

# Investor Day

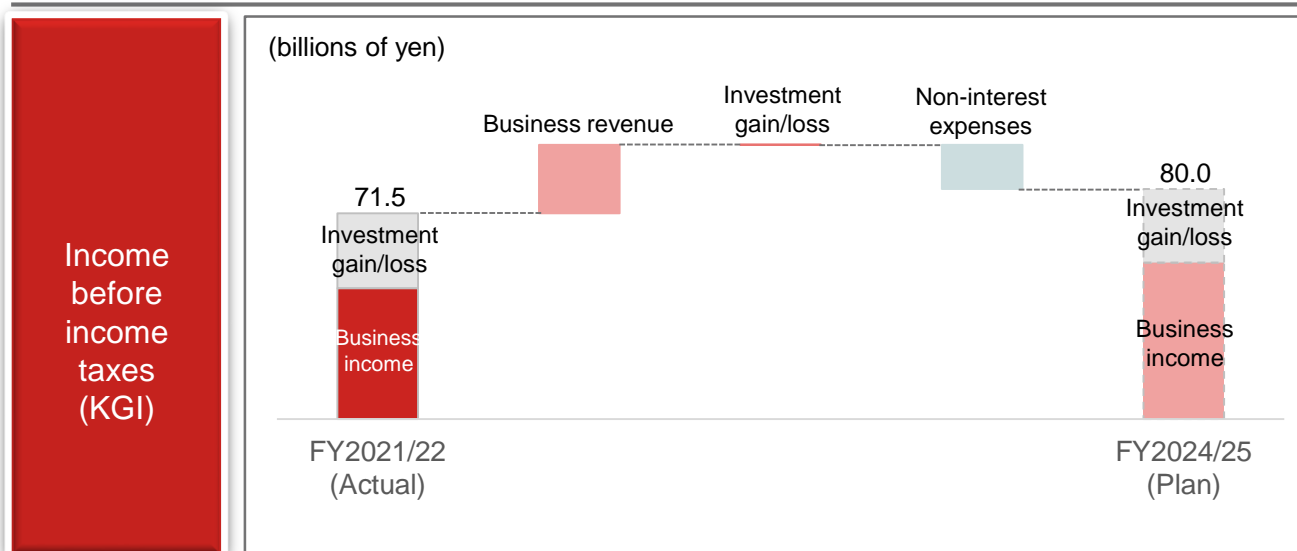
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# Strategy to FY2024/25

- 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



KPIs to achieve KGI	FY2021/22 (actual)		FY2024/25 (KPI)	
Assets under management (year end)	Y67.9trn		Y79.1trn	
Net inflows (full year)	Y2.0trn		Y2.9trn	

## Strategy key points

Public markets businesses

Help improve financial literacy to grow investment trust business

Grow domestic institutional investor and ETF business

Global strategy leveraging UCITS<sup>1</sup>

Increase in variable costs due to AuM growth

Private markets businesses

Disciplined execution of investment

Democratization of alternative products

Grow real asset business

Expand aircraft lease business and airline industry rebounds

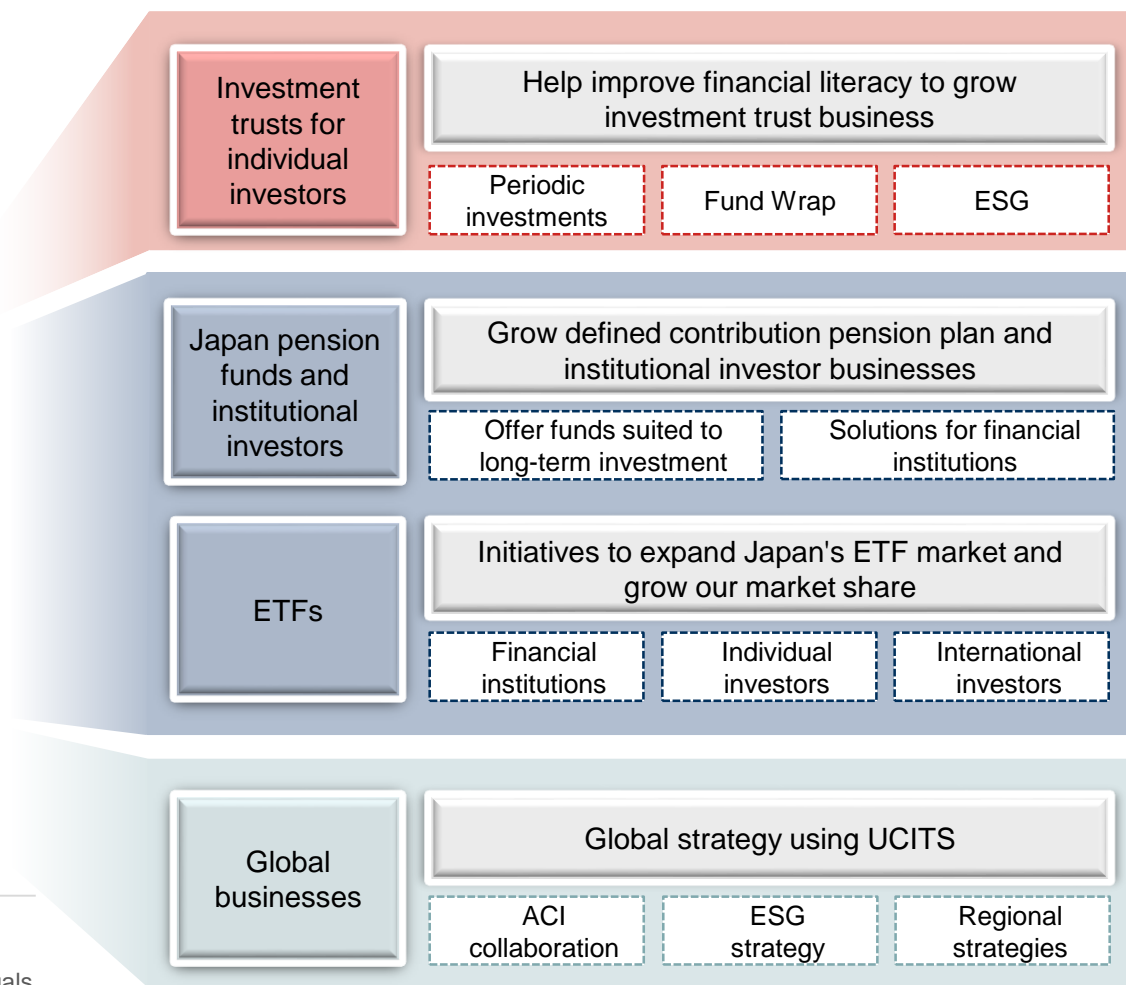
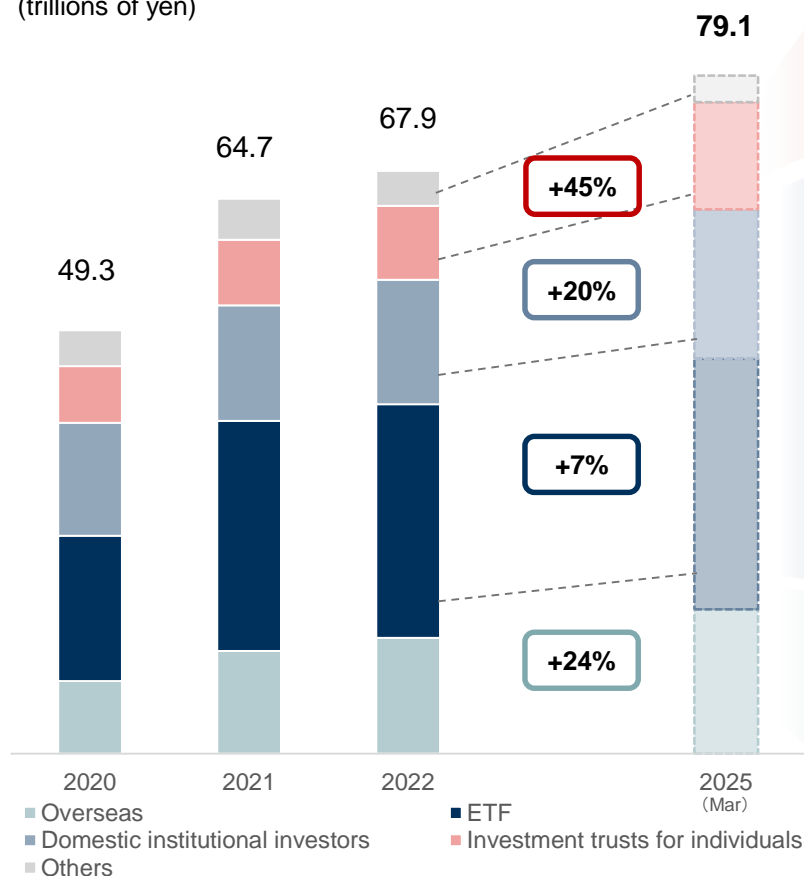
1. Undertakings for Collective Investment in Transferable Securities.

# Public markets businesses

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

Investment Management assets under management<sup>1</sup>

(trillions of yen)



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.

# Public markets businesses (1)

## Help improve financial literacy to grow investment trust business

**NOMURA**

- 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

Help improve financial literacy to grow investment trust business

Contribute to financial institutions' asset building businesses

Promote periodic investments

Strengthen Fund Wrap business

Focus on growing ESG products

Provide content for distributors

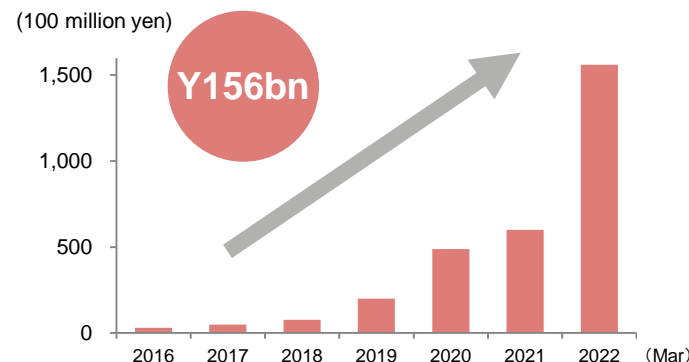
Develop and provide games to experience periodic investment, carry our financial education such as sending staff to lecture at universities

Strengthen proposals using funds managed by Nomura Asset Management

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

- Nomura Asset Management runs ESG salon and ESG school offering educational content for distributors

Wealth Square Fund Wrap AuM



- Publicly offered investment trust ESG product AuM of Y866.1bn (Mar 2022)

Y866.1bn

- Kokorozashi Project<sup>1</sup> has grown to 48 distributors in 33 prefectures

- AuM in global ESG balanced fund grown to Y90bn



1. Kokorozashi Project: Collaborate with regional financial institutions to contribute part of revenues from ESG strategic products to SDG related businesses; Distributor and prefecture figures as of April 1, 2022.

# Public markets businesses (2)

## Growth of Japanese institutional investor and ETF businesses

**NOMURA**

- 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

AuM in DC funds



### Solutions for financial institutions

Step up business as a solutions provider

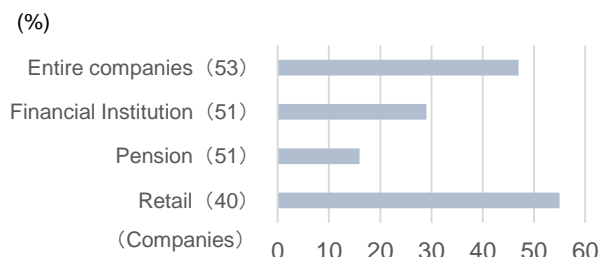
- Grow business by providing solutions to financial institutions with strong needs to manage funds

Strengthen investment management solutions for nationwide financial institutions

Provide solutions for regional financial institutions, strengthen privately placed business

Meet alternative investment needs

Percentage of each investor segment where asset managers expect revenues to grow by more than 1.5 times over the next five years<sup>1</sup>



Approx. 30% of asset managers expect revenues from financial corporation business to grow more than 1.5 times over the next five years

### ETFs

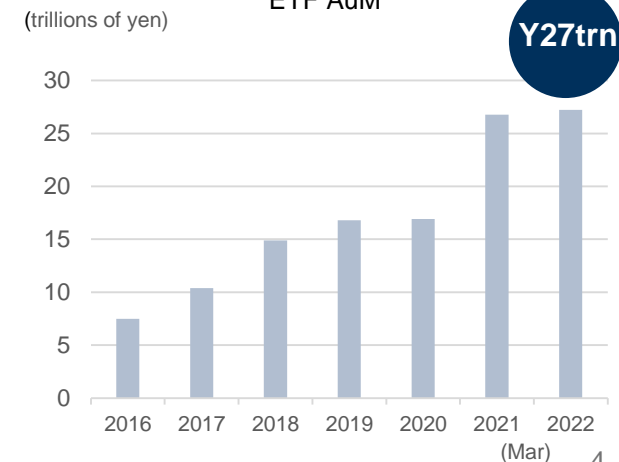
Initiatives to grow ETF investor pool

Encourage use by institutional investors

Grow retail investor base via online channels

International marketing

ETF AuM



1. Based on Japan Asset Management Business 2021/2022 published by Nomura Research Institute.

# Public markets businesses (3)

## Global strategy using UCITS

- 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)

NOMURA ASSET MANAGEMENT

Strategic partnership



American Century Investments®

Enhance ESG strategy

Global equities

Japan equities

AEJ equities

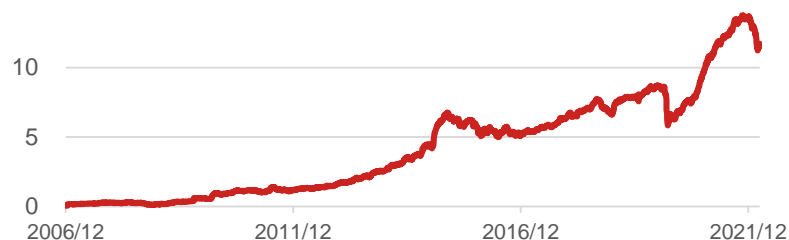
Emerging market equities

High yield bonds

Compliant with European sustainable finance disclosure rules

### UCITS AuM

(billions of USD)



AuM  
\$11.6bn

26  
funds

(Mar 2022)

### 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

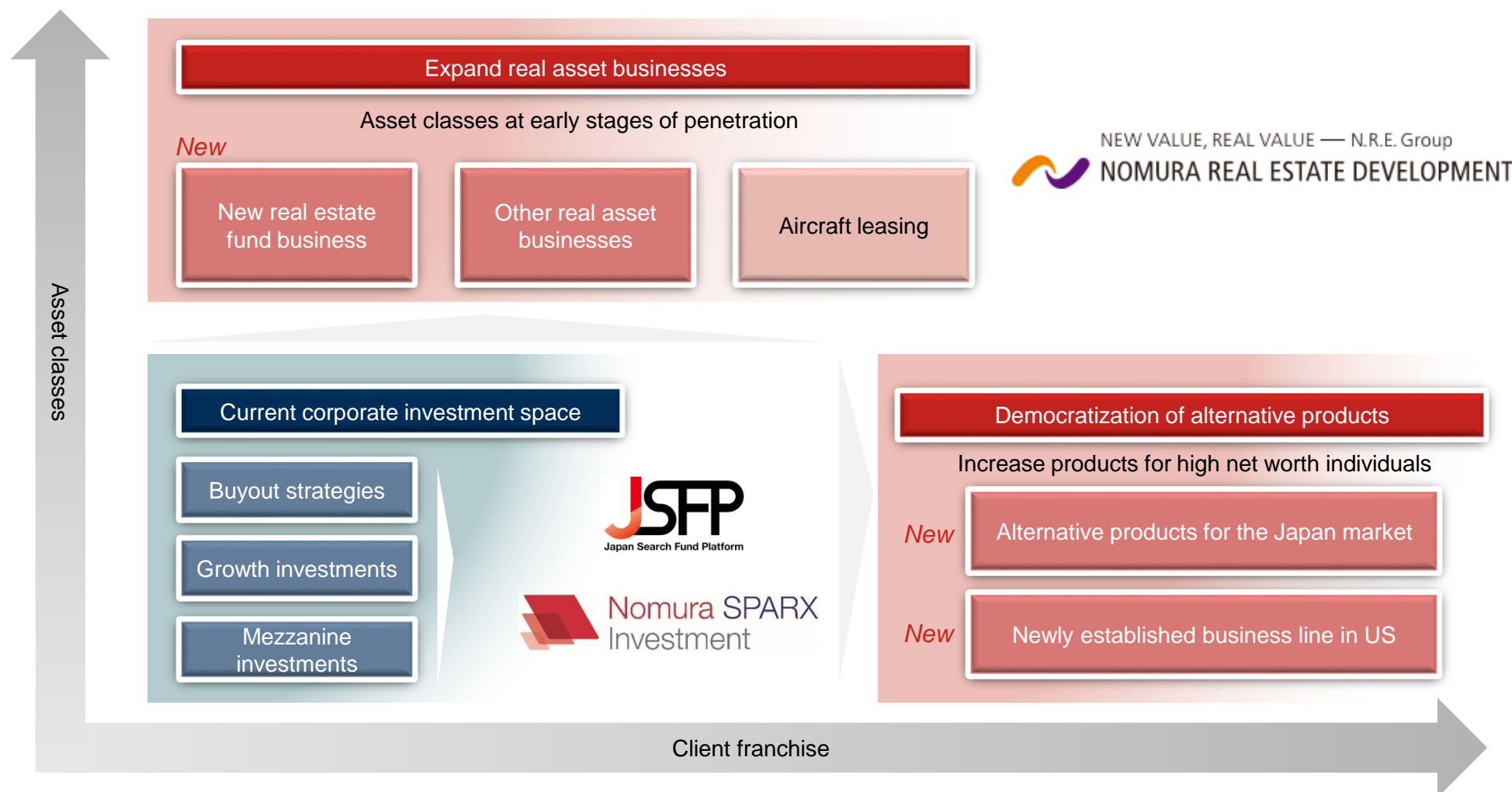
From Japan to the world

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

# Private markets businesses

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



# Private markets growth strategy (1)

## Disciplined execution of investment

NOMURA

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

### Buyout strategies

#### Nomura Capital Partners

- Private equity investment company using own funds
- Provide innovative solutions using equity for various needs related to business operations and capital



Fifth investment  
**Acquired shares in Renias**

Manufacturer of transport devices and parts for specialized vehicles

#### Japan-China Capital Partners

- Private equity fund set up by Nomura Holdings and other Japanese financial institutions together with China Investment Corporation
- Invest in wide range of companies with growth aspirations in Asia, particularly Japan and China



First investment  
**Agreed to acquire shares in Factory Japan Group**

Operates over 360 salons in Japan and abroad under Karada Factory brand

### Growth investment strategies

#### Nomura SPARX Investment

- Established as joint venture by Nomura Holdings and SPARX Group in April 2021; Operates Japan Growth Capital Investment Corporation that invests in unlisted companies



First investment  
**Acquired shares in Astroscale**

Developing service to remove space debris



Second investment  
**Acquired shares in Synspective**

One stop solution provider that makes use of satellite data

### Mezzanine investments

#### Nomura Mezzanine Partners

- Provides solutions with mezzanine finance<sup>1</sup> mainly for LBOs and MBOs by private equity funds and operating companies

**N-MEZ**

**Total investments since 2020 of over Y20bn**

1. Mezzanine finance: A fundraising method that sits between debt finance such as bank lending and bond issuance and issuance of common equity.

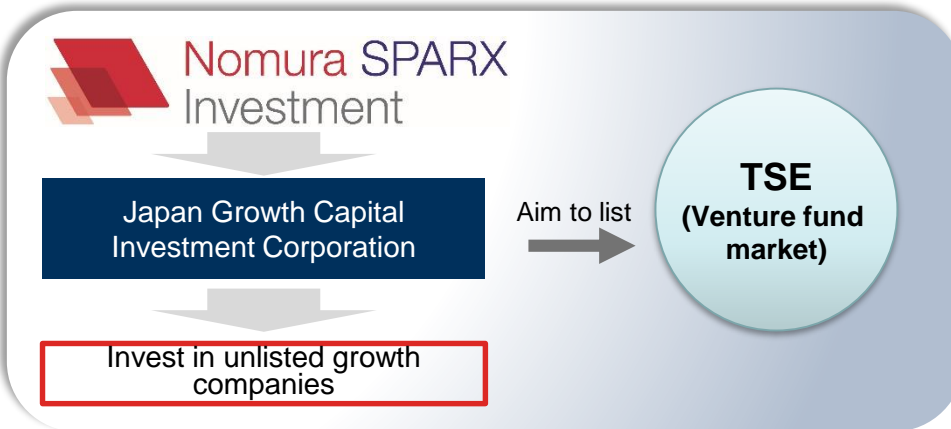


# Private markets growth strategy (1)

## 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



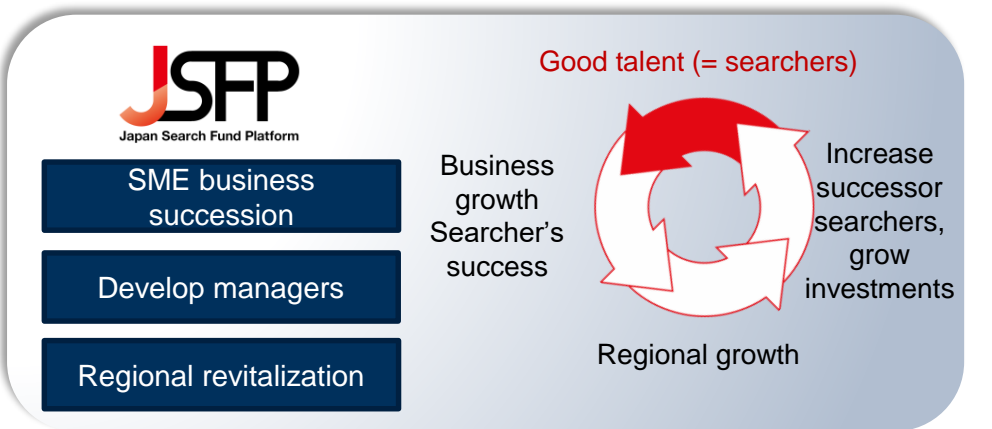
Total investment commitments over Y25bn

Executing third investment

Provide growth capital to growth companies



### Japan Search Fund Platform<sup>1</sup>



Completed first closing  
Aim to grow size of fund

Signed agreement with first searcher  
Started looking for investment

Solve issues for SMEs

Contribute to development of Japanese economy



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.

# Private markets growth strategy (2)

## Democratization of alternative products

- 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

- Nomura Asset Management offers Blackstone Real Estate Income Trust Fund<sup>1</sup>, Japan's first publicly offered investment trust that invests in US unlisted REIT
- ➔ Focus on continually providing competitive products

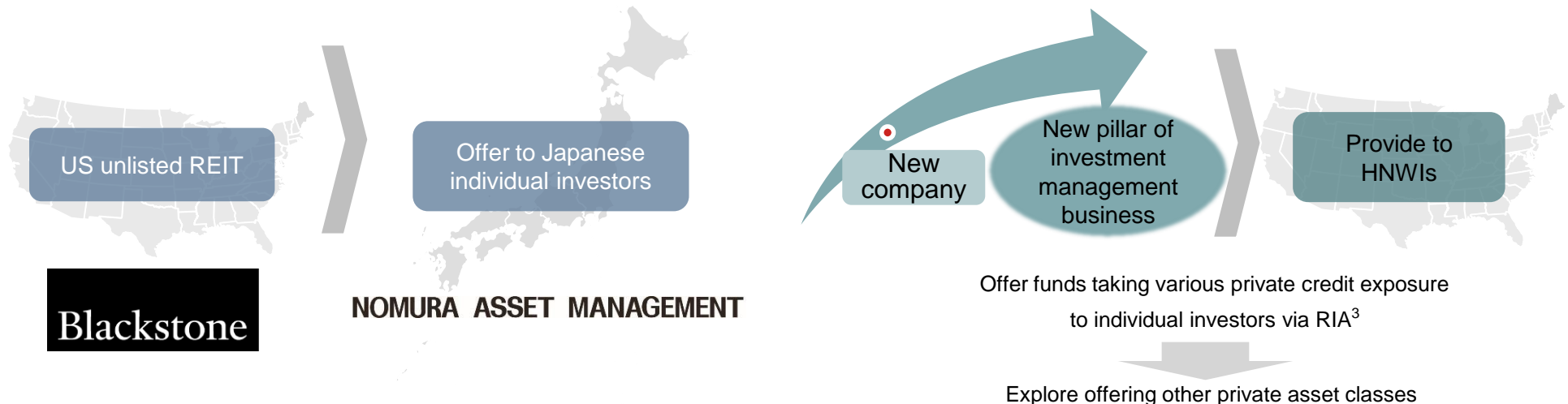
### Launching private asset management business in US

- Setting up new company in US where demand from HNWI<sup>2</sup>s 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

### Expand products for individual investors

Continually provide competitive products to the Japan market

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



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.

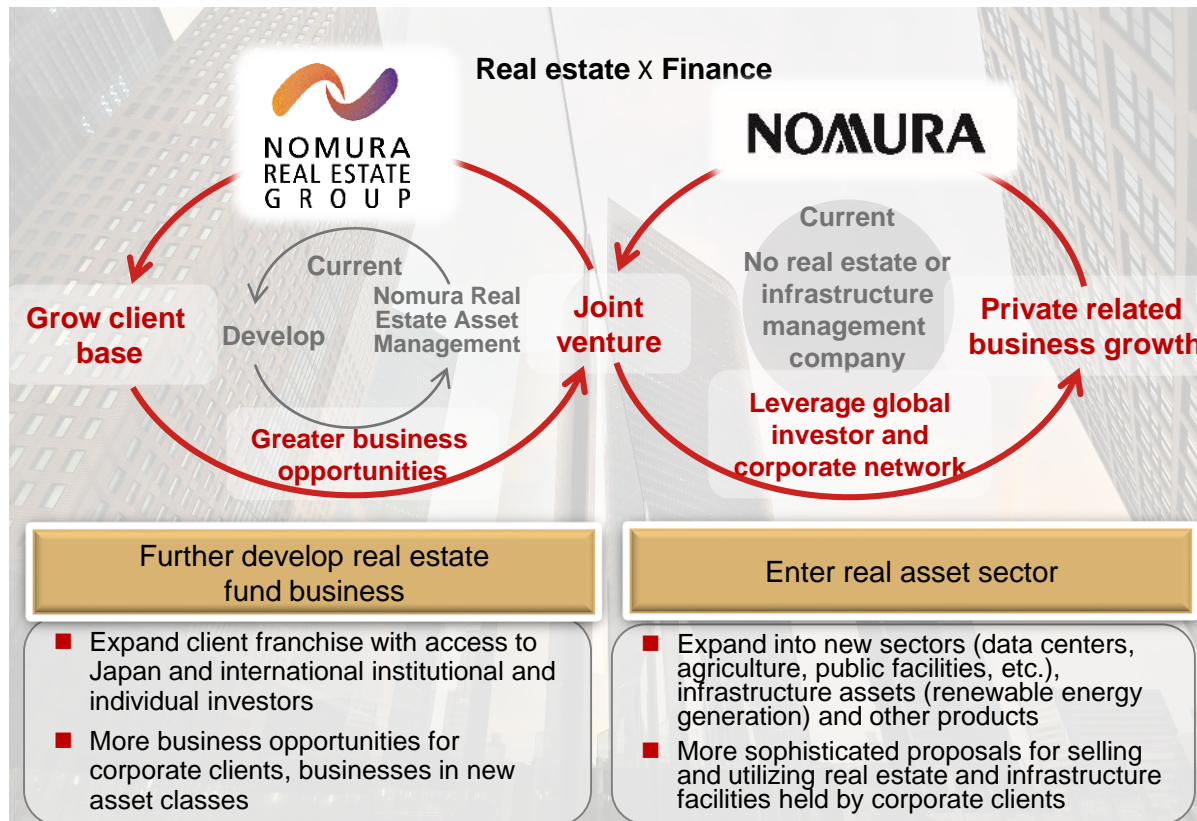
# Private markets growth strategy (3)

## 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

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



### 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

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