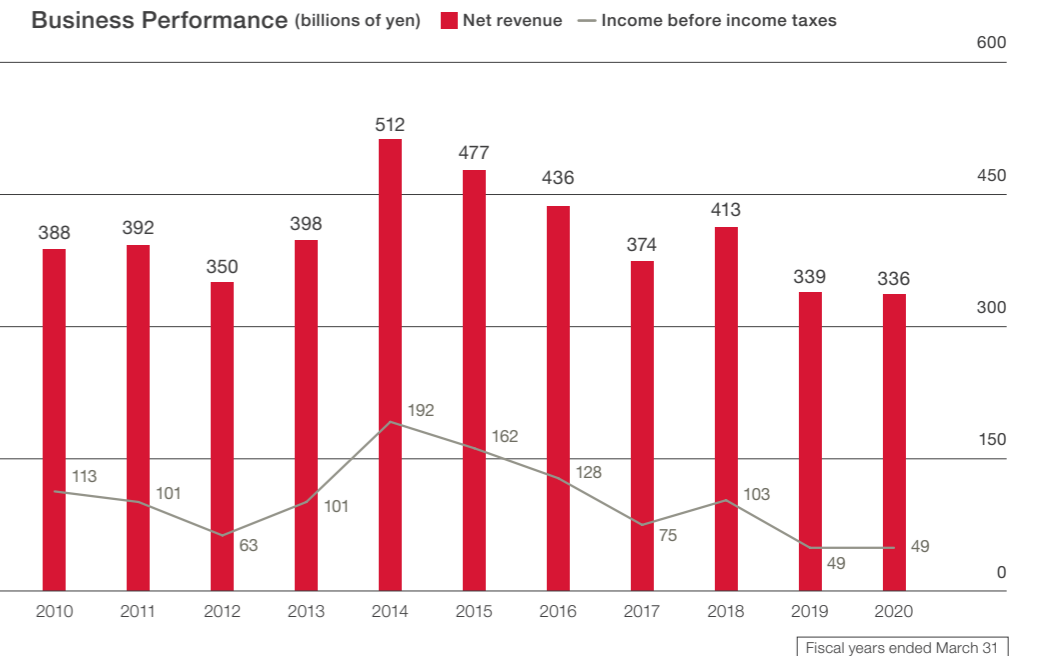


RETAIL DIVISION

Based on our aspirations to "enrich clients by responding to their asset concerns," the Retail Division provides a variety of financial services to individuals and corporate clients in Japan through its branches, call centers and online platform. In addition to traditional investment products such as stocks and bonds, we offer consulting services such as inheritance, real estate, business succession, fund-raising, and corporate finance advisory based on client needs, financial assets and life stages.

Review of FY2019/20

Activity in the beginning of the fiscal year ended March 2020 was sluggish due to concerns over an economic slowdown related to US-China trade friction and heightened geopolitical risks. In October, investor confidence improved along with the market recovery. However, in 2020, the spread of coronavirus prompted concerns of a knock-on effect to economic activities, which led to plunge of stock prices and a risk-off stance spreading quickly. In this environment, sale of stocks decreased from the prior year when there was a large primary offering, but the sales of bonds and investment trusts increased. As a result, net revenue was ¥336.4 billion and income before income taxes was ¥49.4 billion, almost unchanged from the prior year. In summer 2019, we reviewed our sales channel alignment and integrated some of our branches in order to provide the best services to each client segment. We also enhanced our digital approach to complement our face-to-face expertise in order to reach more clients.



Retail client assets

No.1 in Japan
¥104 trillion

(as of March 31, 2020)

Japan Client Satisfaction Study (Full-service Securities Category)

No.1 ranked for 8 consecutive years

J.D. Power Japan 2012-2019

Strength

- 1 Largest client base across Japan's securities sector
- 2 Sophisticated consulting capabilities and supporting platforms
- 3 Ability to offer products and services by leveraging Nomura's comprehensive strengths

Challenges

- 1 Approach to client's total balance sheet
- 2 Relatively high sensitivity to market fluctuation
- 3 Building relationships with family members of elderly clients
- 4 Expanding younger generation client base
- 5 Expanding contact points with clients and improving client satisfaction

Actions

- 1 Training Sales Partners* whom clients could completely trust
- 2 Sales Partners* deployment with knowledge and expertise tailored to client needs
- 3 Building stable earnings structure by increasing recurring revenues
- 4 Deployment of Sales Partners* (Heartful Partners) for elderly clients to each branch
- 5 Enhancing content targeted at younger generations (websites, seminars, apps, etc.)
- 6 Deepening the use of digital tools and data

Vision and its initiatives

In order to provide appropriate services to meet each client's needs, the Retail Division had undertaken its channel alignment strategy in August 2019, and also improved digital infrastructure. The client interface is now a hybrid model that goes beyond physical meetings by utilizing phone, email, online services and conferencing systems. In the fiscal year ending March 2021, we intend to further deepen our use of digital tools and data to enhance client satisfaction and employee productivity, and to achieve long-term business relationships with more clients. In addition, we aim to build a more advanced advisory system in the future by leveraging the knowledge of the CIO (Chief Investment Office) Group, an independent unit separate from the business divisions. This group will play a central role in providing asset management services and introducing a new fee structure. We also aim to expand our business through collaboration with third parties such as regional financial institutions in order to broaden the contact points with clients to whom we have not been able to deliver our services.

	FY2019/20 / March 2020	FY2022/23 / March 2023
Consulting related revenue	¥14.9 billion	¥27.8 billion
Recurring revenue assets	¥15 trillion	¥21 trillion
Active clients	1.07 million	1.47 million
Net inflows of cash and securities	-¥0.4 trillion	¥2.4 trillion
	FY2019/20	FY2022/23
Key goal indicator KGI Income before income taxes	¥49.4 billion	¥110 billion

* We call our sales representatives "Partners" because we want to be the most trusted financial service group for clients.

Initiatives in next three years

Based on the new channel formation, Retail Division will expand and enhance productivity of existing businesses, and implement a full-scale business shift by introducing a high value-add advisory model.

Point 01 Enhance productivity of existing businesses

We will promote digitalization and expand our products and services in order to further evolve the channel realignment that was done in 2019.

Point 02 Create a high value-add advisory model

We will leverage the expertise of the independent CIO Group to provide more advanced investment services tailored to each client needs.

Point 03 Expand business through collaboration with regional financial institutions

We will promote collaboration with third parties such as regional financial institutions to provide securities services to more clients.

Point 01 Enhance productivity of existing businesses

In order to improve productivity of existing businesses, we will increase the use of digital tools and data, and further expand products and services.

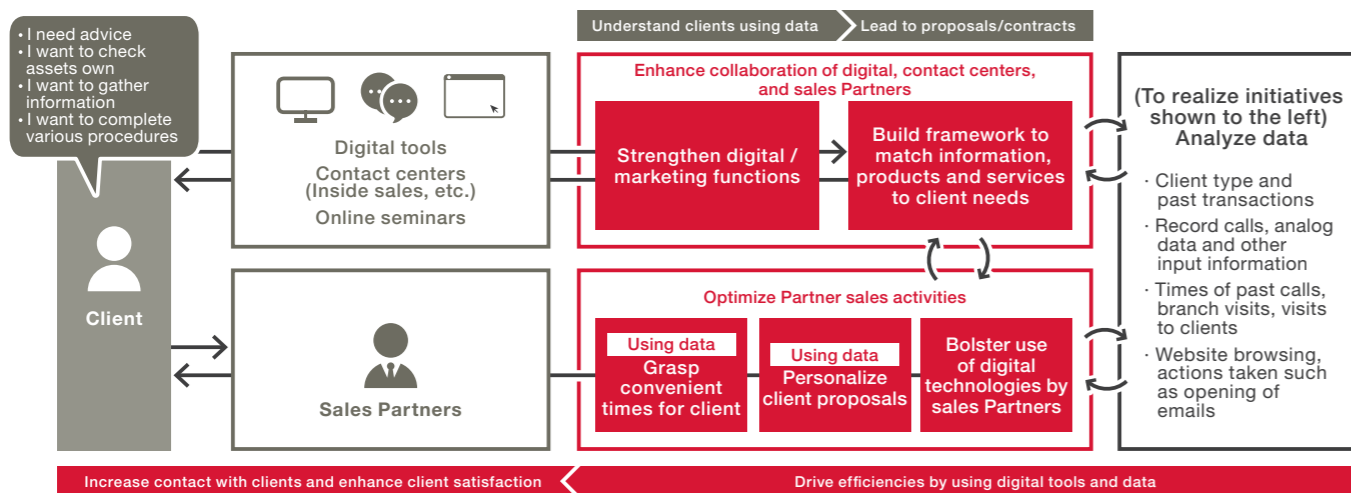
Enhance client experience by providing necessary services through optimized combinations of face-to-face and non-face-to-face channels and timing for each client, based on data obtained through various interactions.

Strengthen our digital marketing capabilities to improve the efficiency of our Partner's sales activities and to provide highly specialized services to more clients.

Enhance our products and services so that we can provide advice to client's total balance sheet.

Offer a wide range of services to corporate clients and their owners in addition to asset management, which supports businesses growth, helps employees build their assets, and ensures that we maintain long-term relationships with corporate clients and diversify our revenue sources.

Provide services using digital marketing



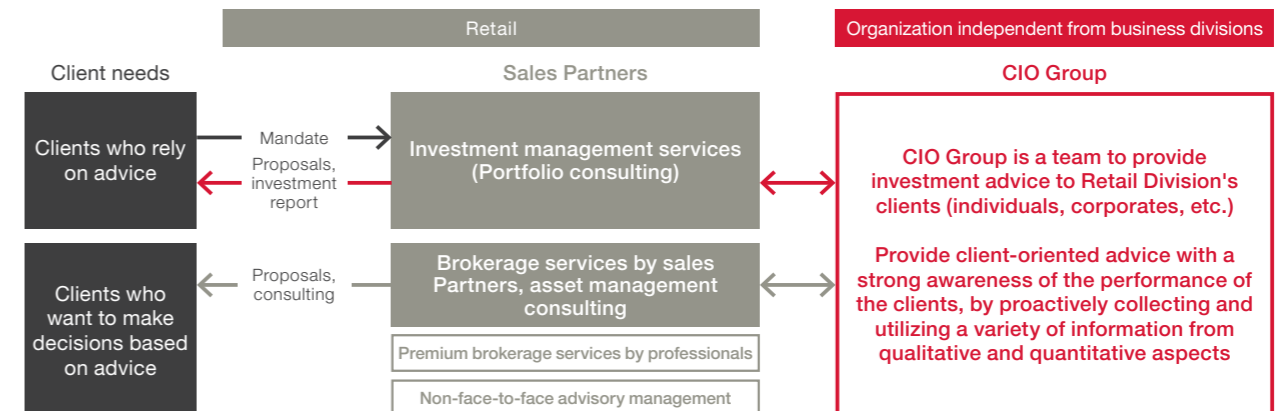
Point 02 Create a high value-add advisory model

We plan to offer new asset management services by leveraging insights from the independent CIO (Chief Investment Office) Group established in July 2020.

The CIO Group, an independent unit separate from the business divisions, was formed by consolidating the investment consultation team to institutional investors and the discretionary investment service team to individual investors. By leveraging value-add content, the group will provide an asset allocation strategy based on investors' risk appetites, investment strategies and thesis.

We will also create a strategy so that each Sales Partner can leverage output from the CIO Group providing sophisticated proposals to clients who want to make investment decisions based on advice.

Provide new asset management services: Create a high value-add advisory model



Point 03 Expand business through collaboration with regional financial institutions

We expect synergies from collaborations between regional financial institutions who have strong client bases and branch networks in the region and with Nomura, who has industry expertise and an expansive lineup of products and services. By entering into a new collaboration strategy, we aim to provide our products and services to the clients we have not yet reached, and further contribute to the revitalization of the local economies.

Nomura has already announced a comprehensive business collaboration with San-in Godo Bank Group and Awa Bank in the financial instruments intermediary business and is preparing for the collaboration to start.

Contribute to a better quality of life for clients and help invigorate regional economies

