



Junko Nakagawa
Head of Asset Management

Asset Management Division

Nomura's Asset Management Division, which is led by its core entity, Nomura Asset Management (NAM), employs approximately 1,400 professionals in 12 countries and regions around the world, including Japan. It focuses on delivering high-quality investment strategies, products and services not only to individual investors in their respective regions, but also to a wide range of investors, including pension funds and institutional investors.

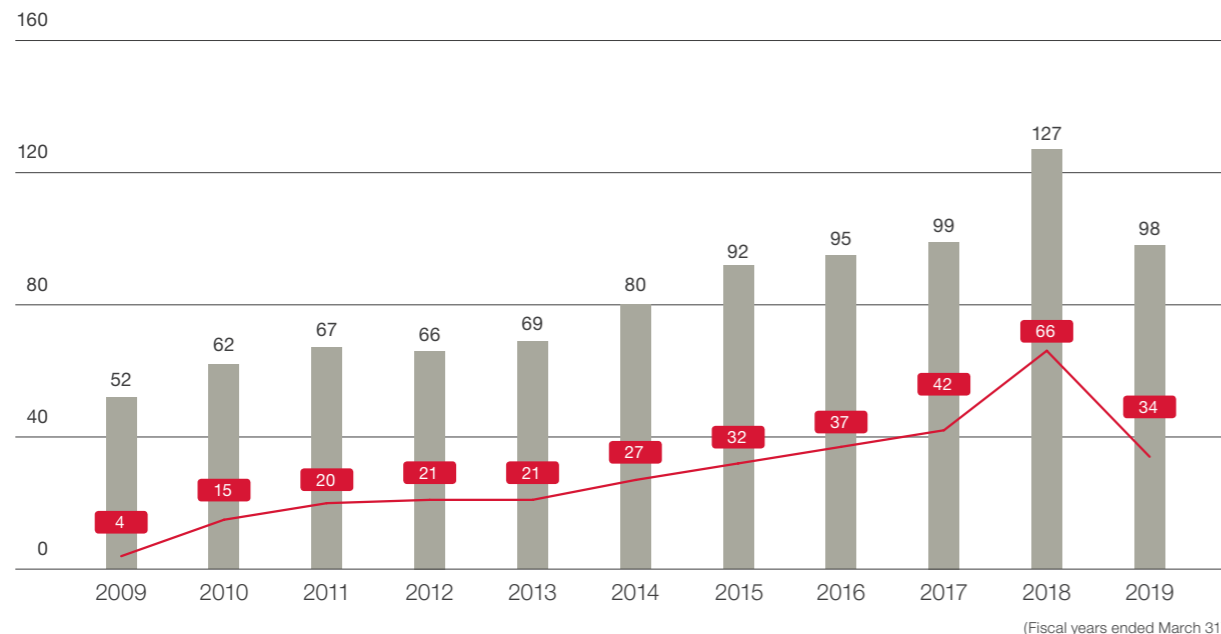
As an asset management firm practicing responsible investment, by accurately identifying the diverse investment needs of clients around the world, we aim to deliver not only superior investment returns, but to contribute to the growth and development of capital markets through stewardship activities, including dialogue with the companies in which we invest.

Review of FY2018/19

In the fiscal year ended March 2019, net cash inflows totaled approximately ¥2.2 trillion. This was due to the expansion of ETF (Exchange Traded Funds) and investment trusts for defined contribution pension plans in the domestic investment trust business, and by winning new mandates overseas in the investment advisory business. As a result, assets under management as of the end of March 2019 increased from the previous fiscal year to ¥51.4 trillion.

Net revenue for the full year was ¥97.8 billion and income before income taxes was ¥34.2 billion. Although revenue grew due to an increase in the assets under management, net revenue and income before income taxes decreased year on year due to outflows of publicly offered investment trusts for individual investors in Japan and valuation losses from changes in the market value of equity interests in strategic partner American Century Investments (ACI).

Business Performance (billions of yen) ■ Net revenue — Income before income taxes



Assets under management

¥51.4 trillion

As of March 31, 2019

ETF asset under management

No.5 in the world
(No.1 in Japan)

As of March 31, 2019

Strengths

High-quality investment management and investment research capabilities on a global basis
Ability to provide investment solutions to meet the various investment needs of domestic and overseas investors
Knowledge and talent to explore new industry challenges, such as the development of advanced investment strategies

Challenges

To enable sustainable growth of the Asset Management Division

- 1 Further increasing its presence in the highly competitive asset management industry in Japan and overseas
- 2 Stimulating the attractiveness of asset management for domestic individual investors and cultivating a new investor base
- 3 Diversifying revenue base and strengthening business base through expansion of overseas business
- 4 Initiatives to implement digital technology, including development of investment strategies and inducing business process transformation

Actions

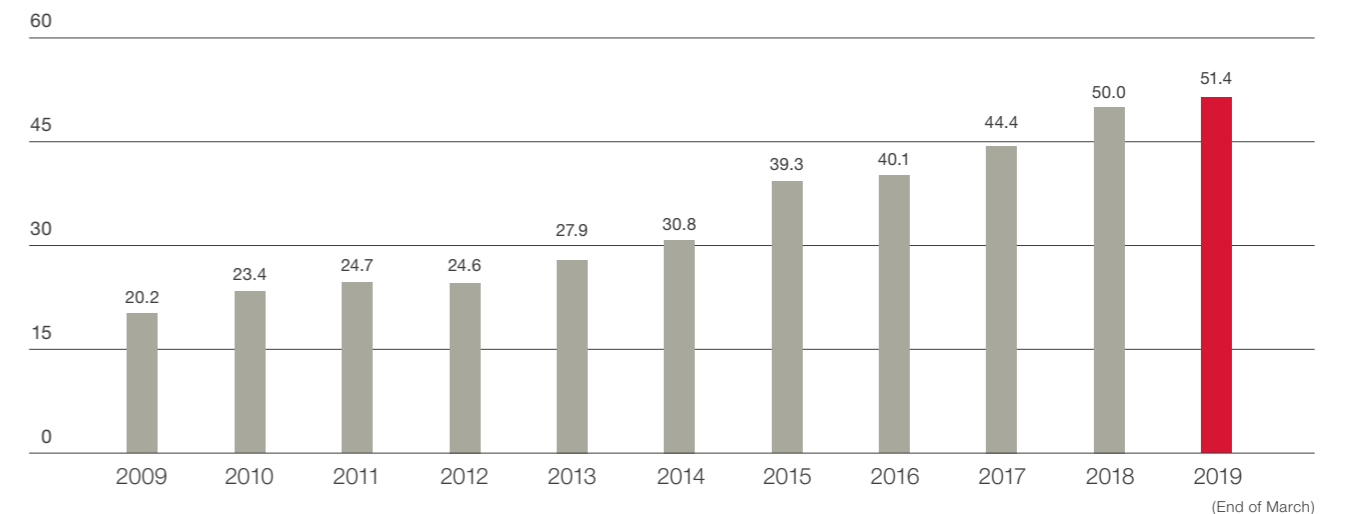
- 1 Clarification of "differentiators" in investment strategies, products and services
- 2 Provide services and products which will draw attention towards investment to investors in various life stages
- 3 Effective resource allocation in overseas business, both in investment and marketing
- 4 Strengthen human resources and development of infrastructure to promote digitization

Measures in response to changes in the environment

Based on our philosophy of placing clients at the heart of everything we do, the Asset Management Division is working to grow assets under management through initiatives that respond to the changing business environment, client investment needs, and social demands. In recent years, we have focused on the following initiatives.

- Enhance marketing efforts to expand the base of domestic individual investors
- Support responsible investing through dialogue with companies and practicing ESG initiatives
- Acquire talent required for promotion of research and development of advanced technology research in asset management

Assets under management (trillions of yen)



Medium- to long-term strategy in an increasingly competitive environment and diversifying client needs:

The asset management industry expects to continue growing steadily as the global economy develops.

At the same time, the prolonged low interest rate environment in developed countries and other regions as well as increasing political and economic uncertainty has created various challenges to the industry. We are increasingly required to provide differentiated and sophisticated investment strategies, products and services to meet investor demands. Along with the consolidation activities within industry players to expand product lines and to achieve cost competitiveness through scale, the competitive environment within the industry is becoming intense, due to new entry from other industries.

Under these circumstances, the Asset

Management Division aims to provide results that exceed expectations around the world by promoting client-oriented business operations based on Nomura Asset Management's corporate philosophies of "Maximizing Value", "Advanced Expertise" and "Confidence and Responsibility".

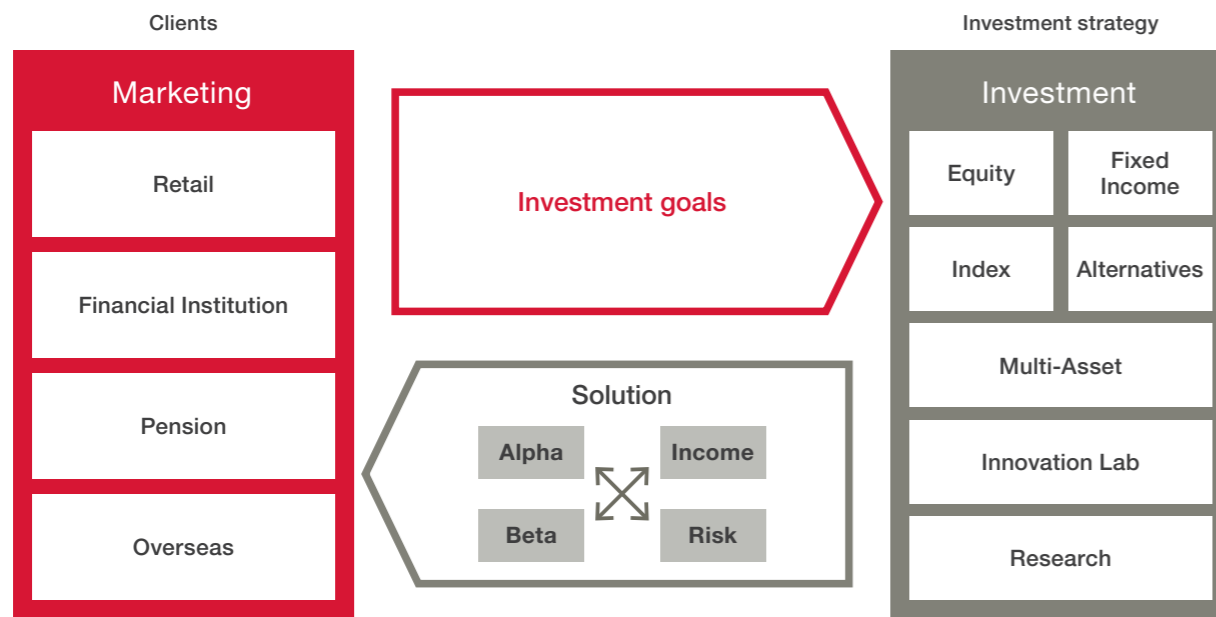
To this end, we not only aim to provide superior investment returns to investors, but also focus on addressing social issues such as the SDGs through our business and by practicing responsible investment. Also, as the trend toward digitization accelerates, along with the development of investment strategies utilizing a wide variety of information and data, we are actively taking measures to respond to changes in the business environment through making full use of technology.

01

Differentiation in asset management services

In response to the diversifying needs of our clients, in addition to providing superior investment returns, the Asset Management Division is working on developing differentiated investment services, including expansion of alternative investment product line-ups and developing investment strategies that combine multiple asset classes.

Provide solution best suited for each client



02

Expansion of client base

The Asset Management Division is carrying out various initiatives, both face-to-face and through online, to persuade a wide range of investors, to understand the benefits of investment. For people without investment experience, we are developing products and services which would fit with the needs for them and to make them become more familiar with asset management and investment trusts. For a wide range of investors, including retirees, we are working to deepen their understanding of investment trusts by offering products and services tailored to their respective life stages and by providing information through seminars and other means.

03

Overseas business initiatives

In the overseas markets where growth is expected to continue, the Asset Management Division is working to strengthen its business presence while allocating management resources effectively. Along with our efforts to improve our investment and research capabilities at our overseas offices, we are working to increase our assets under management by expanding our unique investment strategies for our overseas clients, including clients in developing regions.

04

Promoting activities as a responsible investor

The Asset Management Division contributes to the development of society by fulfilling our social responsibility of supporting the building of wealth of investors. Such activities include, proactive engagement with companies to enhance their corporate value (engagement activities), offering investment products identifying ESG issues and providing investment education.

05

Promotion of digitization

Utilizing "Innovation Lab" established in 2017 as a hub, we are working to implement digital technology into our series of investment products. In order to expand the application of digital technology beyond the investment domain, we are also focusing on the recruitment and training of human resources in the digital field.

Expertise to Exceed^{!!}

Reflecting the spirit of our corporate slogan, "Expertise to Exceed," we will continue to challenge to be successful under a changing business environment. Our employees will strive to achieve further growth and continue to deliver our expertise to satisfy the needs of our clients.