Investor Day

Kentaro Okuda
Group CEO
Nomura Holdings, Inc.

May 12, 2021
Enhancing risk management and business approach following incident in US

- Exited over 99% of positions (progressed from over 97% as of April 23 and now nearly fully exited)
- Implementing following initiatives and strengthening organization to support international strategy

**Taking swift action**

**Fact-finding investigation**
- Related departments conducted wide-ranging investigation of facts; Already implemented a number of preventative measures
- Audit Committee hired external law firm to conduct comprehensive, impartial review and a number of remedial measures have already been put in place

**Check and strengthen risk management framework**
- We conducted a full review of existing prime brokerage transactions and reviewed positions in other financing-related businesses, confirming no other similar transactions
- Review of risk management framework centered on Prime Brokerage business
- Conduct comprehensive review by third-party experts on risk management framework for Wholesale and Risk management
- Strengthen global risk controls (enhance Risk Management organization, deepen and expand scope of Wholesale risk monitoring conducted by committee comprising CRO/CFO/Head of Wholesale)

**Leadership**
- Appoint new CEO at US subsidiary who has extensive experience in financial services in the US
- Enhance front office and risk management teams

**Looking ahead**

**Management strategy**
- Continue with management strategy, in particular Wholesale strategy to build out businesses leveraging our global franchise, while enhancing risk management
- Further enhance our governance structure in line with global business strategy (increase the number of non-Japanese outside directors)

**Robust financial position for provision of high-quality services (Mar 2021)**
- Common Equity Tier 1 ratio of 15.7% (minimum regulatory requirement is 7.51%)
- Liquidity portfolio of Y5.7trn (13% of total assets)

**Future prime brokerage business**
- Prime brokerage is an important client service that supports our overall Equities business including execution, block trades, derivatives and ECM
- Continue to offer prime brokerage services to support other businesses while enhancing risk management

**Detail of actions (all completed or in progress)**

**Phase 1 Initial responses**
- Review of transactions with existing prime brokerage clients (review of large clients completed)
- Reviewed concentrated positions in non-risk origination businesses (completed)

**Phase 2 Review prime brokerage risk management framework**
- Enhance monitoring of concentrated positions
- Revise margin rate table
- Enhance management of margin rates for individual transactions (approvals, etc.)

**Phase 3 Comprehensive review of Wholesale risk management framework**
- Comprehensive review of risk management framework (internal review complete, upcoming external review)
- Enhance Risk Management org.

**Phase 4 Enhance global risk governance**
- Strengthen functions of committees
  - Expand scope of portfolio testing beyond financing to other Wholesale businesses
- Promote understanding or subjective risk management among front office teams

**Strengthening leadership**
- Strengthened US executive structure

**Responses moving forward**
- Related departments conducted wide-ranging investigation of facts; Already implemented a number of preventative measures
- Audit Committee hired external law firm to conduct comprehensive, impartial review and a number of remedial measures have already been put in place
- We conducted a full review of existing prime brokerage transactions and reviewed positions in other financing-related businesses, confirming no other similar transactions
- Review of risk management framework centered on Prime Brokerage business
- Appoint new CEO at US subsidiary who has extensive experience in financial services in the US
- Enhance front office and risk management teams
Expanding our scope of business from public to private (1/2)

- Announced management vision of “Achieving sustainable growth by helping resolve social issues” towards FY2024/25
- To achieve this, we are taking strategic steps to expand our scope of business from public to private

Leverage our strengths in the public markets to enhance our presence in private markets

1. Alternatives
   - Private equity
   - Private debt
   - Project assets (infrastructure)

2. New investor base
   - Digital
   - Bespoke
   - New needs of existing clients
   - Startups (unlisted companies)

3. Provide customized services and solutions privately to each client

- Listed products and public offerings
- Mainly individuals, institutional investors, listed companies
- Mainly face-to-face high touch services
- Current business (centered on public markets)
- Digital bonds, security token offerings
- Non-financial services
- Continue to strengthen existing businesses with competitive advantage
- Actively allocate resources to new businesses including private with a view to the future

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<thead>
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<th>Private</th>
<th>Retail</th>
<th>WS</th>
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<th>New areas not under any specific division</th>
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<tbody>
<tr>
<td>Advisory</td>
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<td>HNWIs and Corporates/owners</td>
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<td>Infrastructure and power finance</td>
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<td>Private placement</td>
<td>Alliance with Jarden</td>
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<td>Structured Finance</td>
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<td>Sustainable finance</td>
<td>Financial intermediaries (Alliance with regional banks)</td>
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<td>Financial intermediaries (Platform)</td>
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Areas to enter/enhance for future

Areas of competitive strength

New compared to existing business
Looking back on past year

- Seeing results from business platform rebuild launched two years ago and firmwide cost reduction program
- In May 2020, announced FY2024/25 management vision, now implementing strategic initiatives to expand our scope of business from public to private

### Core business initiatives

**Rebuild business platform**
- **Retail**
  - Channel reformation realignment
  - Branch office consolidation
- **Wholesale**
  - Review of business portfolio
  - Allocate resources to core products

**Expand business from public to private**
- Total cost reductions of Y140bn

### Expand business from public to private

**Established Content Company**
- Set up CIO Group for full-scale entry into high value-added advisory model
- Alliance with Wolfe Research, a US equity research boutique

**Established Investment Management division**
- Agreed on a strategic alliance with SPARX Group
- Establish Nomura SPARX Investment, Inc. a listed investment entity that invests in unlisted companies

**Approaches by segment taken hold**
- Establishment of hybrid model effectively blending face-to-face and non-face-to-face approaches
- Improve competitiveness of core products
- Build global franchise capable of monetizing favorable market conditions

**Lay foundation to move to “next stage”**
- Core business initiatives
- Announced management vision towards FY2024/25

**May 2020**
- Investor Day
- Established Content Company
- Set up CIO Group for full-scale entry into high value-added advisory model
- Alliance with Wolfe Research, a US equity research boutique

**July 2020**
- Announced management vision towards FY2024/25
- Establish Investment Management division

**January 2021**
- Investor Day
- Approaches by segment taken hold
- Establishment of hybrid model effectively blending face-to-face and non-face-to-face approaches
- Improve competitiveness of core products
- Build global franchise capable of monetizing favorable market conditions

**April 2021**
- Approaches by segment taken hold
- Establishment of hybrid model effectively blending face-to-face and non-face-to-face approaches
- Improve competitiveness of core products
- Build global franchise capable of monetizing favorable market conditions
Risk money flows via public markets

- Connecting investors and issuers through capital markets and providing liquidity; Support the sound flow of risk money

Retail client assets up 1.8x in past 10 years

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Assets under management up 2.6x in past 10 years

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Market share growth in core products

- EGB trading volume share¹: 3% (2016) → 9.1% (2020) #2
- US RMBS new issuance securitization share³: 1.9% (2016) → 13.5% (2020) #2
- AEJ Credit revenue share²: 5.4% (2016) → 7.7% (2020 1H) #4
- US EQ listed option revenue share⁴: 9.0% (2016) → 13.0% (2020) #2

Providing fundraising, M&A advisory and other services

- M&A⁵: 13.5% (2020) #2
- Financing related⁶: 13.0% (2020) #2

Japan related M&A
Y62.7tn (of which, cross-border M&A Y27.4tn)
(Total deal value of transactions Nomura involved in from April 2011 – March 2021)

Japan related ECM (IPO)
Y11.8tn
(Total deal value of transactions Nomura involved in from April 2011 to March 2021)

Japan related ECM (PO)
Y8.2tn

1. Source: Bloomberg, duration weighted trading volume share
2. Source: Coalition Competitor Analytics and Nomura. 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
3. Source: Bloomberg, deal count share
4. Source: Third party research
5. Source: Refinitiv, from April 2011 to March 2021
Current environment and issues to address

- Long-term low interest rates and declining earnings per share driving diversification of investor needs;
  Allocation to alternative assets on the rise

### Government bond yields\(^1\)

<table>
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<tr>
<th>(%)</th>
<th>Jan-2000</th>
<th>Jan-2004</th>
<th>Jan-2008</th>
<th>Jan-2012</th>
<th>Jan-2016</th>
<th>Jan-2020</th>
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\(^1\) Structurally low interest rates

### S&P 500 forward P/E ratio\(^1\)

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\(^1\) Declining earnings yield

### Central bank balance sheets\(^2\)

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\(^2\) Shift of market liquidity

### Asset class distribution

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<tr>
<th>Allocation to alternative assets(^3)</th>
<th>2007</th>
<th>2020</th>
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<tbody>
<tr>
<td>HNWI</td>
<td>23%</td>
<td>28%</td>
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<tr>
<td>P7 Pension</td>
<td>15%</td>
<td>26%</td>
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<tr>
<td>SWF</td>
<td>12%</td>
<td>24%</td>
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\(^3\) Source: HNWI - Capgemini World Wealth Report based on Jan-Feb 2020 survey; P7 Pension (Top seven countries for pension assets: Australia, Canada, Japan, Netherlands, Switzerland, UK, US) - Willis Towers Watson; Sovereign Wealth Funds – Invesco based on Jan-March 2020 survey and State Street Global Advisors

### Growth of private equity market and listed equities (2000 – 2020 1H)\(^4\)

<table>
<thead>
<tr>
<th>Market cap of listed equities</th>
<th>3.0%</th>
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<tr>
<td>Private equity net assets</td>
<td>9.5%</td>
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\(^4\) Source: McKinsey, World Federation of Exchanges, Preqin

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1. Source: Bloomberg
2. Source: Bloomberg, central banks
3. Source: HNWI - Capgemini World Wealth Report based on Jan-Feb 2020 survey; P7 Pension (Top seven countries for pension assets: Australia, Canada, Japan, Netherlands, Switzerland, UK, US) - Willis Towers Watson; Sovereign Wealth Funds – Invesco based on Jan-March 2020 survey and State Street Global Advisors
Establishment of Investment Management division

- Announced establishment of Investment Management division in March 2021
- Bring together Nomura Group companies to provide investment management opportunities and solutions in both public and private markets

**Aim of division**
- Respond to increasingly diverse investment management needs of clients amid prolonged low interest rate environment
- Bring together Group wide expertise from traditional assets to private equity and other alternatives to boost added value

**Provide investment products**
- Stable revenue expansion, Businesses with light capital burden

**Provide balance sheet**
- Own capital, Capital intensive businesses

**Nomura Asset Management**
Nomura Corporate Research and Asset Management Inc.

**Nomura Capital Partners Co., Ltd.**

**Nomura Mezzanine Partners Co., Ltd.**  
N-MEZ

**Nomura Babcock & Brown Co., Ltd.**

**Main companies 1**
- Access to Group’s high-quality, broad client base
- Groupwide collaboration to provide investment opportunities and solutions to clients (retail clients and institutional investors in Japan and abroad)

**Operational efficiencies**
- Standardize internal processes
- Drive efficiencies through digital efforts

**Sophisticated divisional strategies**
- Centralize division strategy under dedicated department
- Ensure independence of each entity. Expand product offering with competitive performance backed by expertise and innovation of each entity under the division

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1. Main Group companies under Investment Management.
Overview of digital transformation

**Digital improvements**

- Transforming existing client user interface and experience
- Improve services
- More efficient, sophisticated internal processes

**Digital transformation**

- New business model
- Deliver completely new value
- Develop new client base
- Uncover new revenue sources

**Promoting digital transformation**

**Organizational initiatives**

- Initiatives led by businesses and companies for digital improvement and transformation
  - Wholesale Digital Office
  - Global Markets Digital Strategy Dept.
  - Innovation Lab (research on innovative technologies in Asset Management)
  - Future Innovation Company, etc.
- Appointed CIO in each division to consolidate infrastructure aligned to requirements of each business, clarified cross-divisional functions

**Development of digital talent**

- Provide learning opportunities for new technologies such as AI mainly in Wholesale, create cross-divisional organization of new technology experts to drive internal initiatives
- Introduce systematic development program for Retail IT talent

**Recruiting digital talent**

- Step up recruitment of IT talent with knowledge of new technologies
- Recruit digital transformation talent into Future Innovation Company to collaborate with businesses
Initiatives and successes of existing businesses, delivering higher added value to clients
## Business growth: FY2022/23 KPI and KGI targets

- **Revised some FY2022/23 KPIs and KGI based on progress to end FY2020/21 and establishment of Investment Management division**

### Results to FY2020/21 vs. FY2022/23 targets

<table>
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<tr>
<th>KPI</th>
<th>Retail</th>
<th>Investment Management</th>
<th>Wholesale</th>
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<tr>
<td><strong>KPI</strong></td>
<td>Recurring revenue assets</td>
<td>Assets under management</td>
<td>Revenue/modified RWA&lt;sup&gt;1&lt;/sup&gt;</td>
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<tr>
<td></td>
<td>Consulting-related revenue</td>
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<td>Fee and commission revenue</td>
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<td>Number of active clients</td>
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<td>Expenses/revenue</td>
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<td>Net inflows of cash and securities</td>
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<td><strong>Retail</strong></td>
<td><strong>Investment Management</strong></td>
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<td><strong>KGI</strong></td>
<td>Income before income taxes</td>
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<th>FY2020/2021 full year or Mar 2021</th>
<th>FY2022/23 Target (as of May 2020)</th>
<th>FY2022/23 Target (as of May 2021)</th>
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<tbody>
<tr>
<td>Recurring revenue assets</td>
<td>Y18.2trn ✔</td>
<td>Y21trn</td>
<td>Y21trn</td>
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<tr>
<td>Consulting-related revenue</td>
<td>Y13.4bn</td>
<td>Y27.8bn</td>
<td>Y27.8bn</td>
</tr>
<tr>
<td>Number of active clients</td>
<td>1.019m</td>
<td>1.47m</td>
<td>1.47m</td>
</tr>
<tr>
<td>Net inflows of cash and securities</td>
<td>Y887.7bn</td>
<td>Y2.4trn/year</td>
<td>Y2.4trn/year</td>
</tr>
<tr>
<td>Assets under management</td>
<td>Y65.8trn ✔</td>
<td>(former AM division: Y65trn)</td>
<td>Y70trn</td>
</tr>
<tr>
<td>Revenue/modified RWA&lt;sup&gt;1&lt;/sup&gt;</td>
<td>6.4% ✔</td>
<td>Approx. 6%</td>
<td>6% or more</td>
</tr>
<tr>
<td>Fee and commission revenue</td>
<td>US$1.26bn ✔</td>
<td>US$1.15bn or more</td>
<td>US$1.3bn or more</td>
</tr>
<tr>
<td>Expenses/revenue</td>
<td>91%</td>
<td>82% or less</td>
<td>80% or less</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>Y92.3bn ✔</td>
<td>Y110bn</td>
<td>Y110bn</td>
</tr>
<tr>
<td>(of which business income&lt;sup&gt;2&lt;/sup&gt; Y40.8bn)</td>
<td>Y91.0bn (of which business income&lt;sup&gt;2&lt;/sup&gt; Y40.8bn) ✔</td>
<td>(former AM division: Y50bn)</td>
<td>(former AM division: Y50bn)</td>
</tr>
<tr>
<td></td>
<td>Y64.3bn (of which US loss -Y245.7bn)</td>
<td>Y120bn</td>
<td>Y150bn</td>
</tr>
<tr>
<td></td>
<td>Y247.6bn ✔</td>
<td>Y280bn</td>
<td>Y320bn</td>
</tr>
</tbody>
</table>

---

1. Wholesale net revenue 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.

2. Investment Management business income does not include investment income (ACI-related gain/loss (includes gain/loss on market valuation of ACI shares, interest payments on funds used to acquire ACI shares and dividends received from ACI) and gain/loss on funds of investment companies under Investment Management such as Nomura Capital Partners and investment securities under Investment Management).
FY2024/25 management targets

- Expand business into private areas in addition to public markets to increase income from existing businesses and new areas

Achieving ROE target

1. Raising FY2022/23 income before income tax target (KGI)
   - Improve underlying Wholesale profitability
     - Income before income taxes: +¥30bn
   - Consolidate management of assets from traditional to alternatives
     - Income before income taxes: +¥10bn

2. Income growth to FY2024/25
   - Enhance private and low risk businesses for institutional investors and corporates
     - Reinforcing Private Markets
     - >40% growth over next 2-3 years
     - Scaling-up Advisory business
     - 50%+ growth over next 3 years
   - Growth in International Wealth Management
   - Targeting 5x AuM
     - Income before income taxes: +¥20bn
   - Collaborate with other companies (regional financial institutions, LINE, etc.) to grow client base and generate different types of fees
   - Grow digital businesses (existing and new)

Three segment income before income taxes (KGI)

- FY2022/23 Target (As of May 2020): ¥280bn
- FY2022/23 Target (As of May 2021): ¥320bn
- FY2024/25 Target: 8 - 10%
**Stronger revenues in each core business segment, and marked improvement in income before income taxes driven by continued focus on cost reductions**

<table>
<thead>
<tr>
<th></th>
<th>FY2018/19</th>
<th>FY2019/20</th>
<th>FY2020/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Three segment net revenue (billions of yen)</td>
<td>992.7</td>
<td>1,077.6</td>
<td>1,194.9</td>
</tr>
<tr>
<td>Investment banking</td>
<td>555.4</td>
<td>648.6</td>
<td>691.4</td>
</tr>
<tr>
<td>Equity</td>
<td>97.8</td>
<td>92.6</td>
<td>134.8</td>
</tr>
<tr>
<td>Fixed income</td>
<td>339.5</td>
<td>336.4</td>
<td>368.8</td>
</tr>
<tr>
<td>Started business portfolio realignment in April 2019</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

**Main KPI/KGI progress**

- **Wholesale**
  - Revenue/modified RWA 6.4% (FY2022/23 KPI Approx. 6%)

- **Asset Management**
  - Assets under management Y64.7trn **Record high** (FY2022/23 KPI Y65trn)

- **Retail**
  - Recurring revenue assets Y18.2trn (FY2022/23 KPI Y21trn)

- **Three segment income before income taxes**
  - Y230.9bn (FY2022/23 KGI Y280.0bn)

- **CET 1 ratio** 15.7% (Medium-term target: 11% or more)
Completed firmwide cost reduction of Y140bn a year ahead of schedule

**Retail: Y30bn reduction**

<table>
<thead>
<tr>
<th>(billions of yen)</th>
<th>FY2017/18 Actual</th>
<th>Direct cost reduction</th>
<th>Indirect cost reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct cost</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Indirect cost</td>
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</tbody>
</table>

**Wholesale: US$1bn (approx. Y110bn) reduction**

<table>
<thead>
<tr>
<th>(billions of USD)</th>
<th>FY2017/18 Actual</th>
<th>Direct cost reduction</th>
<th>Indirect cost reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct cost</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indirect cost</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Direct cost reduction**:
  - Branch integration
  - Optimization and reduction of travel and transportation expenses
  - Promote electronic issuance
  - Reduction of new hires

- **Indirect cost reduction**:
  - Completion of depreciation period for upgrade of main systems, system integration, etc.
  - Streamlined operations related to indirect cost

- **Approx. Y30bn**
  - Direct cost reduction: Y15bn
  - Indirect cost reduction: Y15bn
  - Total: Y30bn

- **Approx. US$1bn**
  - Direct cost reduction: 0.8 billion
  - Indirect cost reduction: 0.3 billion
  - Total: 1.1 billion

**Run rate**

- **Retail**: Approx. Y30bn
- **Wholesale**: Approx. US$1bn (approx. Y110bn)

**Reduction in variable cost linked to revenues, etc.**

**Change to Instinet accounting policy (US$0.2bn)**

**Variable cost corresponding to revenue exceeding assumed revenue for run rate costs (US$5bn), strategic investments, loan loss provisions and other one-off expenses**

**Reduction in variable cost linked to revenues, etc.**

- **Retail**: Approx. Y30bn
- **Wholesale**: Approx. US$1bn (approx. Y110bn)

**Pay for performance**

- **Retail**: Approx. Y30bn
- **Wholesale**: Approx. US$1bn (approx. Y110bn)

**Realignment of business portfolio**

- **Retail**: Approx. Y30bn
- **Wholesale**: Approx. US$1bn (approx. Y110bn)

**Optimization of business promotion expenses, etc.**

- **Retail**: Approx. Y30bn
- **Wholesale**: Approx. US$1bn (approx. Y110bn)

**Lower indirect costs in line with business portfolio realignment**

- **Retail**: Approx. Y30bn
- **Wholesale**: Approx. US$1bn (approx. Y110bn)

**Streamlined operations related to indirect cost**

- **Retail**: Approx. Y30bn
- **Wholesale**: Approx. US$1bn (approx. Y110bn)
Continued focus on cost control

Three segment cost income ratio (expenses / revenue)\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY2018/19 Actual</th>
<th>FY2019/20 Actual</th>
<th>FY2020/21 Actual</th>
<th>FY2022/23 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2018/19</td>
<td>103%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY2019/20</td>
<td>84%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY2020/21</td>
<td>81%</td>
<td></td>
<td></td>
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<tr>
<td>FY2022/23</td>
<td>Approx. 75%</td>
<td></td>
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</table>

Measures to lower the cost income ratio

- Develop business leveraging high market share of core products and global collaboration; improve underlying profitability
- Create a new business model through combined digital and people approach and collaborate with third parties to grow our client base
- Expand business in private areas in addition to public markets

Revenue expansion

- Continue necessary investments to build out business towards achieving the management vision
- Promote use of digital technologies in Corporate
  - Transform operating model while building important foundation of agility and efficiency
  - Support operating efficiency and revenue growth
    - Lessen client onboarding time and reduce maintenance costs
    - Eliminate manual processes to promote efficiency, cut costs, etc.
- Implement real estate and offshore center strategies
- Consolidate branch administrative operations, enhance retail sales support and transaction management and promote higher productivity

\(^1\) Actual total for Retail, Asset Management and Wholesale from FY2018/18 to FY2020/21. FY2022/23 is cost income ratio on assumption of a certain level of total revenues for Retail, Wholesale and Investment Banking.
Capital policy and shareholder returns

- Maintain appropriate capital ratios and aim for long-term ROE growth through optimal capital allocation

Shareholder return policy
- Consolidate payout ratio of 30% as key indicator based on half year consolidated performance
- Aim for total shareholder return ratio including share buybacks of at least 50%

Optimal capital allocation
- CET1 ratio: Targeting at least 11%
- Risk assets expected to increase when Basel 3 fully implemented in 2023; Plan to minimize impact by realigning portfolio and revising models

Invest for growth
- Invest for growth to realize management strategy of expanding scope of our business from public into private markets
- Carefully select areas where returns outstrip cost of capital

Shareholder returns
- Reward shareholders in line with shareholder return policy while maintaining appropriate capital levels and ensure balance between regulatory developments and investing for growth

Respond to regulatory requirements and ensure financial soundness
- CET1 ratio: Targeting at least 11%

(billions of yen)

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</tr>
</thead>
<tbody>
<tr>
<td>Dividend amount</td>
<td>Share buyback amount</td>
<td>Shareholder return level of 50%</td>
<td>Total shareholder return ratio¹</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>63</td>
<td>69</td>
<td>47</td>
<td>71</td>
<td>69</td>
<td>20</td>
<td>64</td>
<td>107</td>
</tr>
<tr>
<td>62</td>
<td>128</td>
<td>127</td>
<td>107</td>
<td>98</td>
<td>150</td>
<td>214</td>
<td>107</td>
<td></td>
</tr>
</tbody>
</table>

58% 60% 57% 48% 74% 76% 98% 70%

1. Including allocations for stock options.
Following shareholders’ meeting in June 2021, aim for more advanced governance in line with global operating environment

### History of enhancing governance system

**2001**
- Shifted to holding company structure and listed on NYSE
- Established Advisory Board where outside experts regularly discuss group management

**2003**
- Adopted Company with Committees, etc. structure
- (now known as a Company with Three Board Committees)

**2010**
- Two Outside Directors (one female) joined from overseas and Board of Director comprised of a majority of Outside Directors

**2015**
- Established "Outside Directors Meetings" to discuss matters related to business and corporate governance regularly

**2019**
- All three committees (Nomination, Audit, Compensation) have Outside Director as Chairman

### New governance system

- Explored how to further enhance governance in line with global operating environment on back of increasing in international business proportion in business portfolio

- Researched and validated best approach for Board of Directors for a global financial company, and to further enhance governance conducted search and selected Director nominees with the required background needed for management oversight

#### 4 new Outside Director nominees

- 2 nominees with deep knowledge of US financial industry, macro economics and regulatory environment
- 1 nominee from Asia with expertise in UK and Hong Kong legal systems
- 1 Japanese corporate executive with experience in running global businesses and sustainability

### Composition of Board of Directors after 2021 shareholders’ meeting (plan)

- **Outside Directors**
  - Outside: 8 (67%)
- **Female directors**
  - Female: 3 (25%)
- **Non-Japanese directors**
  - Non-Japanese: 4 (33%)
Towards the realization of a sustainable society

- Deliver solutions to a broad range of stakeholders leveraging diverse group functions
- Integrate sustainability into management strategy, and realize growth of clients, wider society and Nomura Group

### Stakeholders

- Companies
- Individuals/employees
- Institutional investors/pension funds
- Public sector organizations
- Society

### Social issues

- Climate change
- Increasing social inequality
- Food problem (Agriculture and food)
- Aging society
- Healthcare issues

#### Stakeholders

- Help enrich society through our expertise in the capital markets

#### Financial transactions addressing climate change
- Underwriting of sustainable finance
- Nomura Greentech advisory services
- Support infrastructure and power financing, etc.

#### Promote ESG through investment chain
- Disseminate information leveraging Nomura Center of Sustainability Center and ESG research
- Development, management and provision of sustainability related investment products
- Implement responsible investing

#### Initiatives to address aging society
- Approach to clients using financial gerontology
- Support business succession (sponsorship of Startup Pitch contest in Japan)
- Establishment of search fund

#### Financial literacy program
- Financial literacy lessons and materials to elementary, junior and senior high; university courses for 20 years at approx. 2,100 universities, reaching approx. 270,000 students
- Systematic learning opportunities through Nomura Financial Academy

#### Consultations for medical corporations and nursing care facilities
- Wide ranging support towards sustainable regional healthcare framework
- To increase efficiency, discover startups that can provide new services and new technologies related to AI, IoT, robotics and genomics

#### Food & Agri consulting and advisory
- Research and consulting for government institutions, municipalities, and private sector organizations and implementation support
- Provide information/advice to companies contemplating investment or collaboration with agricultural corporations
- Develop expertise and know-how at company farm and demonstration tests

#### Sustainability promotion initiatives (2021)
- Appoint executive in charge of sustainability
- Strengthen D&I to enable flexible decision making and implementation amid uncertainty of the future
  - Approx. 26,000 employees, 15,000 in Japan and 11,000 overseas; 90 nationalities
  - Diverse executive officers newly appointed (10 out of 26 started careers outside Nomura; 2 women appointed at Nomura Securities)
  - Nomura Holdings became a member of the 30% Club Japan

#### Appoint executive in charge of sustainability

- Approx. 26,000 employees, 15,000 in Japan and 11,000 overseas; 90 nationalities
- Diverse executive officers newly appointed (10 out of 26 started careers outside Nomura; 2 women appointed at Nomura Securities)
- Nomura Holdings became a member of the 30% Club Japan
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