

Based on the philosophy of “placing our clients at the heart of everything we do”, Nomura Group has been challenging itself to achieve sustainable growth since 2012. In Japan, we have been working to reform our business model so that we can provide consulting services not only for our clients’ financial assets but also for their real estate and other assets, portfolio as a whole.

Internationally, we have reviewed our full-coverage, full-service platform in line with the changing business environment, and boldly narrowed down to businesses where we have strengths and can provide added value. As a result, we were able to raise client awareness and significantly lower our cost base. Following the structural reforms through the fiscal year ended March 2020, Nomura Group’s business franchise and financial base has strengthened, laying the foundation for implementing our management vision for 2025, announced in May 2020.

In May 2020, we announced a new management vision for 2025, the 100 year anniversary of our founding. Our management vision is to “achieve sustainable growth by helping resolve social issues.” Another goal is to aim to achieve an ROE of 8-10% for the fiscal year ending March 2025. In order to realize this management vision, it is necessary to “advance our platform to the next stage” through a strategy expanding our scope of business in addition to public.

**FY2014/15** — **Vision C&C Road to 2020** — **FY2019/20**

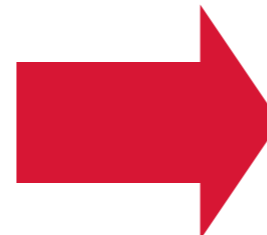
(Build a business platform capable of delivering sustainable growth in any environment)

Key initiatives

**Transform our business model in Japan**  
**Deliver consistent earnings from international operations**

Achievements

- Deepened the consulting-based approach; increased recurring revenue. Transaction volume as well as number of contracts in inheritance, real estate, and SME M&A also increased.
- Implemented strategic review of Wholesale business in EMEA and the Americas; reallocated management resources to areas of competitive advantage
- Started rebuilding business platform in April 2019, which enabled us to establish a franchise that can monetize a favorable market environment.
- Sold corporate/group shareholdings, settled and continue to resolve legacy transactions
- Returned to shareholders proactively, set the rules on holding and canceling treasury shares (improving enterprise value per share by reducing the number of shares outstanding)



**FY2020/21** — **Achieve sustainable growth by helping resolve social issues** — **FY2024/25**

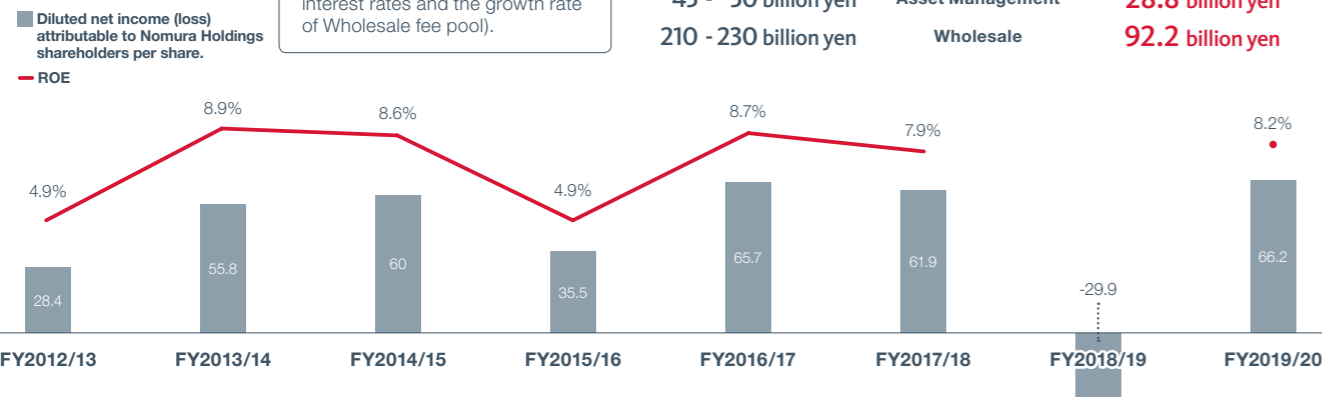
(Advance to the next stage, which is different from where we are now)

Key initiatives

- Expand and strengthen our private sector capabilities in addition to our current strengths in the public sector**
- Provide services and solutions tailored to each and every client based on the three pronged approach of “clients,” “products and services,” and “client touchpoints and delivery”
  - Differentiate ourselves through talent and content
  - Realize full-scale business shift in Japan
  - Maintain and improve profitability for Wholesale business, further grow private and low-risk business
  - Expand the range of public to private investment products

**Challenges**  
Earnings per share and income before income taxes of each division underperformed significantly partially due to differences in market environment assumptions for the fiscal year ended March 2020 (level of interest rates and the growth rate of Wholesale fee pool).

Target	Actual (FY2019/20)
100 yen	66.2 yen
450 - 470 billion yen	170.4 billion yen
195 - 205 billion yen	49.4 billion yen
45 - 50 billion yen	28.8 billion yen
210 - 230 billion yen	92.2 billion yen
	Three segment income before income taxes
	Retail
	Asset Management
	Wholesale



Management Vision for 2025, the 100 year anniversary of our founding

Business growth

Our management vision for the fiscal year ending March 2025 is divided into two phases. First phase is targeted for the fiscal year ending March 2023. We aim to expand existing businesses, mainly in the three segments, as well as to expand our business domains, and to achieve income before

income taxes of 320 billion yen. In the second phase, we aim to achieve an ROE of 8-10% in the fiscal year ending March 2025 by expanding and strengthening our private sector capabilities in addition to our current strengths in the public sector.

phase 1		ROE of 8%+		FY2020/21 or March 31, 2021 (Actual)	FY2022/23 or March 31, 2023 (KPI/KGI)
Profitability	Grow revenues	Retail	Recurring revenue assets	18.2 trillion yen	21 trillion yen
			Consulting-related revenue	13.4 billion yen	27.8 billion yen
			Number of active clients	1.019 million	1.47 million
			Net inflows of cash and securities	887.7 billion yen	2.4 trillion yen
	Investment Management	Assets under management	64.7 trillion yen	70 trillion yen	
Wholesale	Revenue/modified RWA	6.4%	6% or more		
	Fee and commission revenue	1.26 billion dollar	1.3 billion dollar or more		
Cost control	140 billion yen of firm-wide cost reduction initiatives		Completed	-	
	Expenses / revenue	81%	75%		
Grow income before income taxes (KGI)	Retail	92.3 billion yen	110 billion yen		
	Investment Management	91.0 billion yen (of which business income: 40.8 billion yen)	60 billion yen (of which business income: 45 billion yen)		
	Wholesale	64.3 billion yen (of which US loss: -245.7 billion yen)	150 billion yen		
Efficiency	Balance sheet control	Sell strategic shareholdings	Number of holdings decreased to 233	-	
	Off-balance sheet control	Reallocate from unprofitable businesses to highly profitable businesses		-	
Financial leverage	Leverage ratio		5.61%	Maintain appropriate levels of leverage	
	Appropriate capital allocation		Total shareholder returns: 70%	Total shareholder return ratio of at least 50% as basis, then achieve balance of investment and shareholder returns for surplus capital	

phase 2  
In order to achieve a ROE of 8-10%, we will strengthen existing businesses and aim for profit growth in areas mentioned on the right hand side.

- Provide customized services and solutions privately to each client, and expand risk light businesses not utilizing our balance sheet
- Provide a wide range of asset management opportunities through Investment Management
- Expand client base through collaboration with other companies (regional financial institutions, LINE, etc.), diversify commission and fee structure
- Expand digital-related businesses

While emphasizing “business growth,” we also place importance on “trust from society” and “employee engagement.” This is because we believe that sustainable growth cannot be achieved without those elements.

Trust from society

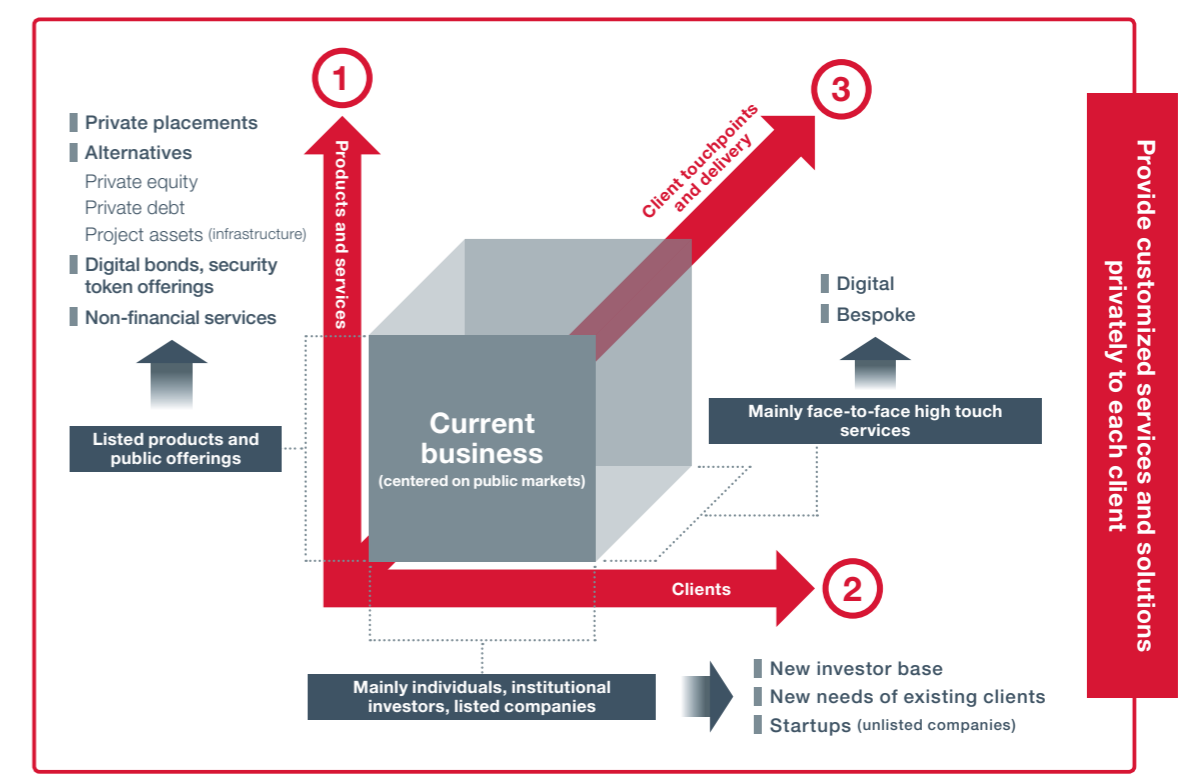
- Trusted by our clients: Client satisfaction
- Creating a sustainable society: Value of sustainable finance we support, Sustainable investment ratio
- Dissemination of the Code of Conduct and thorough risk management

Employee engagement

- Environment where employees can enjoy their work: Employee engagement
- Talent development: Train our employees and develop our organization so talent from various backgrounds can work to their full potential
- Diversity and Inclusion: Focus on diversity and abilities, Increase female management ratio

What does it mean to expand and strengthen our private sector capabilities in addition to our current strengths in the public sector?

The word ‘private’ has several meanings. Our aim is to provide each client with bespoke services and solutions made just for the individual. We do this through a three-pronged approach: clients, products and services, and client touchpoints and delivery. Only when these three pillars align with client needs do we achieve the ‘private’ service with which we are aiming.



Key initiatives to date in order to expand and strengthen private business

Since April 2020, Nomura Group has taken various steps to expand its private business.

		Aims	
2020	April	Established Nomura Greentech	Reinforce our commitment towards delivering unique value to the global client base, advancing the growth of sustainable technologies and infrastructure
	July	Established Content Company	Bring together, streaming Content and relevant talent from across the Group to form a dedicated internal company which proactivity drives Group strategy
	July	Established CIO Group	Full-scale entry into high value-added CIO advisory model
	July	Strategic alliance with Wolfe Research	Provide top-tier US equity research to clients in the US and Japan
2021	January	Agreement of a strategic alliance with SPARX Group	Establish a listed investment corporation that will invest in unlisted companies
	February	Launched FINTOS app for investors	Leverage Nomura's deep capabilities in research and analysis to provide contents utilizing digital platform
	March	Enhanced support capabilities towards intermediary platform using new financial instruments	Offer sales and operational support tools to integrate IT functions to financial services platforms for financial intermediaries
	April	Established Investment Management Division	Provide investment management opportunities and solutions in both public and private markets
	April	Started trial of new level fee structure	Introduce fee structure where commission is based on level of client assets under custody
	May	Explore establishment of joint venture to provide remote financial consulting services	Nomura and the three regional banks, part of the TSUBASA Alliance, to offer consultations by dedicated advisors to help clients build assets with a long-term time horizon as their trusted advisor.
		Entered strategic alliance with Jarden Group	Strategic alliance in investment banking business in Australia and New Zealand
June		Introduced "Nomura Navigation"	Based on strategic asset allocation (SAA) by Nomura CIO Group, this tool helps propose a sophisticated asset allocation plan to meet clients' risk tolerance