**Strategies for Value Creation**

Nomura Asset Management Co., Ltd., has approximately 1,500 staff in 13 locations worldwide, and aims to become “Japan’s leading asset management firm, chosen by clients around the world.” In addition to pursuing investment strategies, offering products and services that satisfy the varied needs of our clients, we are committed to promoting active engagement and dialogue with investee companies and issuers that can lead to the “mutually beneficial coexistence of companies and broader society”, while we also actively promote socially responsible investment practices to achieve the “sustainable development of society.”

**Key performance indicators (¥ billion)**

- **Assets under Management**: ¥49.3 trillion (As of March 31, 2020)
- **Key goal indicator**: Income before income taxes ¥28.8 billion

**Review of FY2019/20**

In the fiscal year ended March 2020, the Asset Management Division reported net revenue of ¥92.6 billion, down 5% year-on-year, and income before income taxes of ¥28.8 billion, down 16% year-on-year. This decline was mainly due to an increase in mark-to-market losses for investment in our strategic partner American Century Investments (ACI) following the market downturn in March 2020, as well as a significant decline in assets under management toward the end of the fiscal year, resulting in reduced management fees for the fourth quarter.

On the other hand, the investment trust business continued to book inflows into products that contribute to our clients’ asset building goals aligned with “the era of 100-year life expectancy”, products provided for Defined Contribution Pension Plans, and ETFs (Exchange Traded Funds). In the investment advisory business, we continued to book inflows from public pension funds, and in the past fiscal year, we reported approximately ¥2 trillion in net inflows. Despite the impact of the market downturn, the underlying business remained solid.

**Vision**

We aim to become Japan’s leading asset management company, chosen by clients around the world.

- Establish our presence as the dominant firm in Japan
- Create and offer products and services with outstanding features and superior track records
- Achieve sustainable growth by adapting to a changing environment

**Initiatives**

1. In addition to our outstanding performance in traditional investment areas such as stocks and bonds, we will leverage our global investment research knowledge in ESG and Alternative investment areas to provide new sources of return. In multi-asset management, in which multiple asset classes are combined, we will utilize our asset allocation capabilities to expand our range of products and services that provide stable performance.

2. In Japan, in the areas of public investment trusts and Defined Contribution Pension Plans, we will establish our position as a leading firm in the industry, focusing on providing investment education, as well as products that support our clients’ long-term and steady asset accumulation. Overseas, we aim to increase assets under management while addressing the needs of overseas pension funds and institutional investors by expanding our investment product offerings while differentiating our product platform from those of our competitors.

3. In order to achieve sustainable growth despite changes in the business environment, we will actively make investments to strengthen our competitiveness in asset management and expand our new client franchise. We will also promote initiatives that lead to higher productivity, such as the automation and streamlining of business functions that support our asset management operations, and effectively allocate management resources to growth areas. Through these initiatives, we aim to achieve sustainable growth, and contribute to growth and development of our society through the asset management business.

**Key goal indicator**

- **Income before income taxes**: ¥28.8 billion

**Business Performance (billions of yen)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Net revenue</th>
<th>Income before income taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>62</td>
<td>92</td>
</tr>
<tr>
<td>2011</td>
<td>67</td>
<td>95</td>
</tr>
<tr>
<td>2012</td>
<td>66</td>
<td>99</td>
</tr>
<tr>
<td>2013</td>
<td>69</td>
<td>92</td>
</tr>
<tr>
<td>2014</td>
<td>80</td>
<td>95</td>
</tr>
<tr>
<td>2015</td>
<td>30</td>
<td>99</td>
</tr>
<tr>
<td>2016</td>
<td>37</td>
<td>92</td>
</tr>
<tr>
<td>2017</td>
<td>42</td>
<td>95</td>
</tr>
<tr>
<td>2018</td>
<td>66</td>
<td>99</td>
</tr>
<tr>
<td>2019</td>
<td>98</td>
<td>102</td>
</tr>
<tr>
<td>2020</td>
<td>93</td>
<td>100</td>
</tr>
</tbody>
</table>

**Table of Key Performance Indicators**

<table>
<thead>
<tr>
<th>Year</th>
<th>Assets under Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2019/20</td>
<td>¥49.3 trillion</td>
</tr>
<tr>
<td>FY2022/23</td>
<td>¥65 trillion</td>
</tr>
</tbody>
</table>

**Assets under management**

- **¥49.3 trillion**: (As of March 31, 2020)
- **5th largest worldwide (No. 1 in Japan)**: (As of March 31, 2020)
- **Publicly offered investment trust share**: 28.2% (No. 1 in Japan) (As of March 31, 2020)
**In an uncertain investment environment, investment proposals that contribute to diversification of return sources and risk diversification are needed. In order to meet these requirements, we identified three growth areas: ESG, Alternative and Multi-Asset Management. We are working to further strengthen our product offerings in these areas.**

In ESG, through active dialogue with our investee companies and issuers, we aim to enhance our presence in the area of environmental, social and governance issues, support our clients in their ESG-related initiatives, and promote initiatives that lead to increased productivity. In Alternative Investment, we will respond to the needs of our clients as they seek new sources of return by deepening our expertise in asset classes that are not traditional, such as private equity and infrastructure investments. In Multi-Asset Management, we will leverage the strength of our global asset management platform to demonstrate our capabilities across a wide range of asset classes, as well as our risk management and asset allocation capabilities, to provide personalized investment solutions that meet our clients’ expectations.

**We will allocate management resources and improve productivity of our operations in order to create opportunities for sustainable growth, even in the changing business environment. Specifically, we will allocate resources to develop new investment methods based on research and data analysis, and employing cutting-edge asset management technology. We are also focused on strengthening our ESG, Alternative and Multi-Asset investment strategies.**

**Further strengthen areas of investment management that offer additional value**

**Establish presence by expanding market share in growth areas**

**Allocation of management resources for sustainable growth**

---

**About Nomura**

**Nomura Report 2020**

**Strengths Supporting Value Creation**

**Growth areas**

---

**Initiatives in next three years**

**Point 01**
Further strengthen areas of investment management that offer additional value

**Point 02**
Establish presence by expanding market share in growth areas

**Point 03**
Allocation of management resources for sustainable growth