Presentation at Nomura Investment Forum 2020

Taking Nomura to the next level: Achieving sustainable growth

Kentaro Okuda
Group CEO
Nomura Holdings, Inc.

December 1, 2020
Our strengths and progress
Our strength: Truly global franchise

Global revenue mix

Three segment net revenue (FY2020/21 1H)

- Retail (25%)
- Asset Management (9%)
- Wholesale Americas (27%)
- Wholesale EMEA (13%)
- Wholesale Japan (18%)
- Wholesale AEJ (9%)

International Wholesale (49%)

Global franchise to support our clients

APAC

- JGB client share
- Japan equities trading share
- European government bond trading market share
- European structured rates revenue share
- Lead manager for 60% of listed Japanese companies
- EU social bonds (€17bn)

EMEA

- Nippon Paint Holdings/Wuthelam Group ($25.9bn)
- SoftBank Global PO (Y1.2trn)
- Asahi Group Holdings Global PO (Y163.5bn)

Americas

- US Treasuries trading market share
- US RMBS new issuance securitization share
- US listed equity option revenue share
- Seven & i Holdings/Speedway (M&A: $21.0bn/ALF: $14.7bn)

1. Source: Bloomberg, duration weighted trading volume share
2. Source: McKinsey CIB Insights, internal Nomura estimates. Market share and rank based on Nomura’s product taxonomy
3. Source: Greenwich
4. Source: Coalition Competitor Analytics. Ranks are based upon the following peers (BofA, BARC, BNPP, Cit, CS, DB, GS, JPM, MS, HSBC, UBS). Market share results are based on industry revenue pools and Nomura’s internal revenues, and are based upon Nomura’s product taxonomy.
5. Source: Bloomberg, deal count share as of November 6, 2020.
6. Source: Third party research
Ongoing transformation has led to improved three segment profitability

Half year income (loss) before income taxes: FY2020/21 1H third best half year result

- Income (loss) before income taxes other than three segments
- Three segment income (loss) before income taxes
- Firmwide income (loss) before income taxes

International business growth

Wholesale profitability has improved significantly since rebuild of business platform

(billions of yen)

Started rebuilding business platform in April 2019

Initiatives to improve and stabilize underlying profitability

1. Strengthen core products to monetize favorable market conditions (increase market share)
2. Enhance client businesses, deliver consistent revenues (refocus on areas of competitive strength and strategic importance)
3. Lower cost base, boost resource efficiency

1. FY2018/19 Q3 includes goodwill impairment charge (¥81bn) attributable to Wholesale.
2. FY2019/20 Q4 includes an unrealized loss (¥25bn) from loan-related positions and loss arising from valuation of changes to credit spread of counterparties for derivatives transactions and for uncollateralized derivatives (¥12bn).

Net revenue

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Americas</th>
<th>EMEA</th>
<th>AEJ</th>
<th>Japan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>137.3</td>
<td>159.5</td>
<td>142.2</td>
<td>186.5</td>
</tr>
<tr>
<td>Q2</td>
<td>147.7</td>
<td>156.7</td>
<td>128.2</td>
<td>145.9</td>
</tr>
<tr>
<td>Q3</td>
<td>128.2</td>
<td>186.5</td>
<td>142.2</td>
<td>248.7</td>
</tr>
<tr>
<td>Q4</td>
<td>142.2</td>
<td>145.9</td>
<td>159.5</td>
<td>220.3</td>
</tr>
</tbody>
</table>

Net revenue:

- Americas
- EMEA
- AEJ
- Japan

Income (loss) before income taxes

<table>
<thead>
<tr>
<th>Period</th>
<th>Americas</th>
<th>EMEA</th>
<th>AEJ</th>
<th>Japan</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY18/19</td>
<td>-7.4</td>
<td>4.9</td>
<td>-95.9</td>
<td>13.0</td>
</tr>
<tr>
<td>FY19/20</td>
<td>20.0</td>
<td>18.9</td>
<td>43.2</td>
<td>10.1</td>
</tr>
<tr>
<td>FY20/21</td>
<td>87.9</td>
<td>65.5</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Wholesale: Market share growth in core products

- Focusing resources on competitive businesses in each region has led to enhanced client recognition
- Revenue growth driven by building platform well placed to tap into favorable market environment

### USTs trading volume market share

<table>
<thead>
<tr>
<th>Rank</th>
<th>Year</th>
<th>Market Share</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>#8</td>
<td>2016</td>
<td>5.8%</td>
<td></td>
</tr>
<tr>
<td>#5</td>
<td>2019</td>
<td>8.0%</td>
<td>1.4x</td>
</tr>
</tbody>
</table>

### US RMBS new issuance securitization share

<table>
<thead>
<tr>
<th>Rank</th>
<th>Year</th>
<th>Market Share</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>#11</td>
<td>2016</td>
<td>1.9%</td>
<td></td>
</tr>
<tr>
<td>#2</td>
<td>2020 YTD</td>
<td>11.0%</td>
<td>5.8x</td>
</tr>
</tbody>
</table>

### US EQ listed option revenue share

<table>
<thead>
<tr>
<th>Rank</th>
<th>Year</th>
<th>Market Share</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>#6</td>
<td>2016</td>
<td>9.0%</td>
<td></td>
</tr>
<tr>
<td>#1</td>
<td>2020 1H</td>
<td>14.0%</td>
<td>1.5x</td>
</tr>
</tbody>
</table>

### EGB trading volume share

<table>
<thead>
<tr>
<th>Rank</th>
<th>Year</th>
<th>Market Share</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>#14</td>
<td>2016</td>
<td>3.0%</td>
<td></td>
</tr>
<tr>
<td>#3</td>
<td>2020 1H</td>
<td>10.7%</td>
<td>3.6x</td>
</tr>
</tbody>
</table>

### AEJ Credit revenue share

<table>
<thead>
<tr>
<th>Rank</th>
<th>Year</th>
<th>Market Share</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>#5</td>
<td>2016</td>
<td>5.4%</td>
<td></td>
</tr>
<tr>
<td>#4</td>
<td>2020 1H</td>
<td>7.7%</td>
<td>1.4x</td>
</tr>
</tbody>
</table>

### Global M&A league table

<table>
<thead>
<tr>
<th>Rank</th>
<th>Book runner</th>
<th>Deal size (US$bn)</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Goldman Sachs</td>
<td>485.6</td>
<td>22.7%</td>
</tr>
<tr>
<td>2</td>
<td>Morgan Stanley</td>
<td>473.1</td>
<td>22.1%</td>
</tr>
<tr>
<td>3</td>
<td>JP Morgan</td>
<td>343.7</td>
<td>16.1%</td>
</tr>
<tr>
<td>4</td>
<td>Bank of America</td>
<td>296.7</td>
<td>13.9%</td>
</tr>
<tr>
<td>5</td>
<td>Nomura</td>
<td>146.7</td>
<td>6.9%</td>
</tr>
<tr>
<td>6</td>
<td>Lazard</td>
<td>125.5</td>
<td>5.9%</td>
</tr>
</tbody>
</table>

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1. Source: Greenwich  
2. Source: Bloomberg, deal count share as of November 6, 2020  
3. Source: Third party research  
4. Source: Bloomberg, duration weighted trading volume share  
5. Source: Coalition Competitor Analytics. Ranks are based upon the following peers (BofA, BARC, BNPP, Citi, CS, DB, GS, JPM, MS, HSBC, UBS). Market share results are based on industry revenue pools and Nomura’s internal revenues, and are based upon Nomura’s product taxonomy  
6. Source: Bloomberg, January to September 2020
Enhanced productivity\(^1\) in trading businesses

<table>
<thead>
<tr>
<th>Pretax margin</th>
<th>Profit</th>
<th>Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2018/19</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY2020/21 1H (annualized)(^2)</td>
<td>(Size of circle reflects revenue size)</td>
<td></td>
</tr>
</tbody>
</table>

Trading productivity has improved significantly

Productivity\(^1\) 2.8x

Daily Wholesale revenues: more consistency

- 5 year average until FY18/19
- FY19/20 to FY20/21 average\(^3\)

Number of negative revenue days declined by managing downside under stressed situations

Reduced dispersion of daily revenues since business rebuild

### Enhanced productivity\(^1\) in trading businesses

1. Productivity: Revenue generated by each producer.
2. Circles represent Rates, Credit, FX/EM, Securitized Products, Equity Trading (incl. Derivatives), and Execution Services businesses.
3. FY2020/21 based on daily revenue data until November 9.

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Wholesale: Improved productivity, consistent revenues

**Focused resources on client businesses to boost productivity and deliver consistent revenues**
Wholesale: Reduced cost base, enhanced resource efficiency

- Over 80% of cost reductions have been completed, which has lowered our breakeven point
- Optimal resource allocation has improved our capital efficiency

Wholesale cost base

<table>
<thead>
<tr>
<th>(US$ billions)</th>
<th>Run rate</th>
<th>Direct expenses</th>
<th>Indirect expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY17/18</td>
<td>5.6</td>
<td>0.6</td>
<td>0.2</td>
</tr>
<tr>
<td>FY20/21 1H</td>
<td>~4.6</td>
<td>4.4</td>
<td>0.2</td>
</tr>
</tbody>
</table>

- Change to Instinet accounting policy (US$0.2bn)
- Variable cost corresponding to the revenue exceeding assumed revenue for run rate costs (US$5bn) and strategic investments

Revenue/modified RWA

- FY17/18 to FY18/19 average: 5.7%
- FY19/20: 6.5%
- FY20/21 1H: 8.2%

- Efficient allocation of resources to support client needs
- Stringent portfolio risk management to minimize impact of volatility

1. Wholesale net revenue (annualized) divided by modified risk-weighted assets (daily average for the accounting period) used by Wholesale. Modified risk-weighted assets (daily average for the accounting period) is a non-GAAP financial measure and is the total of (i) risk-weighted assets (as calculated and presented under Basel III) and (ii) an adjustment equal to the regulatory adjustment to common equity tier I capital calculated and presented under Basel III divided by our internal minimum capital ratio target.
Retail: Strengthened consulting for clients’ total asset portfolio

Retail net revenue by channel
(billions of yen)

Emerging changes

1. Corporates/owners
   Onboarding of Owners
   FY2019/20
   3Q: 151
   4Q: 159
   1Q: 184
   2Q: 434
   FY2020/21

2. HNWIs
   HNWI onboarding
   FY2019/20
   3Q: 1,214
   4Q: 1,192
   1Q: 755
   2Q: 1,397
   FY2020/21

3. Mass affluent
   Sales Partner client interactions (image)
   FY2019/20
   FY2020/21

   Active clients (1,000 accounts)
   FY2019/20
   FY2020/21
Steady progress towards FY2022/23 KPIs and KGIs

Results to FY2020/21 1H vs. FY2022/23 targets

<table>
<thead>
<tr>
<th>KPI</th>
<th>Y2019/20 full year or Mar 2020</th>
<th>FY2020/21 1H or Sep 2020</th>
<th>Target (FY2022/23)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>Recurring revenue assets</td>
<td>Y15.3trn</td>
<td>Y16.9trn</td>
</tr>
<tr>
<td></td>
<td>Consulting-related revenue</td>
<td>Y14.9bn</td>
<td>Y5.5bn</td>
</tr>
<tr>
<td></td>
<td>Number of active clients</td>
<td>1.07m</td>
<td>0.717m</td>
</tr>
<tr>
<td></td>
<td>Net inflows of cash and securities</td>
<td>-Y429.4bn</td>
<td>Y767.5bn</td>
</tr>
<tr>
<td>Asset Management</td>
<td>Assets under management</td>
<td>Y49.3trn</td>
<td>Y55.7trn</td>
</tr>
<tr>
<td>Wholesale</td>
<td>Revenue/modified RWA(^1)</td>
<td>6.5%</td>
<td>8.2%</td>
</tr>
<tr>
<td></td>
<td>Fee and commission revenue</td>
<td>US$1bn</td>
<td>US$520m</td>
</tr>
<tr>
<td></td>
<td>Expenses/revenue</td>
<td>86%</td>
<td>67%</td>
</tr>
<tr>
<td>Firmwide</td>
<td>Cost reductions</td>
<td>Approx. 70% completed</td>
<td>Mid 80% range completed</td>
</tr>
<tr>
<td>Retail</td>
<td>Income before income taxes</td>
<td>Y49.4bn</td>
<td>Y37.9bn</td>
</tr>
<tr>
<td>Asset Management</td>
<td></td>
<td>Y28.8bn</td>
<td>Y30.6bn</td>
</tr>
<tr>
<td>Wholesale</td>
<td></td>
<td>Y92.2bn</td>
<td>Y153.3bn</td>
</tr>
<tr>
<td>Three segment</td>
<td></td>
<td>Y170.4bn</td>
<td>Y221.8bn</td>
</tr>
</tbody>
</table>

1. Wholesale net revenue (annualized) divided by modified risk-weighted assets (daily average for the accounting period) used by Wholesale. Modified risk-weighted assets (daily average for the accounting period) is a non-GAAP financial measure and is the total of (i) risk-weighted assets (as calculated and presented under Basel III) and (ii) an adjustment equal to the regulatory adjustment to common equity tier 1 capital calculated and presented under Basel III divided by our internal minimum capital ratio target.

2. Compared to FY2019/20 actual (US$1bn).
Grow our businesses, deliver added value to our clients
Expand private market services in addition to public markets

<table>
<thead>
<tr>
<th></th>
<th>Promote risk money flows</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>✓ Provide alternative investment opportunities</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>✓ Pursue business opportunities in private markets</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Strengthen asset and investment management</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>✓ Grow our business for high net worth individuals</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>✓ Collaborate with third parties to grow our client base</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Meet increasingly diverse needs of our clients</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>✓ New financial services leveraging digital technologies</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Promote risk money flows
Supported capital flow initiatives in the public markets

- We have supported government and client financing needs and investment for future growth in order to ensure continuous money flow amid the pandemic

Support for unprecedented, large scale fundraising by European countries¹

Supported large bond issuance by EU to combat impact of coronavirus (October)

- Acted as joint lead manager on EU’s record €17bn social bond issued as part of the EU’s Support to Mitigate Unemployment Risks in an Emergency (SURE) program

Dual Tranche
- €10 billion Social RegS 0.000% due October 2030
- €7 billion Social RegS 0.100% due October 2040

Joint Bookrunner

Supported bond issuances of US$551.2bn in 10 months

Japan-related M&A: Support our clients’ growth strategy

1. Total of deals where Nomura had a leading role such as lead manager, duration manager, etc., USD conversion.
2. January 1, 2020 to November 12, 2020
Expand the scope of services provided to clients by enhancing alternative investments

<table>
<thead>
<tr>
<th>Provide investment products</th>
<th>Traditional investment assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stable revenue expansion, Businesses with light capital burden</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Provide balance sheet</th>
<th>Equity / Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own capital, Capital intensive businesses</td>
<td></td>
</tr>
</tbody>
</table>

- Nomura Asset Management
- Other asset management companies, etc.

Alternative investment assets:
- Nomura Mezzanine Partners
- Japan-China Industrial Cooperation Fund
- Nomura Asset Management

New/Diversified

Gatekeeper for collaboration with overseas asset managers:
- Established Alternative Investment Department in Nomura Asset Management in April 2020
- Considering to expand funds of funds through in-house management and discretionary business investing in privately placed real estate funds

Expand alternative investment engine:
- Organization and operational framework: Preparations currently underway, mainly in Merchant Banking
- Investment target
  - Considering new investment strategies such as venture investments, unlisted assets, illiquid assets, etc.
- Schedule: Develop framework this fiscal year, starting from businesses that are ready
- Nomura Mezzanine Partners: Invested in two transactions; enhanced team and working towards good investment deals
- Japan-China Industrial Cooperation Fund: Signed joint venture agreement in September; started sourcing activities

Alternative investment commitments:

<table>
<thead>
<tr>
<th></th>
<th>Dec 2017</th>
<th>Dec 2018</th>
<th>Dec 2019</th>
<th>Sep 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>4.4x</td>
<td>4.4x</td>
<td>4.4x</td>
</tr>
</tbody>
</table>
Promote risk money flows
Business initiatives for institutional investors and corporates

- Enhance product capabilities mainly in the Americas in response to diversified investment needs
- Expand revenue base in private areas amid rising investor demand for active returns due to low interest rates

Selectively expand private debt platform

Scope of private market business revenue

<table>
<thead>
<tr>
<th>FY16/17</th>
<th>The last 2 year average</th>
<th>FY24/25</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private market business revenue</td>
<td>~50%</td>
<td>~40%</td>
</tr>
<tr>
<td>Proportion of Wholesale revenue</td>
<td>7%</td>
<td>11%</td>
</tr>
<tr>
<td>Proportion of Americas revenue</td>
<td>52%</td>
<td>65%</td>
</tr>
</tbody>
</table>

Initiatives to date and Future areas of focus

- Strengthened private debt business over past 4 years
  - Built out infrastructure financing business in the Americas and EMEA
  - Developed Structured Lending capabilities across regions
    - Americas: Mortgage & Structured Lending
    - EMEA: ABS Finance
    - Asia: Structured Lending

- Enhanced presence
  - Recognized as RMBS Bank of the Year
  - Top 10 league table position for project finance loans in North America
  - Top 5 position in ABS Real Estate Financing in Europe
  - Robust track record in private placements

- Future areas of focus
  - Expand existing and new Private Debt business led by the US
  - Consider expanding coverage of business to unlisted stocks (venture capital, etc.)

1. Including infrastructure finance, mortgage and structured lending, other structured lending, asset-backed finance, private placements, leveraged finance, etc.
2. Average of FY2019/20 and FY2020/21 estimate
3. Americas private market revenue as % of global private market revenue for institutional investors and corporates
4. Source: GlobalCapital, 2019
5. Source: Inframation North America Project Finance League Table
Promote risk money flows
Respond to infrastructure finance needs

- In light of social significance and investor need, in 2017 we made a full-fledged entry into the infrastructure finance field, which is highly compatible with existing businesses
- Unique business model for differentiation - Ranked in top 10¹ in North America in 2019

Nomura Group’s infrastructure finance business model

Strengths/Characteristics
- Global flow of risk money
  Positioned to bring together investment needs of a wide range of clients seeking alpha and infrastructure finance needs in high social demand
- Core businesses compatibility
  Possible to provide comprehensive solutions from deal sourcing to syndication, contributing to business portfolio cycle diversification
- Business model with low capital burden

Full-fledged entry in 2017, participated in numerous cross-border deals
Ranked in North America top 10¹ in 2019 on the back of domestic institutional investor demand
Potential demand for infrastructure investment from 2016-2030 at approx. US$50trn² means high potential growth

1. Source: Inframation  
2. Source: McKinsey
Contribute to development of the capital markets by connecting the needs of unlisted companies with investor needs

<table>
<thead>
<tr>
<th>Current state and needs of unlisted companies</th>
<th></th>
</tr>
</thead>
</table>
| **Unlisted companies** – Over 99% of companies in Japan  
(From newly established venture companies to stable, growing companies) |  |
| **Primary market** | ✓ While financing needs are high, financing methods are limited (dependent on bank lending)  
✓ Methods accessible to wide range of investors are limited |
| **Secondary market** | ✓ Stocks have low liquidity  
✓ Increased demand for buyback by non-family members  
✓ Administrative burden of shareholder management |
| **Business reorganization, M&A, etc.** | ✓ Alliance, acquisition needs based on business environment  
✓ Business succession needs |
| **Regulatory environment** | ✓ Relaxation of solicitation rules for non-listed stocks by JSDA (December 1, 2020) |

**Investment Banking**
Bolster private placement organization

**Merchant Banking**
Exploring establishment of listed investment entity that invests in unlisted company stocks (with Investment Banking)

**Retail**
Provide liquidity through shareholder community

**Investment Banking**
Promote through team in charge of mid-sized company M&A (with Retail)

**Retail**: Detailed services provided by representatives in charge of corporates/owners

**Investment Banking**: Strengthen relationships by increasing staff in charge of unlisted companies

**Content Company**
Newly established Frontier Research Dept. dedicated to emerging industry and unlisted company research (reorganized Nomura Research & Advisory); Deepen research through collaboration with listed company research  
- Visit 1,500 companies per year (350 new companies annually) to conduct company evaluation  
- Start offering private research services to unlisted company investors

= Nomura Group value
### Client needs

- **Long-term asset building**
- **Diverse commissions structure based on investment objective**
- **High value-added investment advice**

### Future areas of focus

#### Strengthen asset and investment management

**Enhance asset management advisory functions**

#### Sophisticated asset management advice from CIO Group

- Expand investment consulting know-how provided to institutional investors into retail investor services
  - **Performance focused strategy** (Selection of new funds)
  - **Diversify risk in investment portfolios** (Propose new asset allocation)
- Aim for high investment performance over the long-term
- Possible to provide appropriate investment advice matching client preference

#### Revise commission structure

- **Consider introducing level fee** to align interest of clients and Nomura
- Conduct trial in April 2021; aim to fully introduce from April 2022
- Support long-term asset building by creating a diversified fee structure to respond to client needs

#### Provide information leveraging internal and external research

- **Bolster current research functions**
  - X
- **Strategic alliance with external organization (Wolfe Research)**
  - X
- **Enhance content using the web and apps**
- Provide customized research content and solutions to each client
- Use of new channels to provide information to a broader range of clients
Strengthen asset and investment management
Initiatives in strategic areas of HNWI business

- Increase headcount to provide detailed solutions for company owners and to grow our business

Provide solutions to owners
- Develop business committed to owners events/actions
- Offer solutions with both owners and corporates in mind

Events/ Action
- Business succession
- Sale through M&A
- Receive fund investment (Incl. sale by owner)
- IPO

Business development
- Offer solutions based on owner’s balance sheet and family situation
  - Asset business
  - Financial assets, real estate, leasing, etc.
  - Build a customized portfolio for each client
  - Sale of own shares business
  - Loans, etc.

Business development
- Tap into private markets
  - Increase investment opportunities
  - Funding, sale of own shares, etc., in private markets

Approach to clients’ core assets
- Increase in financial assets under management through approach to entire balance sheet

Approach to listed company executives
- Expand coverage as companies introduce Restricted Stock Incentive Plans (RS)

Number of RS accounts (cumulative total)

As of September 2020
- Companies with RS plans: 829
- Nomura’s share: 47%

Approach to clients’ core assets
- SMA AuM in Wealth Management Group (April 30, 2015=100)
- 337

Approach to owner families
- Build relationships with both owners and corporates
- Collaboration with Investment Banking (Multiple relationships)
## Initiatives so far

| Staff: Approx. 200 people (Approx. 170 people as of Nov 2020) |
| Two branches opened (Preparing to open third branch) |
| HNWI business |
| - Plan to open branches in cities with many HNWIs, currently provide SMA services tailored to mainland China |
| - Launched institutional investor sales and asset management services |
| Research function |
| - One of three companies selected to offer policy proposals to the People’s Bank of China Shanghai headquarters |
| - Differentiate Nomura from other firms leveraging strengths relative to Japan – Attracted 800 Chinese institutional investors to online forum in July |

## Immediate actions

| Business expansion 2021 - 2022 |
| Expand HNWI services |
| Expand institutional investor business (equity, fixed income) |
| Launch investment banking business |

## Medium-term strategy

| Full license 2023 |
| Secure superior revenue share in key regions and raise productivity |
| Expand client segment, entry into onshore transactions |

### AuM (US$ billions)

<table>
<thead>
<tr>
<th>Mar 2020</th>
<th>Mar 2023</th>
<th>Mar 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>-7</td>
<td>20+</td>
<td>35+</td>
</tr>
</tbody>
</table>

**2021 - 2022**

- Expand HNWI services
- Expand institutional investor business (equity, fixed income)
- Launch investment banking business

**2023**

- Secure superior revenue share in key regions and raise productivity
- Expand client segment, entry into onshore transactions

**Build platform 2020**

- Two branches opened (Preparing to open third branch)
- HNWI business
  - Plan to open branches in cities with many HNWIs, currently provide SMA services tailored to mainland China
- Launched institutional investor sales and asset management services
- Research function
  - One of three companies selected to offer policy proposals to the People’s Bank of China Shanghai headquarters
  - Differentiate Nomura from other firms leveraging strengths relative to Japan – Attracted 800 Chinese institutional investors to online forum in July

**Service for HNWIs in Asia, Middle East**

- Nomura Orient International Securities
  - Beijing Branch
  - Shanghai Branch
  - Hong Kong Office
  - Singapore Office

**2020**

- Staff: Approx. 200 people (Approx. 170 people as of Nov 2020)

**2021 - 2022**

- Full license 2023

**Immediate actions**

- Recruit RM bankers and establish coverage framework
- Enhance products/services (structured bonds, financing, PE, etc.)
- Enhance opening of Prime client accounts

**Medium-term strategy**

- Secure superior revenue share in key regions and raise productivity
- Expand client segment, entry into onshore transactions
Provide value-added, full-service financial services to broader clients by collaborating with other companies

<table>
<thead>
<tr>
<th>Expand client franchise</th>
<th>Collaborate with other companies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Asset building segment</strong></td>
<td><strong>LINE × NOMURA</strong></td>
</tr>
<tr>
<td>✓ Total number of accounts exceeded 310,000 in first year</td>
<td></td>
</tr>
<tr>
<td>✓ Approach to mainly younger client segment that we could not provide products and services to before</td>
<td></td>
</tr>
<tr>
<td>✓ Starting from stock transactions, gradually expand lineup to include investment trusts and FX</td>
<td></td>
</tr>
</tbody>
</table>

| **Regional Financial Institutions × NOMURA** |
| ✓ Contribute to client growth and regional revitalization by making use of regional financial institution network |
| ✓ San-in Godo Bank: Opened six consulting plazas as of November 2, 2020; collaborating with San-in Godo Bank retail branches |
| ✓ Awa Bank: Signed final agreement for comprehensive business alliance on June 26, 2020 |

| **Regional financial institutions × Wealth Square** |
| ✓ Established Wealth Square Co., Ltd in 2016 and started providing fund wrap services to regional financial institutions |
| ✓ Collaborating with major regional financial institutions (Fukuoka Financial Group, San-in Godo Bank, Tokyo Kiraboshi Financial Group, Shizugin TM Securities) |
| ✓ AuM increased nearly four-fold in the past two years |
Meet increasingly diverse needs of our clients
New financial services leveraging digital technologies

- Provide more convenient, lower cost services by leveraging digital technologies in existing business
- Adopt a diversified approach to new digital technologies, including collaborating with other companies, to cultivate new areas in financial services

### Individual investors
- **OneStock**
  - Released “One Stock” asset management app
  - Automatically connects to bank and brokerage accounts enabling integrated management of total asset portfolio

### Institutional investors and issuers
- **Nomura Connects**
  - Website with market information for broad range of investors from individuals to institutional
  - Articles and video podcasts by Nomura analysts and economists
- **Instinet**
  - Develop algorithmic trading engine to provide low cost execution services
  - Diversify revenues by offering equity execution platform to other companies

### High added value to existing business

### New areas in financial services
- **LINE 証券**
  - Expand investing population by providing user-friendly investment services via smartphone
  - Plan to offer iDeCo from 2021 to support long-term asset building

1. LINE Securities is a joint venture between LINE Financial and Nomura Holdings.
2. Joint venture with Nomura Research Institute.
3. KOMAINU is a joint venture with Ledger and CoinShares, a subsidiary of Global Advisors.
Financial and capital strategy

- Aim for a balance between investing for growth and shareholder returns to sustainably enhance corporate value

Target CET 1 ratio and allocation of excess capital

<table>
<thead>
<tr>
<th>Common Tier 1 ratio</th>
<th>Target</th>
<th>Sep 30, 2020 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum regulatory capital requirement</td>
<td>Buffer</td>
<td>11% or higher</td>
</tr>
<tr>
<td>Other Capital conservation buffer</td>
<td>2.5%</td>
<td>4.5%</td>
</tr>
<tr>
<td>Common Equity Tier 1 ratio</td>
<td>7.51%</td>
<td>11% or higher</td>
</tr>
<tr>
<td>Growth investment</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shareholder returns</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Responding to regulatory requirements / Ensure financial soundness</td>
<td></td>
<td></td>
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<td></td>
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</tr>
</tbody>
</table>
Review working styles in Japan

Consider diverse working styles post coronavirus

### Coronavirus (State of emergency) – Present

- Action plan for each phase of the pandemic
  - Confirm work arrangements for the pandemic and access while working from home
  - Currently conducting business operations by combining in-office, staggered working hours and work from home
- Business Continuity Plan (BCP)
  - Clarify process for putting BCP into action and priority operations when BCP is invoked
- Enforce rules on international travel

### Code of Conduct

- Strict information and risk controls as a financial institution
- Foster awareness of professional and personal decisions and actions as seen from the perspective of clients, family and society
  - Issue guidelines on staff get-togethers, private dinner outings, etc.
- Labor management, personnel development

### Develop infrastructure

- Develop IT infrastructure to ensure operations can continue in remote working environment as in the office
- Accelerate digitalization

### Post coronavirus (Normal times)

#### HR strategy that facilitates diverse working styles

- Plan to implement flexible system based on the characteristics of each department
  - Enhance work from home program (Finalizing)
    - Firmwide minimum rule
    - Departmental discretion
    - Mitigate adverse effects
      - Minimum 40% of monthly work hours in office
      - Policy of each department
      - Labor management, business management, training, instruction, etc.

- Introduce flextime
  - For employees who have a business reason such as interacting with people overseas

#### Office strategy based on diverse working styles

- Review office functions in consideration of post coronavirus environment (consider satellite offices, etc. and new office designs)
Aim to achieve sustainable growth by helping resolve social issues

Leverage the collective strength of Nomura Group to respond to client needs in order to help realize a sustainable society

Advisory/Finance
- Acquired Greentech Capital, a US-based firm with strong presence in the sustainable technology and infrastructure fields, in April 2020
- Under rebranded Nomura Greentech, we are supporting the transition to more sustainable social infrastructure by connecting growth companies possessing superior environment-related skills with investors

Research
- Established Nomura Research Center of Sustainability in December 2019
  - Provide value-added sustainability-related information and proposals leveraging objective and practical research by Nomura Institute of Capital Markets Research
- Created ESG research team inside Content Company, consolidated and strengthened ESG research function

Underwriting
- Established dedicated ESG team in Japan in 2017; developed and reorganized into a global structure in 2018
- Upward trend in issuance amounts of sustainable finance deals Nomura is involved in

Investment
- Enhance Nomura Asset Management’s ESG initiatives
  - Sustainable investment ratio: 73% (FY2019/20)
  - PRI assessment: Received top A+ rating in 2020 assessment in all categories reported (assessment period: April 2019- March 2020)

Financial Products
- Published Nomura-BPI SDGs, an index reflecting the performance of the secondary market for SDG bonds, in November 2019, contributing to market transparency and continuity

1. FY20/21 is as of November 20, 2020.
Awards and recognition

**Investment Bank of the Year (Sustainable Corporate Finance)**
- Awarded 2020 investment banking award by The Banker magazine, published by the Financial Times
- Award recognizes ESG consulting initiatives by Nomura Greentech, Nomura’s commitment to sustainable finance amid pandemic, etc.

**Highest rating in Principles for Responsible Investment (PRI) annual assessment**
- Nomura Asset Management received top A+ rating in all categories assessed in the annual PRI assessment (Assessment period: April 2019 - March 2020)

**CDP Leadership Level A-**
- CDP is an international project whereby institutional investors ask companies to disclose their climate change strategy, greenhouse gas emissions, etc.
- Nomura Holdings rated A- for four straight years since 2016

**Principles for Financial Action for the 21st Century (PFA21) Special Award**
- Nomura won the Special Award (PFA21 Steering Committee Chairman Award) in 2018 in recognition of our contribution to a sustainable society through our business

Participation in initiatives

**Supporting TCFD**
- Recognizing importance of disclosing climate change affiliated financials, committed support for TCFD in 2018
- As part of our commitment to information disclosure, in July 2020 we published Nomura Group TCFD Report outlining our strategic approach to climate change risks and opportunities, etc.

**Signatory of Principles for Responsible Banking (PRB)**
- PRB provides a framework for a sustainable banking system and promotes measures to ensure the industry makes positive contributions to society
- Nomura became a signatory in May 2020

Inclusion in ESG indices

**Dow Jones Sustainability Indices**
- Powered by the S&P Global CSA
- Nomura received top ratings across various indices, including FTSE4Good, FTSE Blossom Japan, Euronext vigeo-eiris MSCI World 120, MSCI 2019 Constituent Gender Equality Index.
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