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Head of Investment Management

The Investment Management Division's mission is to enhance asset management businesses broadly through expanding its product lineup and improving its services to meet the diversifying investment needs of clients. By combining the Group's expertise from traditional assets such as stocks and bonds to alternative assets such as private equity, we provide added value and offer advanced services and solutions to meet the diverse needs of our clients.

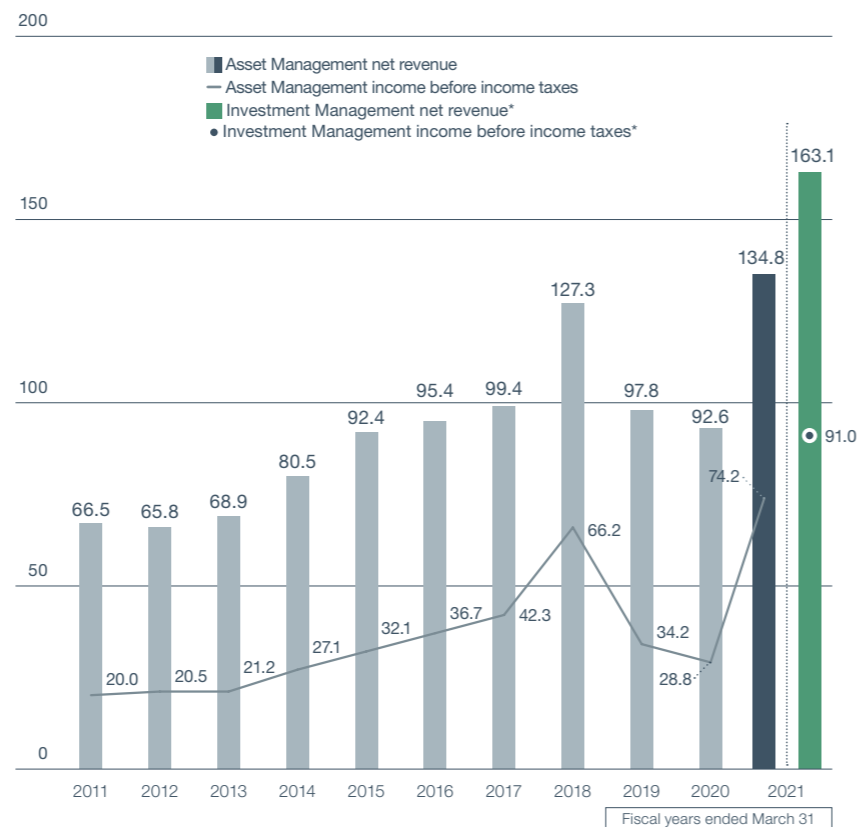
- Strength**
- ▶ High level of asset management expertise from underlying entities within the division
  - ▶ Experience with diverse investment businesses in both public and private markets
  - ▶ Enhancing growth through flexible capital policies within the division combined with Nomura Group's comprehensive strength
- Challenges**
- ▶ Expanding alternative investments to address the demand for higher yields in a challenging environment characterized by persistent low global fixed income yields
  - ▶ In contrast to a downward trend in the global management fee ratio, management fees obtained from alternative investment products are increasing
  - ▶ Growing interest towards ESG (Environmental, Social and Governance) investment amidst tightening regulations
- Actions**
- ▶ Strengthen existing public market businesses and improve through digital transformation
  - ▶ Expand private market business products in addition to existing alternative products
  - ▶ Execute inorganic strategies (such as alliances and investments) to expand product lineup and client base

# Investment Management Division

## Review of Fiscal Year Ended March 2021

In the fiscal year ended March 2021, the Investment Management Division reported net revenue of ¥134.8 billion, up 46% year-on-year, and income before income taxes of ¥74.2 billion, up 158% year-on-year, to reach the highest level since reporting under U.S. GAAP started in the fiscal year ended March 2002. Inflows of ¥1.9 trillion last fiscal year lifted AuM to a record high of ¥64.7 trillion. The recovery in the stock market also contributed to a significant improvement in American Century Investments related-gain. On April 1, 2021, the Asset Management and Merchant Banking divisions were consolidated and the Investment Management Division was established. Under the Investment Management Division, Nomura Asset Management and many of Nomura Group's investment and asset management companies will maintain their independence while aspiring to advance the asset management industry, increase collaboration within the division, and utilize Nomura Group's comprehensive capabilities. Based on the assumption that the Investment Management division existed in the fiscal year ended March 2021, pro forma net revenue was ¥163.1 billion and income before income taxes was ¥91 billion.

## Business Performance (billions of yen)



\* Pro forma number based on the assumption that the Invest Management Division existed in the fiscal year ended March 2021

## KPIs/KGI Progress

Key performance indicators (KPIs)	Assets under Management	FY2020/21*	FY2022/23
		/ March 2021 Actual	/ March 2023 Target
Key performance indicators (KPIs)	Assets under Management	¥64.7 trillion	¥70 trillion
Key goal indicator (KGI)	Income before income taxes	¥91 billion	¥60 billion

\* pro forma number based on the assumption that the Invest Management Division existed in the fiscal year ended March 2021

## Future initiatives

### Strengthen public market business

01

We will work to increase share in the publicly offered investment trust market, concentrate resources towards our flagship strategy, expand our client base in the ETF (Exchange Traded Funds) business to institutional investors and overseas, provide solutions to ESG issues through advanced ESG management strategies. At the same time, we will utilize digital technology to achieve fast changes in both marketing and asset management functions.

### Strengthen private market business

02

In addition to expanding private equity/debt investment management strategies (Nomura SPARX Investment, Search Funds, etc.), we will develop a product offering platform that invests in tangible assets such as infrastructure, real estate, and aircraft, thereby expanding the services and proposals we can provide to clients.

### Further expand product and client bases

03

In both the Public and Private Market space, we will evaluate and seek to strengthen businesses based on market size, growth potential, the competitive environment and our advantages, in order to expand our product and client base.

Public Market: Asset management businesses mainly targeting investments in listed products (such as stocks, REITs and ETFs), government bonds and corporate bonds, or a combination of multiple assets.  
Private Market: Asset management businesses primarily targeting unlisted equity (private equity), corporate debt from entities other than banks (private debt), as well as infrastructure, real estate, aircraft, etc.