Investor Day

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Strategy to FY2024/25

- Targeting income before income taxes of Y80bn in FY2024/25 driven by business revenue; Investment gain/loss to remain roughly unchanged from last fiscal year in base case scenario
- Pursue two-pronged growth strategy in public and private markets

FY2024/25 numerical targets

<table>
<thead>
<tr>
<th>(billions of yen)</th>
<th>FY2021/22 (Actual)</th>
<th>FY2024/25 (Plan)</th>
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</thead>
<tbody>
<tr>
<td>Business revenue</td>
<td>71.5</td>
<td></td>
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<tr>
<td>Investment gain/loss</td>
<td></td>
<td>80.0</td>
</tr>
<tr>
<td>Non-interest expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets under management (year end)</td>
<td>Y67.9trn</td>
<td>Y79.1trn</td>
</tr>
<tr>
<td>Net inflows (full year)</td>
<td>Y2.0trn</td>
<td>Y2.9trn</td>
</tr>
</tbody>
</table>

Strategy key points

- Help improve financial literacy to grow investment trust business
- Grow domestic institutional investor and ETF business
- Global strategy leveraging UCITS
- Increase in variable costs due to AuM growth
- Disciplined execution of investment
- Democratization of alternative products
- Grow real asset business
- Expand aircraft lease business and airline industry rebounds

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Grow our business in public markets in four areas: investment trusts for individual investors, Japanese institutional investors, ETFs, and global businesses.

- Investment trusts for individual investors
  - Help improve financial literacy to grow investment trust business
  - Periodic investments
  - Fund Wrap
  - ESG

- Japan pension funds and institutional investors
  - Grow defined contribution pension plan and institutional investor businesses
  - Offer funds suited to long-term investment
  - Solutions for financial institutions

- ETFs
  - Initiatives to expand Japan's ETF market and grow our market share
  - Financial institutions
  - Individual investors
  - International investors

- Global businesses
  - Global strategy using UCITS
  - ACI collaboration
  - ESG strategy
  - Regional strategies

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1. Figures for FY2020/21 and earlier are former Asset Management division AuM; includes private assets; Other includes money funds, variable annuities, and other products not included in above channels.
Help improve financial literacy to grow investment trust business

- Offer training programs as packages to distributors to improve their consulting literacy
- Help distributors solve problems to contribute to promotion of financial literacy across generations

Provide packaged solution that combines support program using goal-based approach and Wealth Square Fund Wrap

Promote periodic investments
- Provide content for distributors
- Develop and provide games to experience periodic investment, carry our financial education such as sending staff to lecture at universities
- Strengthen proposals using funds managed by Nomura Asset Management

Strengthen Fund Wrap business

Focus on growing ESG products
- Nomura Asset Management runs ESG salon and ESG school offering educational content for distributors
- Publicly offered investment trust ESG product AuM of Y866.1bn (Mar 2022)
- Kokorozashi Project has grown to 48 distributors in 33 prefectures
- AuM in global ESG balanced fund grown to Y90bn
Focus on defined contribution pension plan business which is expected to grow over long term

Drive initiatives for solutions for financial institutions and to expand the ETF market

**Defined contribution pension plans**
- Funds for DC plans to promote long-term investment
  - Broad product lineup for long-term asset formation
    - Target year funds suited to long-term asset planning
    - ESG investment funds to help resolve social issues

**Solutions for financial institutions**
- Step up business as a solutions provider
  - Grow business by providing solutions to financial institutions with strong needs to manage funds
    - Strengthen investment management solutions for nationwide financial institutions
    - Provide solutions for regional financial institutions, strengthen privately placed business
    - Meet alternative investment needs

**ETFs**
- Initiatives to grow ETF investor pool
  - Encourage use by institutional investors
  - Grow retail investor base via online channels
  - International marketing

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Nomura Asset Management has grown its UCITS product lineup and now conducts business in over 50 countries and regions with more than 500 clients.

Regional specific strategies to drive further growth of global business

Expand product lineup

- Integrated UCITS platforms with ACI (2019)
- Strategic partnership
- Enhance ESG strategy
- Global equities
- Japan equities
- AEJ equities
- Emerging market equities
- High yield bonds
- Compliant with European sustainable finance disclosure rules

Business strategy using UCITS

- Region specific strategies
  - EMEA
  - Americas
  - AEJ
  - Grow institutional investors using UCITS as well as private banks and wealth managers
  - Local business using third parties
  - Roll out in markets where regulations allow UCITS sales

Delivering competitive products globally

- From the world to Japan
- From Japan to the world
- With UCITS AuM and track record outside Japan, deliver to Japanese investors as publicly offered investment trusts and foreign investment trusts
- Build up track record with publicly offered investment trusts, launch UCITS and deliver to global investors

UCITS AuM

- AuM $11.6bn
- 26 funds
- (billions of USD)
- (Mar 2022)
Private markets businesses

- Grow assets classes and client franchise by expanding real asset businesses and democratizing alternative products

Current corporate investment space
- Buyout strategies
- Growth investments
- Mezzanine investments

Asset classes at early stages of penetration
- New real estate fund business
- Other real asset businesses
- Aircraft leasing

Democratization of alternative products
- Increase products for high net worth individuals
  - New: Alternative products for the Japan market
  - New: Newly established business line in US
# Private markets growth strategy (1)
## Disciplined execution of investment

- **Selected investments from buyouts to growth investment**
- **Leverage full capabilities of Nomura Group to carry out competitive sourcing via extensive network**

<table>
<thead>
<tr>
<th>Buyout strategies</th>
<th>Growth investment strategies</th>
<th>Mezzanine investments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nomura Capital Partners</strong></td>
<td><strong>Japan-China Capital Partners</strong></td>
<td><strong>Nomura Mezzanine Partners</strong></td>
</tr>
<tr>
<td>- Private equity investment company using own funds</td>
<td>- Private equity fund set up by Nomura Holdings and other Japanese financial institutions together with China Investment Corporation</td>
<td>- Provides solutions with mezzanine finance mainly for LBOs and MBOs by private equity funds and operating companies</td>
</tr>
<tr>
<td>- Provide innovative solutions using equity for various needs related to business operations and capital</td>
<td>- Invest in wide range of companies with growth aspirations in Asia, particularly Japan and China</td>
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<tr>
<td><strong>RENIAS</strong></td>
<td><strong>Fifth investment</strong></td>
<td><strong>Total investments since 2020 of over ¥20bn</strong></td>
</tr>
<tr>
<td>Acquired shares in Renias</td>
<td>Acquired shares in Renias Manufacturer of transport devices and parts for specialized vehicles</td>
<td></td>
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<tr>
<td><strong>Astroscale</strong></td>
<td><strong>First investment</strong></td>
<td></td>
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<tr>
<td>Acquired shares in Astroscale Developing service to remove space debris</td>
<td>Acquired shares in Astroscale Developing service to remove space debris</td>
<td></td>
</tr>
<tr>
<td><strong>Synspective</strong></td>
<td><strong>Second investment</strong></td>
<td></td>
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<tr>
<td>Acquired shares in Synspective One stop solution provider that makes use of satellite data</td>
<td>Acquired shares in Synspective One stop solution provider that makes use of satellite data</td>
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</tr>
<tr>
<td><strong>Nomura SPARX Investment</strong></td>
<td><strong>First investment</strong></td>
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<tr>
<td>Established as joint venture by Nomura Holdings and SPARX Group in April 2021; Operates Japan Growth Capital Investment Corporation that invests in unlisted companies</td>
<td>Agreed to acquire shares in Factory Japan Group Operates over 360 salons in Japan and abroad under Karada Factory brand</td>
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<tr>
<td><strong>FJG</strong></td>
<td><strong>Factory Japan Group</strong></td>
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1. **Mezzanine finance**: A fundraising method that sits between debt finance such as bank lending and bond issuance and issuance of common equity.
**Private markets growth strategy (1)**
**Disciplined execution of investment**

- Pursue businesses in new private markets bringing together the strengths of Nomura and our partners
- Contribute to the development of the Japanese economy by ensuring consistent funding to grow businesses and execute investments

**Japan Growth Capital Investment Corporation**

- Nomura SPARX Investment
  - Japan Growth Capital Investment Corporation
  - Aim to list
  - Invest in unlisted growth companies

- TSE (Venture fund market)
- Total investment commitments over Y25bn
- Provide growth capital to growth companies
- Contribute to development of Japanese economy

**Japan Search Fund Platform**

- Good talent (= searchers)
- Increase successor searchers, grow investments
- Regional growth
- Solve issues for SMEs

- SME business succession
- Develop managers
- Regional revitalization
- Completed first closing
  - Aim to grow size of fund
  - Signed agreement with first searcher
  - Started looking for investment

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1. Jointly established by Nomura Research & Advisory and Japan Search Fund Accelerator (JaSFA); Established in May 2018, JaSFA promotes search funds, invests in search funds, supports searchers and search funds, and provides consulting services in order to raise awareness and establish the search fund model in Japan.
Nomura Asset Management offers Blackstone Real Estate Income Trust Fund¹, Japan’s first publicly offered investment trust that invests in US unlisted REIT

- Focus on continually providing competitive products

Setting up new company in US where demand from HNWIs² for private assets is expected to grow

- Start with private credit and gradually expand asset classes with aim of reaching over $1bn in AuM in about five years

Provide institutional investor-targeted alternative products to a broader range of investors

Aim to further expand the product offerings in private asset classes

Alternative products in the Japan market

- US unlisted REIT

Offer to Japanese individual investors

Provide investment opportunities in broad range of private assets in the US

New pillar of investment management business

Provide to HNWIs

Explore offering other private asset classes

1. Blackstone Real Estate Income Trust Fund is managed by the real estate group of Blackstone, and alternative asset manager
2. HNWI refers to investors with investable assets of US $1 million or more but less than US $50 million
3. Registered investment advisors are firms that advise investors in the US on their asset portfolio, etc. based on advisory agreements.
Private markets growth strategy (3)
Grow real asset business

- Signed MOU with Nomura Real Estate Holdings to set up new company to run real estate fund (aim to establish in FY2022/23 1H)
- Accelerate post-pandemic strategy at Nomura Babcock & Brown’s aircraft leasing business

New joint venture with Nomura Real Estate Holdings

Aircraft leasing business return to growth

- Medium to long-term revival of global airline market
- Global airline passenger demand to return to pre-pandemic levels, and industry expected to return to previous growth trend over the medium to long term
- Demand to change to latest aircraft with better fuel efficiency and environmental performance

Solutions leveraging the strengths of Nomura Babcock & Brown

- Long standing alliance with BBAM Aircraft Management, trusted and solid track record in global operating lease market
- Products with high-quality airlines as lessees
- Solid sales franchise centered on Nomura Securities clients

Proactively drive synergies in finance and real estate to connect to greater value creation

Real estate x Finance

Grow client base
Current No real estate or infrastructure management company
Greater business opportunities

Joint venture
No real estate or infrastructure management company

Private related business growth
Leverage global investor and corporate network

Further develop real estate fund business
- Expand client franchise with access to Japan and international institutional and individual investors
- More business opportunities for corporate clients, businesses in new asset classes

Enter real asset sector
- Expand into new sectors (data centers, agriculture, public facilities, etc.), infrastructure assets (renewable energy generation) and other products
- More sophisticated proposals for selling and utilizing real estate and infrastructure facilities held by corporate clients
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