**Nomura Group’s Management Vision**

In May 2020, Nomura Group announced a new management vision for the year 2025, the 100 year anniversary of its founding. Under this vision, we aim to realize “business growth” by expanding our business domain from public to private, with our core business (Retail, Asset Management, Wholesale and Merchant Banking) as the foundation. The ROE target is set at 8-10%.

At the same time, we will focus on ESG (Environment, Social and Governance) elements such as “trust from society” and “employee satisfaction.” We believe sustainable growth cannot be achieved if either element is missing. By combining “business growth,” “trust from society” and “employee satisfaction” to create synergies, we will achieve sustainable growth and help solve social issues.

Nomura Group needs to comply with various financial regulations in order to operate globally. We are working to improve capital efficiency by appropriately allocating the limited capital to businesses, while complying with these requirements and ensuring financial soundness. At the same time, we aim to provide the appropriate return to shareholders.

Nomura Group operates businesses by placing our clients at the heart of everything we do. The environment surrounding us is changing rapidly, and the needs of our clients are becoming more diverse and complex. We would like to remain the most trusted partner for clients by sincerely addressing the needs of each client in any environment and providing the best financial products, services and solutions.

Approximately 26,600 employees of 90 nationalities work for Nomura Group. We contribute their skills to the workplace. The new management vision will focus on these three areas.

- **Business growth**
  - Increase profitability of existing businesses
  - Pursuit of optimal capital allocation
- **Trust from society**
  - ROE 8-10%
  - Pursuit of financial soundness
  - Total return ratio: 50% or more
- **Employee satisfaction**
  - Creating a sustainable society
  - Value of sustainable finance we support
  - Sustainable investment ratio

Financial capital that has been cultivated over its 95 year history:
- Capital and liquidity ratios well above the regulatory minimum requirements
- Strengthened oversight function by separating management oversight and business execution, enabling an expedited decision-making process
- Infrastructure which supports global franchise

Non-financial capital:
- Japan’s leading client base
- Trust from clients
- Products and services capabilities
- Full-scale global franchise
- Awareness of the Nomura brand
- Organization with diversity of about 90 nationalities
- Corporate culture

Employee satisfaction:
- Environment where employees can work with enthusiasm
- Talent development
- Diversity & Inclusion

Organizational management focus toward diversity and capabilities
- Female manager ratio

*We will strive to pay dividends using a consolidated payout ratio of 30 percent of each semi-annual consolidated earnings as a key indicator. Dividend payments are determined taking into account a comprehensive range of factors such as the tightening of Basel regulations and other changes to the regulatory environment as well as the Company’s consolidated financial performance.*
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Since 2012, Nomura Group has conducted structural reforms by transforming the business model in Japan and improving profitability of international business. As a result, the quality of our business and the recognition from our clients has improved significantly, and we have built a more solid business foundation in international regions by focusing on areas of our strength. For the next five years, we will continue to focus on transformation within our core businesses, while making necessary investments and incorporating new ideas to expand our scope of business from public to private so that we are able to enter into a “Next Stage of Growth.”

Our management vision for the fiscal year ending March 2025 is broadly divided into two phases. By fiscal year ending March 2023, we aim to expand existing businesses and invest towards developing new business domains. By the fiscal year ending March 2025, we aim to expand our core business domain from public to private. The ROE target is set at 8-10%.

ROE is one of the most important financial targets in our management vision. The targeted 8-10% of ROE is broken down into three factors; profitability, efficiency and financial leverage, which we call as the "ROE tree." In particular, to improve profitability, we have established Key Performance Indicators (KPIs) and Key Goal Indicators (KGI) to align our efforts with those of each business.

Path to Achieving Our Management Vision

- Transform domestic business model
- Improve profitability of international business (reduce unprofitable businesses, focus on areas of competitive strength)
- Shore up balance sheet, step up shareholder returns
- Enhance productivity, expand revenue mix
- Achieve sustainable growth by helping solve social issues
- Measure progress by main KPIs
- Stringent cost control and risk management
- Foundation for management vision
- Invest and develop new business domains (expand private services)
- Maximize shareholder value with balance of investment and shareholder returns
- Advise clients on their total balance sheet requirements
- Provide comprehensive services covering both public and private
- Earnings contributions from business and new areas other than the three segments

ROE Tree

ROE is one of the most important financial targets in our management vision. The targeted 8-10% of ROE is broken down into three factors; profitability, efficiency and financial leverage, which we call as the "ROE tree." It is important to improve profitability, we have established Key Performance Indicators (KPIs) and Key Goal Indicators (KGI) to align our efforts with those of each business.