

# Investor Day

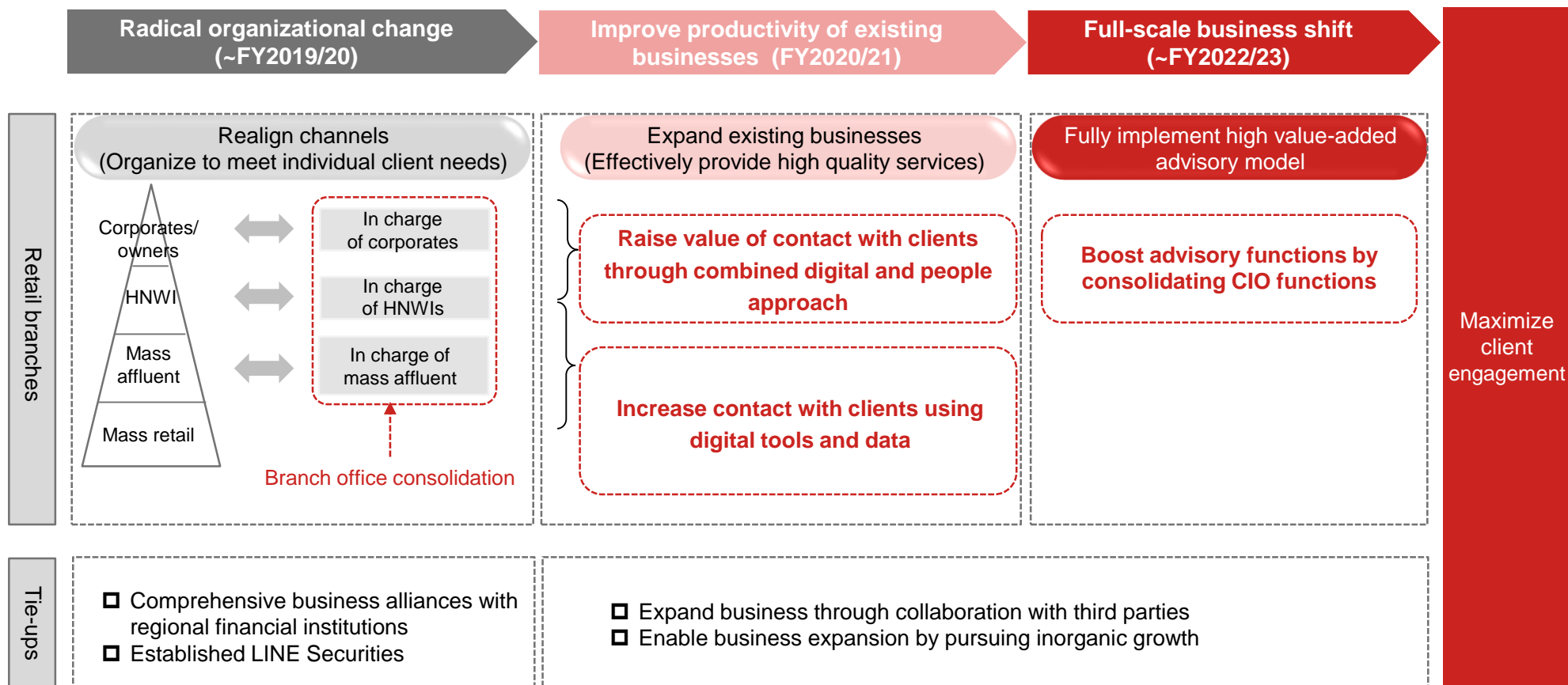
Satoshi Arai  
Head of Retail  
Nomura Holdings, Inc.

May 12, 2021

# Review of last year

## Excerpt from Investor Day in May 2020

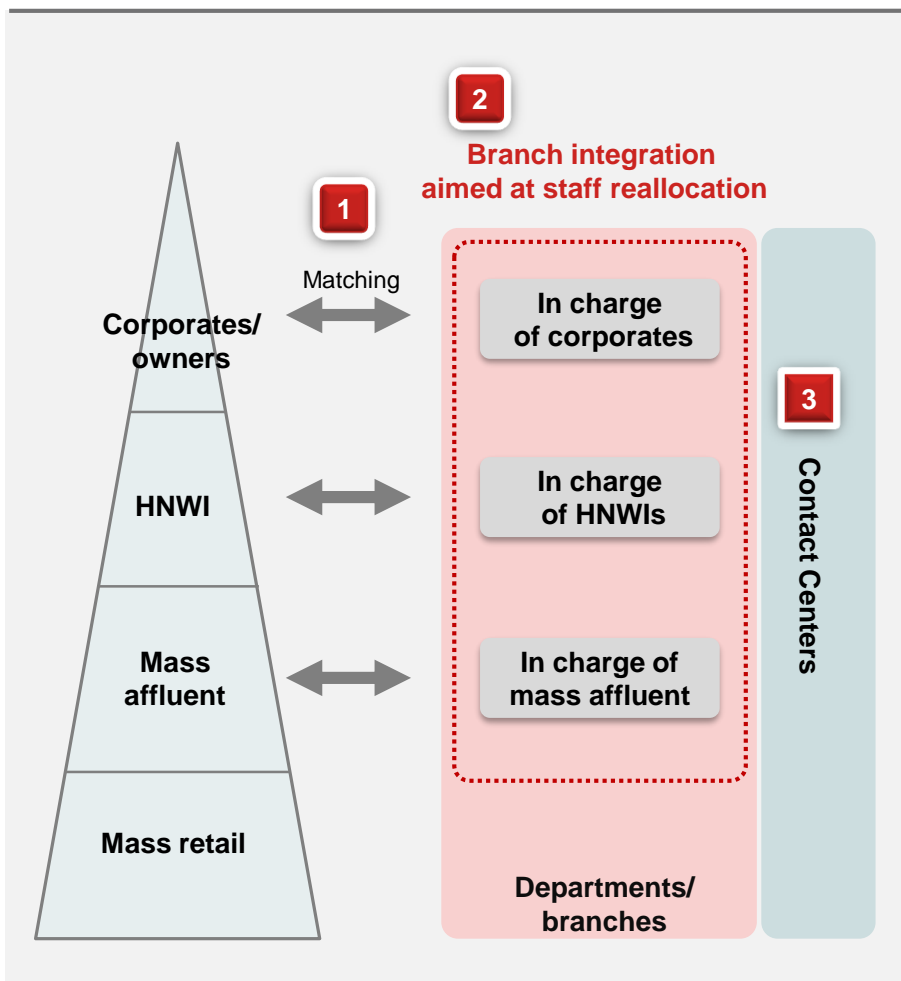
Offer clients advice on entire balance sheet to maximize client engagement



# Initiatives taken to reposition business

- Realigned channel formation in 2019 to deliver optimal services to individual clients at the most appropriate time
- Strengthened consulting for clients' entire assets and implemented measures to increase client interactions

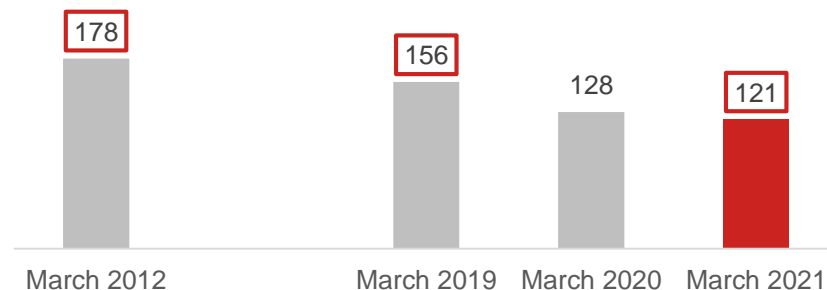
## Strengthen private strategy



**1** Channel realignment and improvement of sales Partners expertise

- ✓ Reassigned retail sales representatives (Partners) based on client type (Reviewed Partner assignment for over 1.5 million client accounts in 2 years)
- ✓ Refined expertise of sales Partners

**2** Branch integration towards effective channel realignment



**3** Enhancement of contact center functions to increase contact with clients

- ✓ In addition to three centers in Sapporo, Tokyo and Naha, four new centers opened in FY2020/21 in Osaka, Nagoya, East Tokyo and West Tokyo for a total of 7 centers and 1,000 personnel
- ✓ Increased number of Inbound Partners making outbound calls to identify client needs, as well as Remote Partners to offer detailed investment management consultations through asset plan (About 120 people as of April 2021; additional headcount increases planned)

## Wealth Management Group

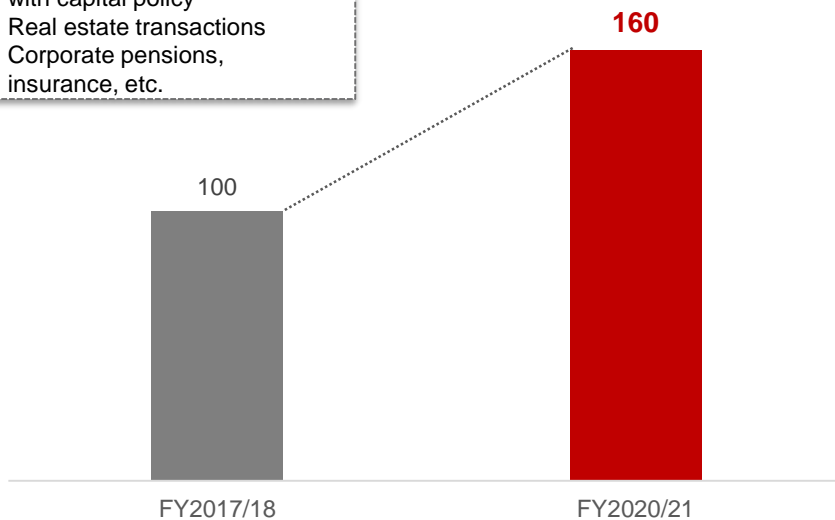
- Higher revenues driven by proposal of a wide range of solutions matched to client needs, including review of securities based on capital policy, real estate transactions, pension and insurance

### Stronger Wealth Management Group revenues from transaction business (FY2018/19 =100)

#### Main transaction businesses

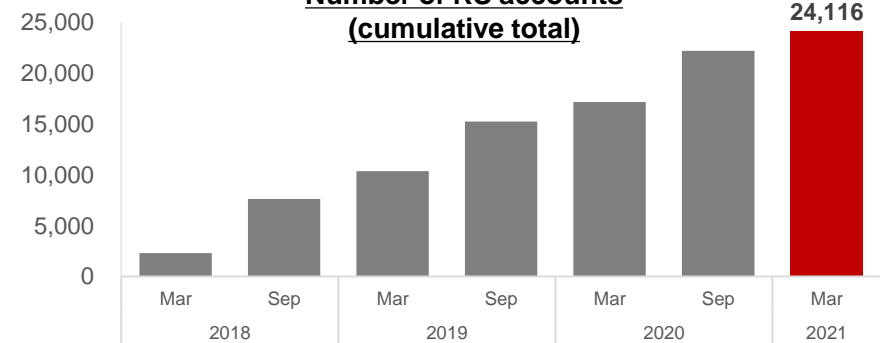
- Review of securities in line with capital policy
- Real estate transactions
- Corporate pensions, insurance, etc.

Up approx. 1.6x in 3 years



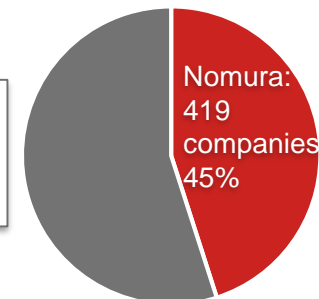
- Enhanced services for listed company executives in collaboration with Investment Banking – Account openings by listed company executives increased as a result of introduction of restricted stock remuneration plan (RS)

### Number of RS accounts (cumulative total)



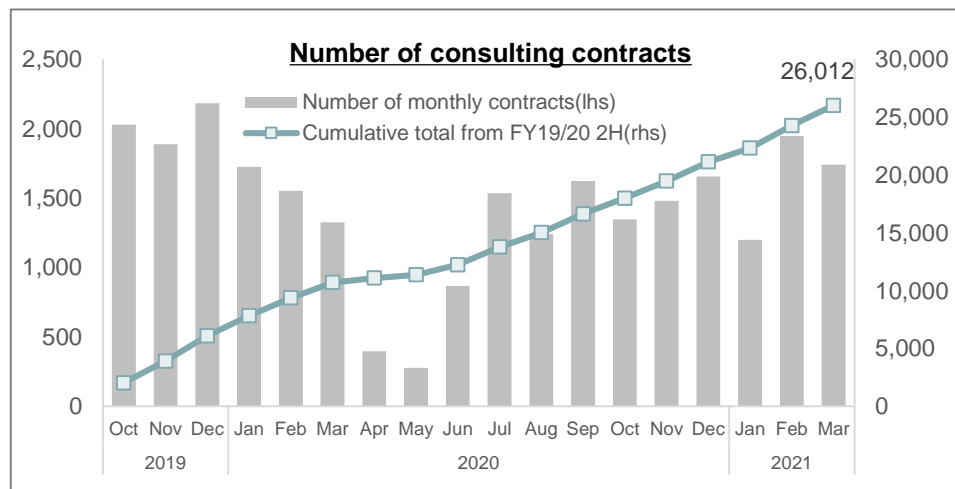
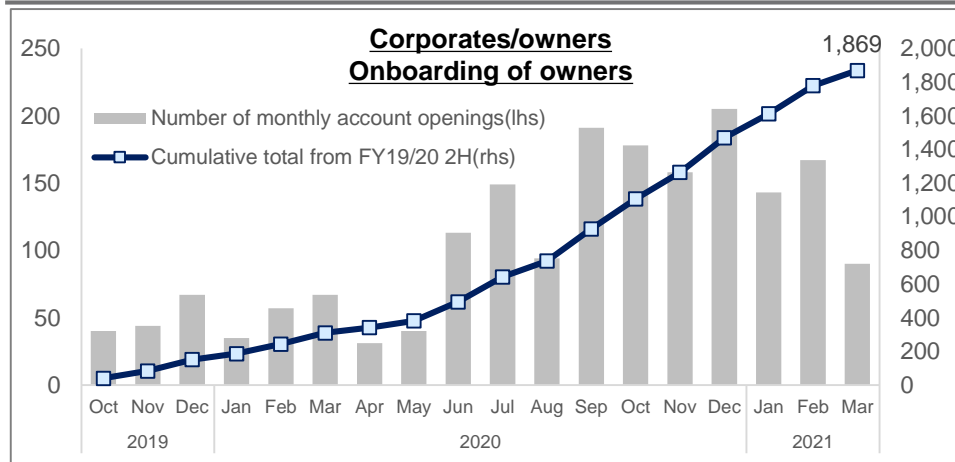
### Share of corporate RS account openings by securities company

- As of April 30, 2021
- Companies implementing RS plans: 930
  - Nomura share: 45%

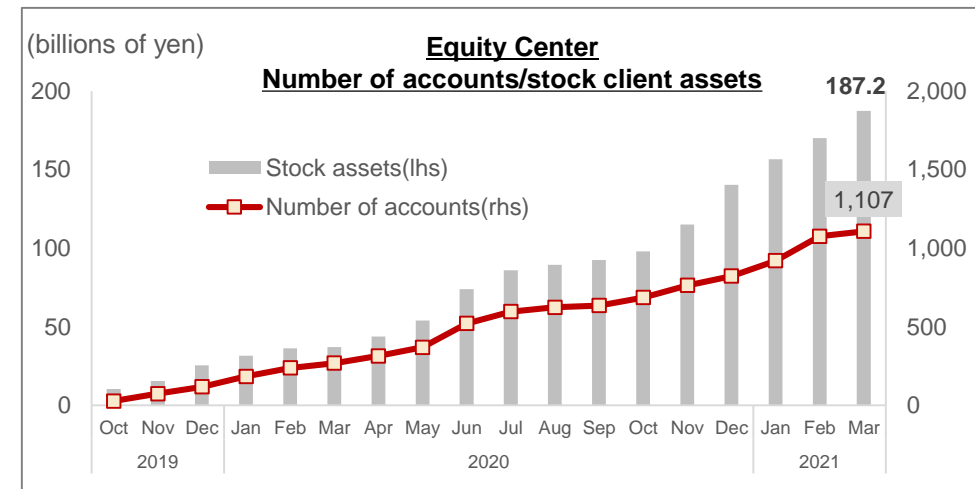
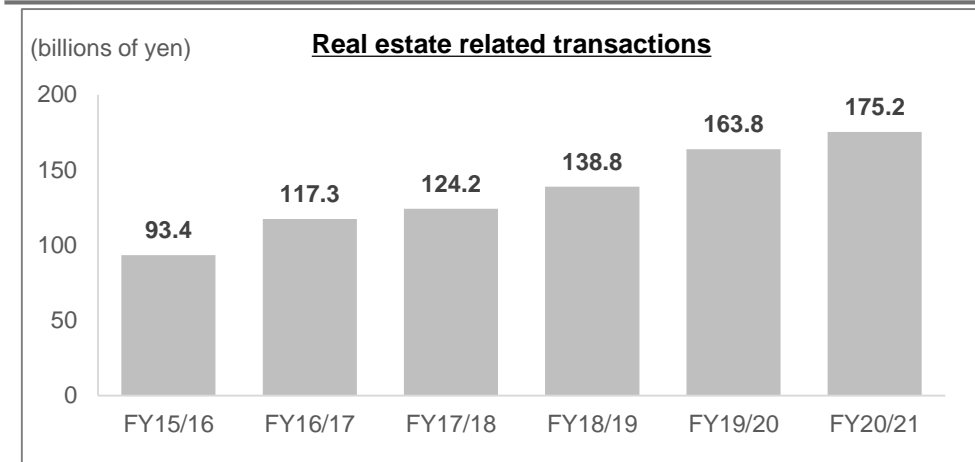


# Current business achievements: Business geared towards corporates/owners and HNWIs

## Corporate/owner and HNWI businesses



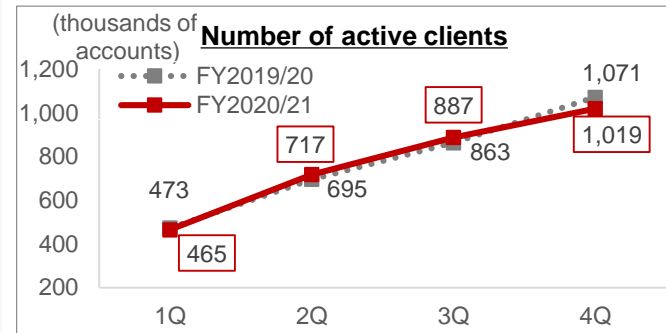
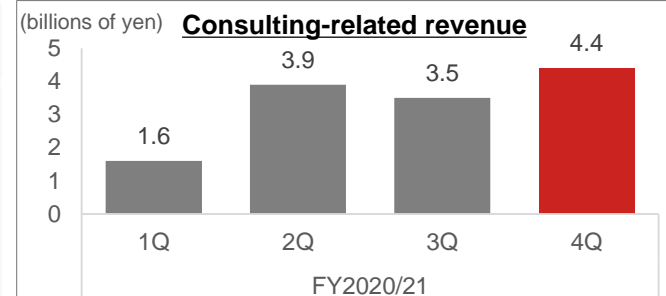
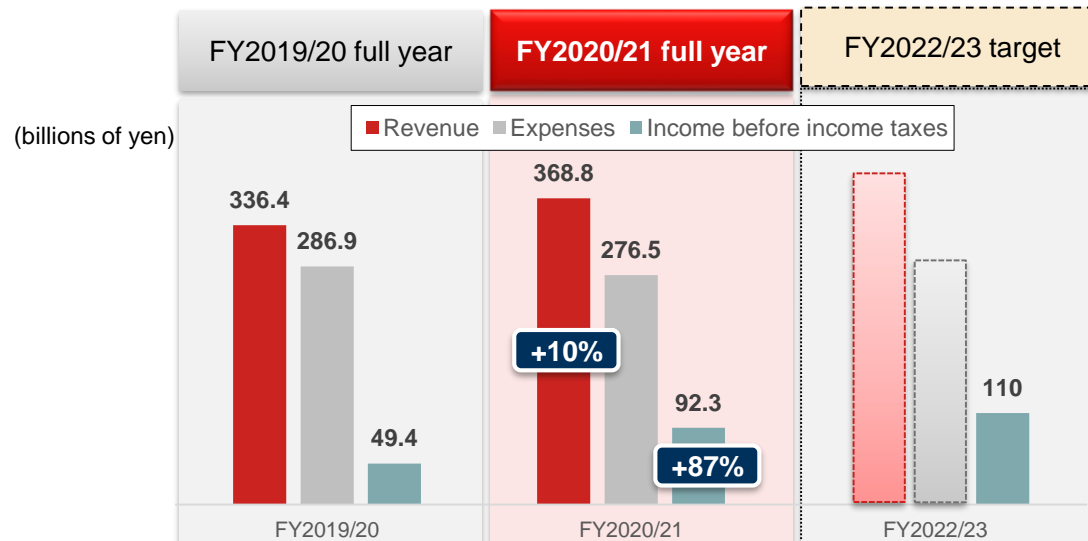
## All channels



# KGI/KPI progress

- Steadily increased revenues towards FY2022/23 KGI of Y110 billion in income before income taxes
- Market factors contributed to record client assets of Y126.6 trillion and recurring revenue assets of Y18.2 trillion

## KGI/KPI progress



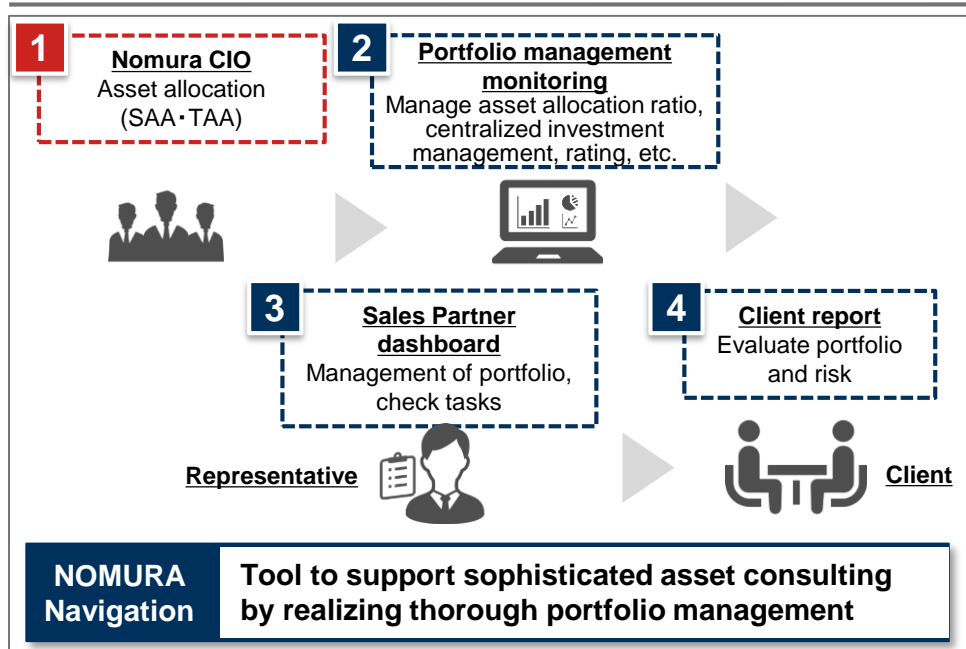
KPI	FY2019/20	FY2020/21	FY2022/23 target
Retail client assets	Y104.0trn	Y126.6trn	
Recurring revenue assets	Y15.3trn	Y18.2trn	Y21trn
Consulting-related revenue	Y14.9bn	Y13.4bn	Y27.8bn
Number of active clients	1.071mn	1.019mn	1.47mn
Net inflows of cash and securities	-Y429.4bn	Y887.7bn	Y2.4trn/yr

- 1 Strengthen strategy in private domain
- 2 Integrate digital and people
- 3 Expand client base

# Strengthen strategy in private domain

- Introduce CIO model to realize higher quality portfolio proposals matched to clients' risk tolerance
- Diversify commission structure in line with client needs

## Leverage CIO model

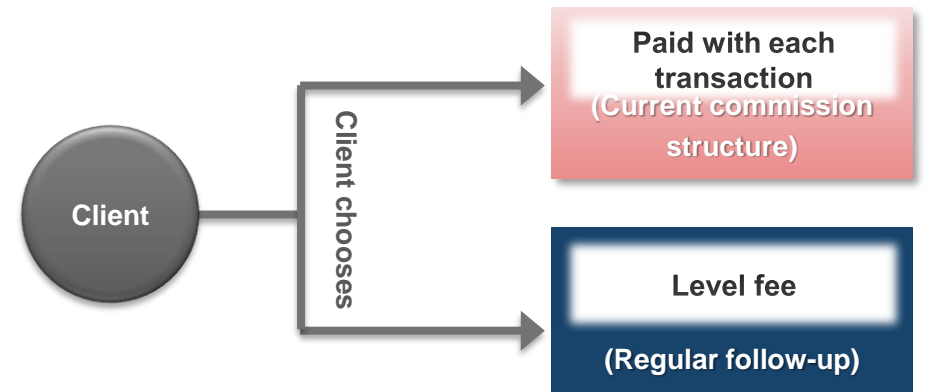


Set investment goal/strategy	Check client portfolio	Action	Communication
<ol style="list-style-type: none"> <li>1. Investment strategy</li> <li>2. Investment goal</li> <li>3. Other preferences</li> </ol>	<ol style="list-style-type: none"> <li>1. Check portfolio alignment with strategy</li> <li>2. Check stock concentration, rating, etc.</li> <li>3. Check goal achievement</li> </ol>	<ol style="list-style-type: none"> <li>1. Create proposals to resolve portfolio issues</li> </ol>	<ol style="list-style-type: none"> <li>1. Periodic portfolio updates</li> <li>2. Share portfolio issues</li> <li>3. Ideas to improve portfolio</li> </ol>

## Towards achieving a common goal with clients

### Diversify commission structure

- Clients choose fee structure where commission is based on level of client assets
- Applicable products are stocks, bonds, and investment trusts (excl. some products)
- Full introduction scheduled for April 2022

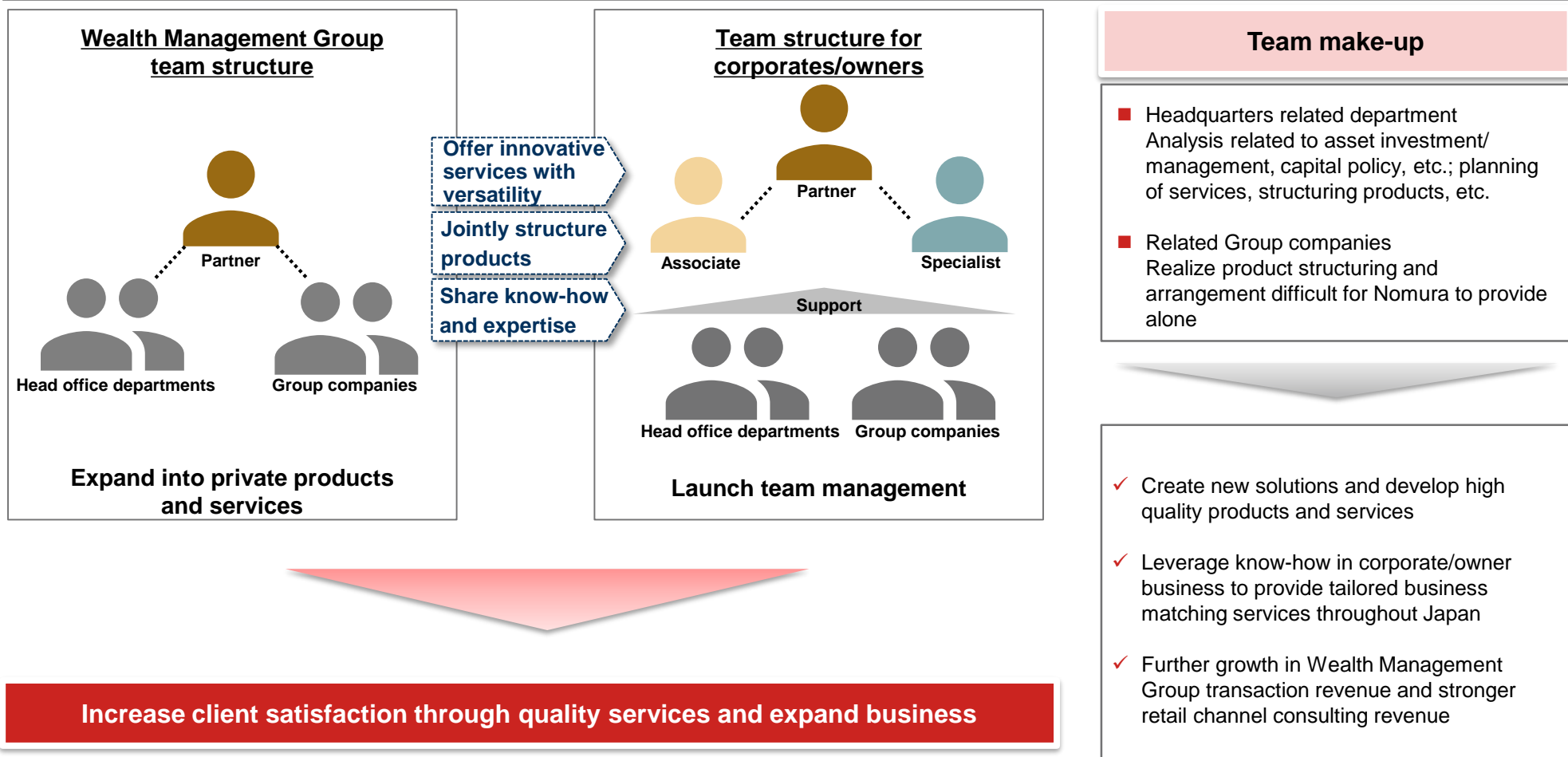


- Commission based on level of client assets

**Improve client satisfaction, boost client assets**

## Strengthen consulting services and establish a framework to provide high quality services

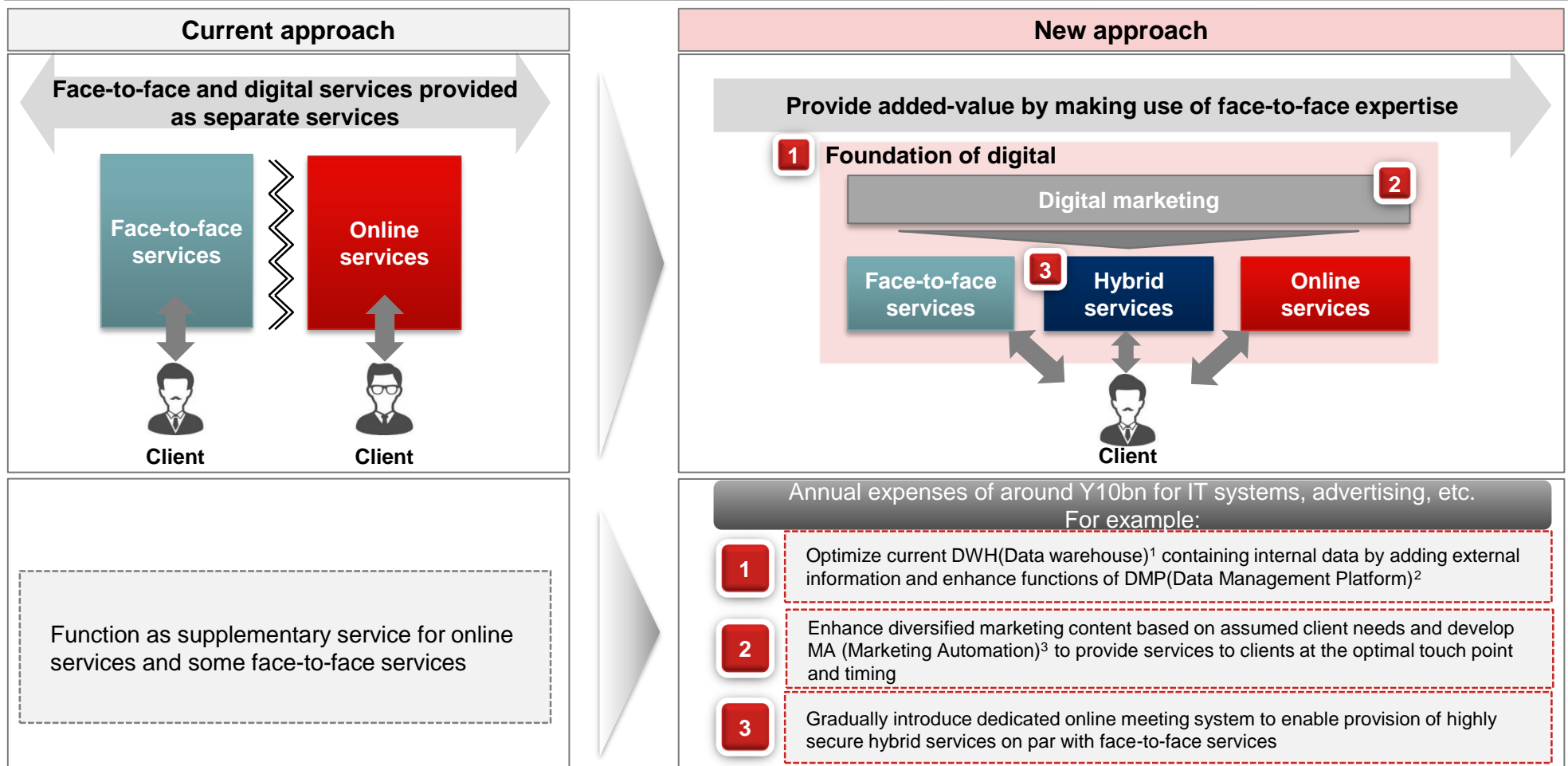
Develop quality services and establish framework for providing services





- Create a mechanism to ensure clients can receive advice or consultations when needed
- Strive to deliver same quality services online as in person for digital-only clients

## Establish a new business model

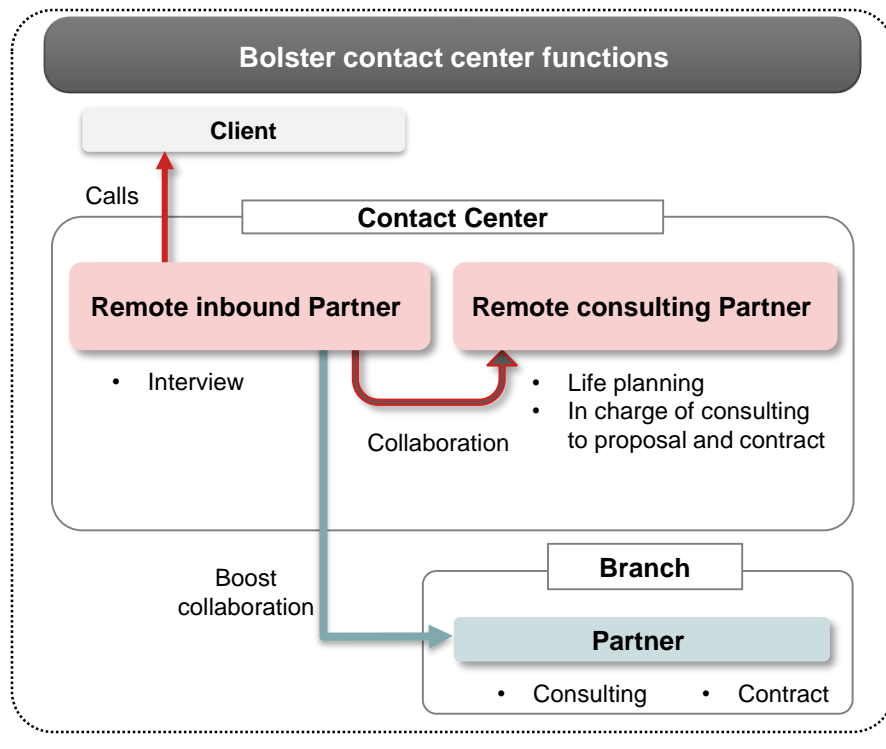


1. Database system arranged chronologically for business decision making purposes.  
2. Internet-based information database system created to leverage in marketing.

3. Automation of marketing in line with individual client interests.

## Enhance contact centers

- Conduct client interviews for consulting, life planning and offer necessary asset management proposals within the contact center
- Also make calls to head and branch office clients and strengthen collaboration with partners in branches



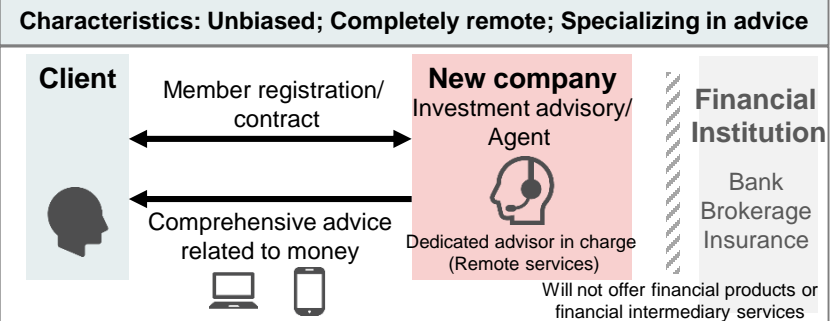
## Alliance with regional financial institutions

- San-in Godo Bank: Business alliance launched in September 2020
  - Stronger relationship of trust with clients and starting to see increased results
- Awa Bank: Business alliance launched in April 2021
  - Aim to enhance services to regional clients under slogan “Towards a prefecture advanced in financial services”



Help clients build an affluent life and contribute to regional economic growth by taking advantage of regional financial institution networks

- Exploring establishment of joint venture company with TSUBASA Alliance members Chiba Bank, Daishi Hokuetsu Bank and Chugoku Bank to offer remote financial consulting services

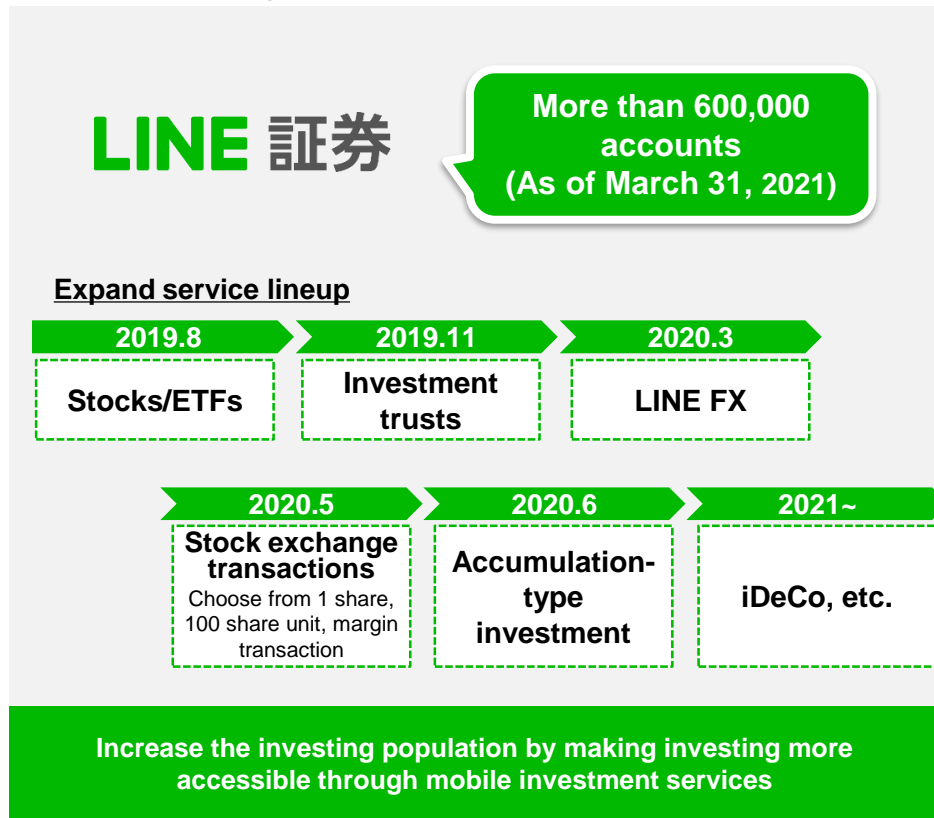


Aim to help clients build and manage assets over the long term by operating independently to provide comprehensive consulting services

## ■ Explore various ways to collaborate and form alliances with business partners

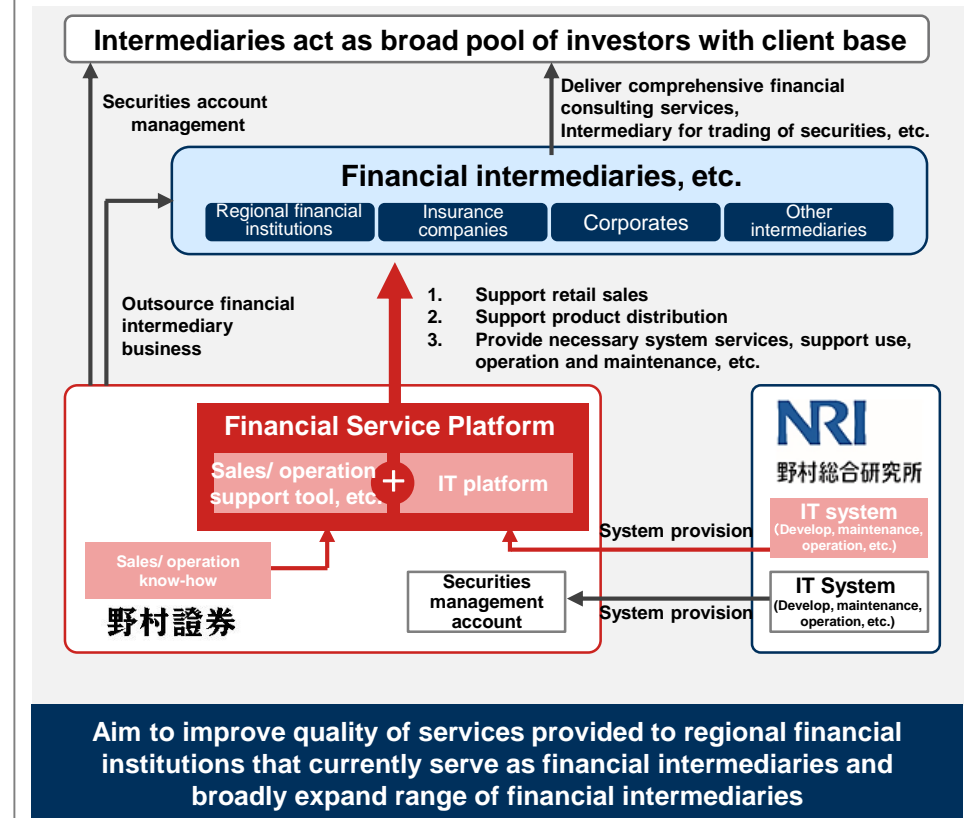
### Collaboration with LINE

- Approach to younger client segment our products and services did not reach previously
- Started offering iDeCo on May 10, 2021, and fully supporting asset building segment and younger clients in building assets long term as an operational management institution



### New financial instruments intermediary platform

- Consolidate know-how accumulated in retail sales and operations to support intermediaries and offer financial services platform integrating new IT functions to support intermediary business



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