



Director, President and Group CEO

Kentaro Okuda

# CEO Message

# “ We aspire to create a better world by harnessing the power of financial markets ”

## Our Purpose

Companies around the world are increasingly being questioned about their reason for being. It is important they consider this as they scale up and generate profits to continue to exist.

That alone is not enough. Employees must also ask themselves why they work at the company. Our purpose journey started by asking questions about why we are relied on by society and thinking about what role we intend to play.

Nomura turns 100 next year. I want to make this milestone an important occasion for us to show our gratitude to our clients and other stakeholders who have supported us over the years. I also wanted to have our people think about their own purpose, why they work at Nomura and what they want to achieve with us.

As part of our activities in the lead up to our 100th anniversary, we launched the Nomura Purpose Journey project in 2021. The aim of the project was not to come up with a purpose statement. It was to make each employee think about their own personal purpose and discuss with their teams, managers, and colleagues. Over 10,000 people globally participated in various programs, giving them the opportunity to discover new things about themselves.

Our Purpose has three elements: Where do we find value, how can we contribute, and what role can we play?

In 2017, we defined our Mission as: “We help enrich society through our expertise in capital markets.”

We believe there is value in enriching society, not only economically but also to improve people’s wellbeing and the environment. A world where everyone is happy requires a personal touch adapted to the needs of each person. That is why we aim to provide products and services personally tailored just for you.

Our business is broader than just the securities business. We operate across the financial and capital markets.

The role of financial institutions is to make people’s lives better and contribute to social and economic development. We do this through the capital markets by connecting investors who supply funds to corporates and others who require funding.

We supply liquidity and support the flow of risk capital throughout the economy. This helps companies invest for growth and return the fruits of their success to investors who can build up their assets and reach for a better life. This in turn drives economic growth and advances society as a whole.

Two of the three elements of our Purpose were already included in our Mission. The last one, what role can we

play, means what can we do to create a better world. The answer is to move forward together with our clients and other stakeholders to help them achieve their aspirations and make things better.

This is equally important internally. We will support our people as they work towards achieving their aspirations. The whole Nomura Group will continue to take on new challenges to move closer to our ideal state.

Our Purpose is:

**“We aspire to create a better world by harnessing the power of financial markets”**

Now that our Purpose is defined, we have to work even harder to embed it across the firm and put it into action to deliver results. I look forward to working together with people who share our Purpose as we aim to achieve our targets.

By understanding their own personal purpose based on the Group’s Purpose, our people will be able to answer the question of why the work they do is important. That should boost motivation and help them grow as they bring their own personal touch to the work they do and deliver higher added value for our clients.

### Management Vision 2030

We have also set out a management vision for 2030 based on our new Purpose: Reaching for Sustainable Growth.

As we head to 2030, we aim to consistently achieve ROE of 8 to 10% or more and income before income taxes of 500 billion yen, which is roughly double the 273.9 billion yen we booked in the year ended March 2024.

Our strategy of expanding into private markets to supplement our public businesses remains unchanged as we work towards achieving these targets.

The path towards achieving our targets is clear: We will focus on further developing our global strategy, leveraging our Japan franchise. We will continue to increase stable revenues. Our business divisions will collaborate closely as they implement their own growth strategies. We will invest in new areas of growth and deliver value to address social issues. These efforts will help drive top line growth while we manage our cost base and allocate capital effectively to improve our earnings structure.

As we steadily grow businesses that generate stable revenues and capital-light businesses, Wholesale, which uses the most capital, will take a self-funding approach. The capital that becomes available through this will be redirected to new growth areas such as the Investment Management and Trust Banking businesses with the aim of boosting overall Group revenues.

To achieve a jump in ROE and income before income taxes, we will direct our efforts to continuously grow revenues from both capital-light and capital-intensive businesses.

### Private Assets

I believe that our future growth is dependent on our efforts in the asset management alternative private asset space. Being a leader in this area will provide us with a distinct advantage.

Since we established the Investment Management division three years ago in April 2021, alternative assets under management have tripled to 1.9 trillion yen. Several of our initiatives to expand into private markets have also started to bear fruit.

For instance, we launched Japan's first investment trust that invests in buyouts of unlisted companies. This privately placed fund invests in private assets using the J-Ships scheme for qualified investors.

Our Investment Banking businesses has also used the scheme to support fundraising transactions by startups, providing our clients with private equity and unlisted stock investment opportunities.

These are examples of how we are collaborating across divisions and outside the firm. New business opportunities lie in cross-divisional collaboration. We will continue to adopt new ways of thinking and accept

mistakes as we take on new challenges.

### Growing our Existing Businesses

We are not just looking at new sources of revenue. We recognize the importance of expanding and strengthening our current businesses.

For instance, one issue we have to address in Japan to further grow our revenues is to increase the number of high-net-worth clients.

We have seen steady results in our strategic alliances with regional financial institutions. For clients in prefectures where we only had one branch office and couldn't properly reach them, we are now able to provide them with information, our proposal, and products and services.

These tie-ups allow both parties to provide higher added value and bring about growth opportunities. We are also keen to contribute together to regional economies over the long term.

### Business-to-Business-to-Consumer

Our business model is dual-pronged with a business-to-business side targeting corporates and institutional investors and a business-to-consumer side targeting individual investors. Both businesses are highly competitive and the fact we operate in both areas is one

of our strengths.

A case in point is fundraising by corporates. We are well positioned to underwrite fundraising transactions thanks to the solid relationships of trust our Wholesale business has with corporates.

If these companies are looking at individual investors as new shareholders to complement institutional investors, our Wealth Management channel can connect them to individuals searching for investment opportunities, resulting in satisfied corporate and individual clients.

### Workplace Business

Our Workplace Business is the classical example of how our business-to-business-to-consumer strengths shine through. This is where we have onboarded many clients including entrepreneurs and employees of startups that have gone public, executives of listed companies, and high-net-worth individuals.

Competition to capture emerging wealth clients from an early stage is speeding up in international markets. This client segment has a strong potential to become high-net-worth clients as they are startup managers or employees with stock options yet to be cashed out.

We are addressing this not just through our Wealth Management business, but by the Group as a whole as we focus on making future high-net-worth individuals

Nomura clients as soon as possible.

### Trust Banking

Banking and lending are essential to support the high-net-worth business. We are enhancing our Trust Banking business amid the rising interest rate environment in Japan.

Nomura Trust and Banking celebrated its 30th anniversary last October. It has seen tremendous growth with outstanding loans nearly tripling over the past five years. Strategically, this is a very important business for us as we grow and strengthen our high-net-worth business amid rising interest rates.

In April this year, the company launched a publicly offered fund using the trustee single-party scheme, where only Nomura Trust and Banking as the trustee calculates the unit price, marking the first time in Japan that the scheme has been used for publicly offered investment trusts.

To build our Trust Banking business into our fourth division, we will step up collaboration across the Group, strengthen the management structure and expand the business so it can grow as an independent bank.

### Growth Markets: India and Middle East

India and the Middle East offer huge potential as new

locations for future investment.

We already have over 4,000 people in India. It is our second largest operation after Japan. Our onshore services business has been operating for over 15 years and we offer a full-service platform in Wholesale.

In the Middle East, we opened a Dubai office for our International Wealth Management business in December 2022.

As many Asian and Middle Eastern high-net-worth individuals run family businesses in addition to managing their assets, we are strengthening relations with shareholders who are also decision makers and plan to offer services for corporates.

### Global Network

As a global financial services group, we operate a network across approximately 30 countries and regions.

In Wholesale, about two thirds of our revenues come from our international business while the other third is generated by Japan-related businesses. Our global franchise built up over many years is the driving force behind our ability to generate over half of our revenues outside Japan.

Our platform doesn't just connect Japan and the world. We connect the Americas, EMEA and Asia together as well. We aim to leverage this platform to deliver optimal solutions that meet the needs of our

clients around the world. We are committed to making these connections to give our clients the best value possible.

### » Revisit Japan

Our Content Company established in July 2020 was the first to start reaching out to international investors after covid when it launched the Revisit Japan concept in March 2022 to convey the appeal of Japanese companies and equities.

In total, 44 analysts travelled to 34 cities in 18 countries and regions to hold over 1,000 one-on-one meetings. As a result, last fiscal year our Japan Execution Services posted its strongest revenues in ten years.

## Sustainable Finance

We believe it is our duty to help resolve social issues through our sustainable-related businesses to realize a sustainable society. We have a target of arranging 125 billion US dollars of sustainable financing over the five years from the year ended March 2022 to the year ending March 2026. We are proactively underwriting sustainable-related bonds globally and transition bonds in Japan.

Our efforts in arranging these types of bonds are

delivering results and we rank number one in Japan and top ten globally.

### » Infrastructure and Power Finance

Since setting up a dedicated Infrastructure and Power Finance team in the US in 2017, we have worked on over 15 billion US dollars of infrastructure and sustainable asset projects, over half of which were related to solar energy and other renewable energy.

We have also been involved in many projects in Japan, with our Japan-related business working on about 2 billion US dollars (¥300bn) of transactions. Our coverage in Japan is now in place and we will look to further strengthen our capabilities in our home market.

## Digital

Blockchain and crypto assets technologies are expected to play a central role in the future of finance.

### » Laser Digital

Nomura Group's digital asset subsidiary Laser Digital was established in Switzerland in 2022. In August 2023, we received an operating license approval from Dubai's Virtual Asset Regulatory Authority and we are now working to generate revenues in this market. We also

established a Japan office in October 2023 where we are strengthening collaboration across the Group and developing the business.

### » Security Tokens

As of the end of March 2024, Nomura Securities had been involved in 53.5 billion yen of fundraising via security tokens, cementing its position as an industry frontrunner with a market share of 43.8%.

Security tokens are digital securities that use technologies such as blockchain and have real estate, bonds, etc. as underlying assets. By using security tokens, individual investors can make small investments in large-scale real estate projects, something which was out of reach to them previously.

## Platform Outsourcing

We aim to open up new areas of business and grow revenues by making two of our in-house platforms widely available to third parties.

In 2021, we started providing a financial service platform focused on the financial product intermediary business. This was led by our strategic alliances with regional financial institutions and we have continued to steadily expand the business. Looking ahead, we aim to become an integrated platformer for the

securities industry.

Recently, we have seen an increase in requests from financial institutions asking us to take on their middle and back office functions for securities operations because it is too much of a burden for them to do by themselves. By offering our platform to cover these areas and contribute to the growth of the securities business, we believe can create a win-win partnership for both parties.

The other platform we can offer is for asset managers.

The Japanese government has announced the creation of a Japan-style Emerging Managers Program as part of their drive to promote the entry of new asset managers into the market.

The biggest barrier to entry is middle and back office functions. Systems used by major asset managers are costly, making them a heavy burden that can be a barrier to market entry. We believe we can take leadership here and build a platform that is easy for other asset managers to use.

In this way, we aim to be a platformer in Japan's securities and asset management businesses by opening up our infrastructure for use by other companies.

Before I became Group CEO, when I asked people what they thought of Nomura they would often say that we weren't contributing to society as much as we should, and that we were only thinking of ourselves. We have

proactively made proposals to address social issues and by offering our platforms to third parties, we will contribute to not only the industry but the overall economy.

To make this idea a reality, we are organizing internally and appointing people as we move with speed to step up collaboration with other companies.

### Executing Our Strategy Our People

Our diverse talent pool and wide range of values are the source of our competitive strengths. We conduct various initiatives based on the thinking that our people create added value as our greatest asset.

### Secondment to Venture Firms

Starting in fiscal 2022, we have offered a training program where employees are seconded to a venture company for one year. After passing an internal selection process, they contribute as a team member at the company, learning strategic planning, project management, and business management, while experiencing the speed and innovation of a venture firm.

Our people gained valuable experience at five companies in fiscal 2022, three in fiscal 2023 and four in fiscal 2024 across various industries. I would like to thank those companies that welcomed our people.

I have been briefed by those who returned from secondment. They say their thinking has changed completely from a year ago and that they were able to make many discoveries by looking at Nomura from the outside. I am truly pleased by the results and changes that this training is creating.

### Diverse Talent

Diversity is a key focus for us. Inclusion is essential to bring out the most from people of diverse backgrounds. Equally important is ensuring a fair system to evaluate people. I have been focused on creating and communicating such a system since taking over as Group CEO.

Diversity is also important to adapt to the changing environment. I believe diversity makes us stronger as a firm. I want to build on our tradition of advancing young people and leveraging people with diverse backgrounds and highly specialized expertise to boost the corporate value of Nomura Group.

Globally, it is natural to have a high percentage of mid-career hires. But even if you look just at Nomura Securities in Japan, about half of all new employees have experience working outside Nomura. Despite differences in hiring tracks, everyone receives the same training, evaluation, and advancement opportunities. Of the 18 new executives appointed in April this year, five

started their career outside Nomura.

A diverse workforce alone is not enough to invigorate an organization. We need the organization to be open to diverse values and ways of thinking to create an environment where everyone can be their true self. It is an important responsibility for me and the whole management team to facilitate that.

### Wellbeing and Diverse Ways of Working

As of April 2024, the percentage of women branch managers and department heads at Nomura Securities was 10.2%, beating our April 2025 target of 10% ahead of schedule.

Last October Nomura Securities in Japan introduced a childcare leave payment for employees taking childcare leave, regardless of gender. As part of the performance management for managers, we have introduced metrics around creating a workplace accepting of diversity, encouraging male employees to take childcare leave, and development of women talent. And we are reflecting initiatives on promoting understanding of diversity and equity in how we rate the performance of all employees.

This has resulted in the number of male employees taking childcare leave jumping 50% in the second half of the year ended March 2024 compared to the first half of the year. This has gained media attention and we are

hearing clients say Nomura has changed for the better.

### Employee Engagement

Employee engagement is another area we are keenly focused on. Communication is key as people must believe in what they are doing.

### Risk and Crisis Management

Developing and promoting risk culture and enhancing risk management remain key management issues for us.

To enhance our risk management, in addition to reinforcing our approach, including introducing specialized calculation technologies and hiring new people, the awareness and actions of each person is critically important.

We have a multi-layered risk management system with Three Lines of Defense underpinned by a policy of all executives and employees proactively taking responsibility for risk management.

To develop our risk culture we introduced an ethics, risk management, compliance and conduct (ERCC) rating for employees in Japan in 2020. This has now been rolled out to all employees globally across the Group.

There is no end to fostering risk culture and we will continue to implement initiatives in this area.

In 2023, we established the Resilience Department to

oversee our resilience as a firm, including managing our recovery and resolution planning.

IT strategy and responding to cybersecurity threats are urgent issues critical to ensuring proper risk management and efficient business operations. We are taking a comprehensive Groupwide approach and have appointed a Chief Information Security Officer. Our reference points include guidelines issued by the Japan Financial Services Agency and frameworks from various countries including the US National Institute of Standards and Technology cybersecurity Framework.

### Diverse Board of Directors

Enhancing corporate governance is an important for us to achieve our management targets.

We have been welcoming non-Japanese to our Board of Directors since 2010. Currently, two thirds of our Board are Outside Directors. Non-Japanese account for one third of the Board and a quarter of our directors are women.

In 2015 we set up the Outside Directors Meeting as a forum to periodically discuss our business and corporate governance issues. To further enhance our corporate governance, Outside Directors were appointed to chair our three committees in 2019.

As the diversity of our Outside Directors has increased, we have been receiving a wider range of

advice, which often includes critical feedback and tough questions. We have intense discussions and I feel the effectiveness of the Board has increased.

### New Challenges, Constant Change

Nomura Securities came to life in 1925 with only 84 people. Now, we operate across approximately 30 countries and regions with a global team of 27,000 from 90 nationalities. That remarkable growth is the result of responding to the trust our clients place in us and because we have remained an essential part of society.

Nomura is what it is today because we have relentlessly pursued new challenges and constantly evolved. Our founder once said: “Always strive to stay one step ahead. Standing still is retrogressive.”

No one can accurately predict how the world will change. People become worried because they think it won't change. That is why it is important to accept change and take the initiative to change yourself. If you stick to the same way of doing things, you will miss precious opportunities.

Naturally, change brings uncertainty. And standing up to that takes bravery. Being brave to take on a challenge no one has done before has been ingrained in Nomura's DNA since our founding.

Since taking over as Group CEO in April 2020, I have transformed how we do business and our various

systems, including human resources. I feel within the Group we have further developed our culture of creating change and taking on new challenges.

The current focus on Japan is an exciting opportunity for Nomura. By fully leveraging our global franchise and stepping it up a notch, we can deliver steady results and achieve sustainable growth.

We will put our Purpose into action as part of our business management to continue working towards achieving our targets.

Each of us at Nomura will work even harder to meet the expectations of our shareholders, clients, and other stakeholders.

Director,  
President and Group CEO

奥田健太郎