff; Toshio Morita, President, Nomura Securities; Eiichiro Yamaguchi, Head of Retail (front row); Jonathan Lewis, Head of EMEA; Kentaro Okuda, Head of Americas