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The consolidated financial information in this document is unaudited.
Recap

1. Committee report on investigation into insider trading incidents and Nomura’s proposed improvement measures.
Asia’s global investment bank

- Position Asia including Japan as home market, global business model centered on Asia
- In EMEA and Americas, focus on businesses relevant to Asia and sustainable businesses that add value for our clients

Leverage global platform to facilitate cross-border flows, esp. with Asia

EMEA
Focus on synergies and stand-alone profitability

Asia
Position as home market and long-term growth engine

Americas
Focus on synergies and stand-alone profitability
Management target (FY2015/16)

Reposition business to improve EPS to Y50 in FY2015/16

1. EPS increased due to pretax income of Y55.4bn booked in former Merchant Banking division.

2. Effective tax rate differs by country so pretax income required to achieve EPS of Y50 may fluctuate depending on the regional breakdown of earnings.

EPS = Y50 (by Mar 2016)

About Y250bn$^2$ when calculated as 3 segment pretax income

1. EPS increased due to pretax income of Y55.4bn booked in former Merchant Banking division.
2. Effective tax rate differs by country so pretax income required to achieve EPS of Y50 may fluctuate depending on the regional breakdown of earnings.
Divisional targets

- Further enhance operations as stable revenue drivers
- Deploy resources to areas where we have a competitive advantage
- Significantly reduce cost base: Lower break-even point

Pretax income by division

- Retail
  - Asset Management

Wholesale

- Deploy resources to areas where we have a competitive advantage

Pretax income by region (financial accounting basis)

1. Includes ¥52.8bn pretax income booked by former Merchant Banking division.
2. Other includes unrealized gains (losses) on investments in equity securities held for operating purposes. FY2015/16 pretax income target excludes Other.
Initiatives to reach target
Retail: Trusted advisor to our clients, stable earnings for the firm

FY2015/16: Pretax income Y100bn, client assets Y90trn

Selected initiatives

Enhance consulting services
- Offer high value-added solutions to meet the increasingly sophisticated needs of our clients

Human resource development
- Having our people provide clients with added value to meet their needs
- Develop management pool, learning opportunities for younger employees

Channel strategies
- Reinforce our strategies based on the mission of each channel

Product strategies
- Offer timely products
- Originate products for building portfolios and long-term investment

Create structure capable of generating over Y100bn in pretax income even under challenging conditions

Increase recurring revenue (investment trust fees, etc.)

Current (FY2012/13 Q1, annualized) 40.4
Target (FY2015/16) 69.4

Income before income taxes (lhs)
Retail client asset (rhs)

(billions of yen)

(billions of yen)

(trillions of yen)

FY2011/12 63.1
FY2015/16 (Target) 100
Y72trn
Y90trn

Income before income taxes (lhs)
Retail client asset (rhs)

(billions of yen)

(billions of yen)

(trillions of yen)
Asset Management: Offer diverse investment opportunities, consolidate position as Asian investment management firm

Targeting pretax income of Y25bn in FY2015/16

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<th>(billions of yen)</th>
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<tr>
<td>FY2015/16 (Target)</td>
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- Leverage strengths as Asia-based investment management firm, increase global recognition
  - Deliver investment performance backed by Asia capabilities
  - Provide global client base with Asian stocks and bonds and other products such as, emerging market and sharia-compliant products
  - Increase mandates from global investors, especially in high-growth regions in Asia

- Offer investors a diverse range of investment opportunities
  - Broad product offering of investment trusts that meet the diverse risk/return needs of investors
  - Offer unique investment strategies centered on Asia including Japan to global clients in investment advisory business

- Consolidate position as Asian investment management firm
Wholesale: Focus on competitive advantages, improve profitability

- Critical to reach target of ¥125bn in pretax income in FY2015/16

**Focus on competitive advantages**

- Fixed Income
  - Further development of client businesses
  - Higher focus on solutions and cross-border flows
- Equities
  - Migrate EMEA, Americas, and Asian\(^1\) equities to Execution Services to Instinet
  - Align research coverage with client needs
- Investment Banking
  - Focus on region and sector where we can leverage our strengths

**Reduce cost base**

- Aim to complete additional cost reductions of $1bn by around March 2014
- In corporate functions, transform IT expenses, improve business efficiencies, and rationalize management structure

**Breakdown of $1bn cost reductions**

- **By region**
  - Japan: 16%
  - Americas: 21%
  - EMEA: 45%
  - AEJ: 18%
- **Expenses**
  - Personnel expenses: 45%
  - Non-personnel expenses: 55%
In closing
In closing

We are adapting to the changing environment
“Fit for the Future”

We are putting clients at the heart of everything we do