Presentation at Nomura Investment Forum 2022

Strategy update: Key achievements and new initiatives for changing environment

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Group CEO
Nomura Holdings, Inc.

November 29, 2022
Changes in macro environment and market shifts

Central banks shifting toward aggressive interest rate hikes

Elevated market volatility

FRB shrinking balance sheet

Asset price correction started in 2022

Source: Nomura, based on Bloomberg.
Performance in FY2022/23 1H

Three segment income before income taxes

(billions of yen)

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2022/23 1H performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>- US rate hikes and stock market correction dampened retail client sentiment and impacted fundraising by issuers globally</td>
</tr>
</tbody>
</table>
| Investment Management | - Flow revenue slowed due to muted stock trading and investment trust sales  
                         | - Recurring revenue, a stable source of revenue, increased |
| Wholesale        | - Asset Management business remained solid  
                         | - Market factors drove down investment gain/loss |
|                   | - Diversified business portfolio delivering steady performance  
                         | - Fixed Income remained resilient driven by Macro Products, offsetting a slowdown in financing business |

Loss and reversal gain arising from transactions with a US client in March 2021

US rate hikes and stock market correction dampened retail client sentiment and impacted fundraising by issuers globally.

Flow revenue slowed due to muted stock trading and investment trust sales.

Recurring revenue, a stable source of revenue, increased.

Asset Management business remained solid.

Market factors drove down investment gain/loss.

Diversified business portfolio delivering steady performance.

Fixed Income remained resilient driven by Macro Products, offsetting a slowdown in financing business.
Today’s agenda

1. Improving Retail profitability

2. Stabilizing and growing Wholesale business

3. Expanding asset management products and strengthening digital financial services

4. BoD effectiveness, employee engagement
1. Improving Retail profitability
Retail: Outcomes from transforming business model

Growth in recurring revenue assets contributed to higher recurring revenue
Recurring revenue cost coverage ratio increased to 50%

Support diverse client needs such as inheritance
Solid consulting-related revenue

Recurring revenue assets

<table>
<thead>
<tr>
<th>Period</th>
<th>Recurring Revenue (billions of yen)</th>
<th>Recurring Revenue Cost Coverage Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr 2019</td>
<td>Y16.7trn</td>
<td>48%</td>
</tr>
<tr>
<td>Sep 2022</td>
<td>Y18.3trn</td>
<td>50%</td>
</tr>
</tbody>
</table>

Consulting-related revenue (billions of yen)

<table>
<thead>
<tr>
<th>Period</th>
<th>Testamentary trusts</th>
<th>Estate settlements</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2019/20</td>
<td>224</td>
<td>346</td>
</tr>
<tr>
<td>FY2020/21</td>
<td>205</td>
<td>401</td>
</tr>
<tr>
<td>FY2021/22</td>
<td>538</td>
<td>782</td>
</tr>
<tr>
<td>FY2022/23</td>
<td>1,019</td>
<td></td>
</tr>
</tbody>
</table>
Retail: Review cost base, improve revenues into FY2024/25

Retail income before income taxes declining due to lower flow revenue

(billions of yen)

<table>
<thead>
<tr>
<th>FY2019/20</th>
<th>FY2020/21</th>
<th>FY2021/22</th>
<th>FY2022/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income before income taxes</td>
<td>13.4</td>
<td>36.1</td>
<td>37.9</td>
</tr>
</tbody>
</table>

Flow revenue, etc.¹
Recurring revenue²

1. Revenue from transactions (brokerage revenue, consulting-related revenue), interest income, etc. other than from loans.
2. Revenue from client assets and ongoing revenue (investment trusts, discretionary investments, insurance, loans, level fee assets, etc.).
## Service and product strategy by segment

### Retail: Strengthening segment-based approach to more clearly meet client needs

- **Diversified strategy to meet client needs in each segment**
- **Enhancing product marketing to adapt to market conditions**

#### Client needs

<table>
<thead>
<tr>
<th>Segment</th>
<th>Needs</th>
</tr>
</thead>
</table>
| WM Corporations/owners | - Preserve assets under environment of inflation and yen depreciation  
                        | - Sophisticated solutions for each asset class held                  
                        | - Successor issues, business succession, passing assets to next generation, inheritance, dealing with estate  
                        | - Support business activities                                        |
| HNWIs            | - Preserve assets under environment of inflation and yen depreciation  
                        | - Passing assets to next generation, inheritance, dealing with estate |
| Mass affluent    | - Build assets over medium- to long-term                              
                        | - Life planning under environment of inflation and yen depreciation   
                        | - Online light-touch services                                         |

#### Strengthening segment businesses

<table>
<thead>
<tr>
<th>Future direction</th>
<th>Product strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>In person</strong></td>
<td><strong>Private products, FX, core business hedging, portfolios, putting idle funds to use, estate planning</strong></td>
</tr>
<tr>
<td>Leverage collective strengths of Nomura Group to deliver value</td>
<td></td>
</tr>
</tbody>
</table>
| - Combine Tokyo, Nagoya, Osaka corporations/owners segment Partners into one organization to share expertise  
  - Differentiate by collaborating across the Group with other divisions  
  - Provide solutions by asset class |
| **Growth strategy**                                                              |                                                                                  |
| Increase headcount, build up people who can provide high value-added services   |                                                                                  |
| Create convenient client touch points leveraging digital and remote services for client areas with low coverage by Partners |
| **Online**                                                                       |                                                                                  |
| New business model to provide services to a broader range of clients over a longer period |
| - Digital and Partners                                                           |                                                                                  |
| - Digital and salaried employees                                                 |                                                                                  |
| - Fully digital                                                                   |                                                                                  |
| **Convenient, easy to use, asset building**                                     |                                                                                  |
Retail: Business for salaried employees underpinning client franchise growth

Steady growth in services for salaried employees working towards FY2024/25 target

(Thousands)

<table>
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<tr>
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</thead>
<tbody>
<tr>
<td>3,089</td>
<td>3,128</td>
<td>3,210</td>
<td>3,242</td>
<td>3,308</td>
<td>3,357</td>
<td>3,446</td>
<td>3,660</td>
</tr>
</tbody>
</table>

Increased by 360,000 in 3 years (mainly ESOP)

Further strengthening business for salaried employees

1. **Expand convenience**
   - Improve functions of ESOP web and apps
   - Continue providing market information and investment education by generation
   - Improve systems, marketing automation

2. **Enhance client targeting on ongoing basis**
   - **Retirement (55 – 65 years old)**
     - Enhance remote approach for clients with certain level of financial assets
     - Manage retirement packages and other financial assets, provide life planning services
   - **High net worth**
     - Dedicated team for restricted stock accounts for executives and senior managers at focus companies

**Breakdown of services (as of Sep 2022)**

- **ESOP members**: 55%
- **Corporate DC participants**: 19%
- **Restricted stock accounts**: 1%
- **Accounts originally ESOP (excl. current members)**: 24%

- 80% opened or planning to open securities account

- **Increase number of companies**
  - Collaborate with Investment Banking and Investment Management to strengthen proposals for listed companies and growth companies

- **Increase number of participants**
  - Approach companies and enhance support for asset building among working population

- **Workplace accumulation NISA**
- **Workplace iDeCo**
- **Corporate DC**
- **ESOP**
Retail: Expanding business through alliances

- Comprehensive business alliance with San-in Godo Bank and Awa Bank progressing better than expected; Client assets increasing with fund flows
- Wide range of solutions from asset building via workplace accumulation NISA to helping companies find successors

Results of alliance with San-in Godo Bank and Awa Bank

<table>
<thead>
<tr>
<th>Client assets</th>
<th>Workplace accumulation NISA</th>
</tr>
</thead>
<tbody>
<tr>
<td>San-in Godo Bank (^1)</td>
<td>Y1.25trn</td>
</tr>
<tr>
<td>Awa Bank (^2)</td>
<td>Y1.4trn</td>
</tr>
<tr>
<td>Nomura Securities (^3)</td>
<td>Y1.8trn</td>
</tr>
<tr>
<td><strong>Final agreement</strong></td>
<td><strong>Y1.8trn</strong></td>
</tr>
<tr>
<td><strong>Sep-22</strong></td>
<td><strong>Y1.8trn</strong></td>
</tr>
<tr>
<td><strong>Medium-term target</strong></td>
<td></td>
</tr>
</tbody>
</table>

- Improving financial literacy
  - Tokushima Prefecture and Awa Bank signed partnership agreement on financial education
  - Plan to deliver Nomura’s financial education content to elementary, junior and high schools in Tokushima via Awa Bank

- Business succession
  - LP investment in search fund
  - Provide solutions for clients without a successor and facing issues over business succession

Total from April 2021 to Sep 2022

- Net inflows of cash and securities: Y161bn
- Investment trust and discretionary investment net inflows: Y110.8bn
- New accounts opened: 17,171 accounts

Four alliances with regional banks

- Final agreement with Oita Bank in Aug 2022
- Final agreement with Fukui Bank in Nov 2022
- Alliance started on Apr 26, 2021
- Alliance started on Sep 23, 2020

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1. Gogin Securities client accounts and San-in Godo Bank client securities accounts.
2. Awa Bank client securities accounts
3. Nomura Securities Matsue, Yonago and Tokushima branches
Launched project in spring 2022 to reform revenue and cost structure
Make necessary investments to avoid contracting, while aiming for best revenue and cost structure

Defined items for cost reductions as part of project to reform revenue and cost structure

People strategy
- Restrict hiring to reduce headcount
- Pay for performance

Optimize sales admin costs
- Close branch ATMs
- Optimize leased cars
- Revise communications fees
- Revise outsourcing fees

IT strategy
- Enhance governance of IT investment decision making
- Share infrastructure across Group

Productivity by segment
- Quantify productivity by segment
- Right-size Corporate costs in line with business model transformation of each segment

Room for Y20bn cost reduction
Achieve by end of Mar 2025

Control costs further
Y30bn cost reduction

(billions of yen)

<table>
<thead>
<tr>
<th>FY17/18</th>
<th>FY18/19</th>
<th>FY19/20</th>
<th>FY20/21</th>
<th>FY21/22</th>
<th>FY24/25 (target)</th>
</tr>
</thead>
<tbody>
<tr>
<td>309.8</td>
<td>290.0</td>
<td>286.9</td>
<td>276.5</td>
<td>268.7</td>
<td>260.0</td>
</tr>
</tbody>
</table>
2. Stabilizing and growing Wholesale business
Wholesale: Improved franchise profitability

Strengthened Wholesale platform post 2019 restructuring to generate sustainable performance

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<tbody>
<tr>
<td>371</td>
<td>368</td>
<td>338</td>
<td>377</td>
<td>285</td>
<td>270</td>
<td>316</td>
<td>367</td>
<td>469</td>
<td>427</td>
<td>362</td>
<td>386</td>
<td>404</td>
</tr>
</tbody>
</table>

1. Adjusted revenue
2. Adjusted income before income taxes

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Wholesale: Higher revenues in FY2022/23 1H on diversification of core products

Growing presence in focus areas

<table>
<thead>
<tr>
<th>Product</th>
<th>2016 Share</th>
<th>2022 Share</th>
<th>2016 Rank</th>
<th>2022 Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Rates/Agency</td>
<td>7.6%</td>
<td>8.3%</td>
<td>#2</td>
<td>#1</td>
</tr>
<tr>
<td>AEJ Credit</td>
<td>~7%</td>
<td>~13%</td>
<td>#5</td>
<td>#2</td>
</tr>
<tr>
<td>Global M&amp;A</td>
<td>1.9%</td>
<td>4.4%</td>
<td>#30</td>
<td>#16</td>
</tr>
<tr>
<td>Japan Equity Brokerage</td>
<td>12.2%</td>
<td>12.3%</td>
<td>#1</td>
<td>#1</td>
</tr>
<tr>
<td>US Equity Derivatives</td>
<td>9%</td>
<td>12.5%</td>
<td>#5</td>
<td>#1</td>
</tr>
<tr>
<td>US Mortgages</td>
<td>3.1%</td>
<td>10.8%</td>
<td>#6</td>
<td>#4</td>
</tr>
<tr>
<td>Risk origination</td>
<td>100%</td>
<td>300%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Portfolio diversification offset changes in market environment

| FY2022/23 1H Revenue (vs FY2021/22 1H) |
|--------------------------------------|-----------------|
|                                       | (%)             |
| FX/EM                                 | 1               |
| Rates                                 | -               |
| Credit                                | -               |
| Advisory                              | -               |
| Execution                             | -               |
| Equity Products                       | -               |
| Securitized Products                  | -               |
| Finance, Solutions                    | -               |

- Awarded three years running by The Banker, an FT publication

1. Transaction volume and rank, source: Bloomberg
2. Revenue share and rank, source: Coalition Greenwich Competitor Analytics 2016 and 2022 1H; Ranking competitive set: BofA, BARC, BNPP, Citi, CS, DB, GS, JPM, MS, HSBC, UBS; Market share according to Nomura’s product taxonomy and Nomura’s internal revenues
3. Source: Dealogic, Apr-Oct 2016, Apr-Oct 20 2202 deal value
4. Revenue share and rank, source: Third party research, Jan-Jun 2016 and Jan-Jun 2022
5. Client revenue, source: Third party research
6. Transaction share and rank, source: Bloomberg
7. FY2016/17 and FY2022/23 1H revenue annualized
8. ECM, DCM, ALF, businesses run together with Global Markets, other revenue not attributed to a particular product.
Wholesale: Fixed Income driving divisional performance

- Refocused on core businesses to grow revenue base while remaining highly efficient
- Committed to providing liquidity globally and gaining upside while creating sustainable returns

Fixed Income strengths, added value

- Focus on core businesses driving high market share and efficiency
- Expert, detailed risk management
- Global client relations
- Collaborations across borders and products

Productivity: $>5m

Average ROE (pretax): <15%

Core Fixed Income revenues

- FY16/17: $3.2bn (annual average)
- FY19/20: $3.7bn (annual average)

Core Fixed Income income before income taxes

- Consistently contributing to profits

1. Average of FY2019/20 – FY2022/23 1H.
2. Productivity based on revenues and producer headcount.
3. Pretax ROE is calculated using risk adjusted assets used by core Fixed Income products after taking into account diversification effect multiplied by 12.5%.
4. Composed of Rates, Credit, FX/EM, Securitized Products and other core products as well as revenue allocated from DCM and ALF as part of CFS business run together with Investment Banking.
Advisory revenues growing despite global fee pools shrink

(billions of yen)  
Investment Banking revenues

- Advisory
  - Finance, Solutions, etc.

<table>
<thead>
<tr>
<th></th>
<th>1H FY2019/20</th>
<th>2H FY2019/20</th>
<th>1H FY2020/21</th>
<th>2H FY2020/21</th>
<th>1H FY2021/22</th>
<th>2H FY2021/22</th>
<th>1H FY22/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global fee pool²</td>
<td>47.6</td>
<td>44.1</td>
<td>71.7</td>
<td>71.0</td>
<td>75.6</td>
<td>51.7</td>
<td></td>
</tr>
<tr>
<td>YoY</td>
<td>+13%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

Strengthen international business by focusing on areas of strength centered on Nomura Greentech

- Focus on themes resilient to economic cycles and with fee pool growth (sustainability, etc.)
- Greentech Industrials & Infrastructure (GII) team working globally with differentiated content and Nomura Greentech insights

Advisory revenues growing despite global fee pools shrink

47.6  38.1  44.1  75.6
YoY  -45%
YoY  -28%

M&A fee pool³

<table>
<thead>
<tr>
<th></th>
<th>FY17/18</th>
<th>FY18/19</th>
<th>FY19/20</th>
<th>FY20/21</th>
<th>FY21/22</th>
</tr>
</thead>
<tbody>
<tr>
<td>GII Fee pool</td>
<td>26</td>
<td>29</td>
<td>26</td>
<td>28</td>
<td>11</td>
</tr>
<tr>
<td>Other</td>
<td>6</td>
<td>8</td>
<td>6</td>
<td>6</td>
<td>11</td>
</tr>
</tbody>
</table>

Fee pool back to pre-pandemic levels but sustainability-related is expected to grow

1. ECM, DCM, ALF, businesses run together with Global Markets, other revenue not attributed to a particular product.
2. Source: Dealogic (Apr – Sep 2022)
3. Source: Dealogic and other third party data, Nomura estimates.
Wholesale: International platform generating higher profitability

Structural reforms and selective investments have driven consistent profitability in international core businesses

International Wholesale showing improved profitability after structural reforms

- Apr 2016: Sharpened business line focus
- Apr 2019: Realigned business platform, $1bn cost cuts

Strengthened Americas platform with selective investments and alliances focused on core businesses

- 2017: Set up Infrastructure Finance team
- Jul 2020: Acquired Greentech Capital
- Apr 2020: Alliance with Wolfe Research

- Focus on core businesses

Fiscal years:
- 2016
- 2017
- 2018
- 2019
- 2020
- 2021
- 2022

(billions of yen)

Wholesale: Leverage business strengths to drive revenue growth

Leverage franchise to move to next stage

<table>
<thead>
<tr>
<th>Wholesale adjusted income before income taxes¹</th>
<th><strong>Revenue upside potential</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>(billions of yen)</td>
<td><strong>$1bn+ (Y130bn)⁴</strong></td>
</tr>
<tr>
<td><strong>Revenue/Modified RWA²</strong></td>
<td><strong>FY22/23 1H progress</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Medium-term target</strong></td>
</tr>
<tr>
<td><strong>Revenue/Modified RWA²</strong></td>
<td>FY22/23 1H progress</td>
</tr>
<tr>
<td></td>
<td>(annualized)</td>
</tr>
<tr>
<td></td>
<td>Approx. 6%</td>
</tr>
<tr>
<td></td>
<td>(after Basel III finalization)</td>
</tr>
<tr>
<td><strong>CIR (expenses/revenue)</strong></td>
<td>Approx. 80%</td>
</tr>
<tr>
<td><strong>Fees, commission revenue³</strong></td>
<td>$1.1bn</td>
</tr>
<tr>
<td></td>
<td>Over $1.5bn</td>
</tr>
</tbody>
</table>

2. Wholesale net revenue divided by modified risk-weighted assets used by Wholesale (daily average); Modified RWA (daily average) not according to USGAAP; RWA amount represents (1) Basel III RWA and (2) Basel III capital modification items divided by Nomura internal minimum capital ratio.
4. Calculated using USD/JPY Jan to Sep 2022 average rate (month end).

Focus areas and initiatives to achieve revenue growth

- **Creating value**
  - Increase services to meet client needs
  - Unlocking strengths in stable and profitable existing businesses to grow client base and new markets
  - Focus on areas compatible with existing businesses, access new fee pools

- **Growth drivers**
  - Private markets
  - Global Equities
  - Advisory, International Wealth Management

- **Initiatives**
  - Increase products and services in growth areas such as tailor-made asset finance mostly in capital-light products
  - Replicate success in Americas in other regions, leverage Group platform to increase synergies
  - Build franchise strategically in growth markets
  - Monetize investments quicker, boost producer productivity

**Key agenda**

- Profitability
- Capital efficiency
- Profitability
- Growth
- Productivity

---

**Main KPIs**

- FY21/22
- FY22/23 1H
- FY24/25 Target (KGI)

- **Revenue**
  - 125¹

- **Investing to grow/run the bank**
  - 160-180

- **Revenue growth**

- **Business opportunities from market recovery**

- **Remain agile to postpone some investments if market recovery delayed**
Wholesale: Diversified portfolio for sustainable, stable growth

- Strengthen capital-light businesses such as Advisory and International Wealth Management to deliver consistent revenues resilient to external environment

Wholesale portfolio (conceptual image)

**Revenue mix**: Selectively strengthen strategic, organic and inorganic investment. Strategically prioritize use of unused capital. Maintain/strategically prioritize improving capital productivity/efficiency.

1. FY2019/20 to FY22/23 1H net revenue excludes loss arising from a US client transactions, etc.
2. Revenue related to Advisory, underwriting and International Wealth Management.
3. Excludes private market businesses.

---

1. 14% 11% 18%
2. 10% 12% 17%
3. 36% 29% 31%

- **Equities**: 40% 48% 35%
- **Fixed Income**: FY20/21 - FY21/22 (Average)
- **Private Markets**: FY22/23 1H
- **Target**: FY24/25
Wholesale: Continue controlling costs

- Costs have increased due to investment and inflation mainly outside Japan
- Continue to selectively invest, but remain agile to revise in line with changes to environment to control CIR at around 80% over medium term

Wholesale adjusted revenue and expenses (half year)¹

Selectively investing for growth

- Continue to selectively invest in areas underpinning value creation such as Advisory and sustainability taking into account growth potential and investment risk
- M&A remain an option in areas of medium-to long-term growth including gaining access to new functions and expanding client reach

Cost discipline

- Pay for performance, flexible people strategy aligned to changes in business environment
- Review sales admin costs, our location strategy, Corporate costs
- Ongoing review of business portfolio
  - Continue to review business portfolio based on profitability and resources vs. returns

3. Expanding asset management products and strengthening digital financial services
Investment Management: Expand products in alternatives

- In addition to traditional asset management products, launch real asset (real estate, forestry) and private market asset management products by also collaborating with external partners

Non-traditional asset lineup in Investment Management

<table>
<thead>
<tr>
<th>Value provided by Nomura Group</th>
<th>Asset management products</th>
<th>Increase stable revenues, capital light businesses</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Traditional assets</td>
<td>Real assets</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Real estate, infrastructure</td>
</tr>
<tr>
<td>Real estate, infrastructure</td>
<td>Nomura Real Asset Investment</td>
<td>Established Nomura Real Asset Investment in August 2022</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Acquiring license to start operations from next fiscal year</td>
</tr>
<tr>
<td></td>
<td>Forestry assets</td>
<td>NewForests</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Entered into agreement in May 2022 to acquire shares in New Forests Pty Limited, a forestry asset management company</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Expected to acquire 41% of shares</td>
</tr>
<tr>
<td>Aircraft leasing</td>
<td></td>
<td>Japan’s first operating lease (JOL)¹ with Singapore Airlines</td>
</tr>
<tr>
<td>Aircraft leasing</td>
<td></td>
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<tr>
<td>US unlisted REITs</td>
<td></td>
<td>Japan’s first publicly offered investment trust that invests in US unlisted REITs ($323m²)</td>
</tr>
<tr>
<td>US unlisted REITs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private equity</td>
<td>JCP Japan-China Capital Partners</td>
<td>Completed first investment</td>
</tr>
<tr>
<td>Private equity</td>
<td></td>
<td>Plan to expand in China</td>
</tr>
<tr>
<td>Private market strategy</td>
<td>Blackstone</td>
<td></td>
</tr>
<tr>
<td>Private credit</td>
<td>NOMURA Private Capital</td>
<td>Set up Nomura Private Capital in Americas in May 2022</td>
</tr>
<tr>
<td>Private credit</td>
<td></td>
<td>Preparing to launch private credit fund</td>
</tr>
<tr>
<td>Business succession fund</td>
<td>JSP Japan Search Fund Platform</td>
<td>Investment commitment of Y5.8bn</td>
</tr>
<tr>
<td>Business succession fund</td>
<td></td>
<td>Searcher agreements increased to four</td>
</tr>
</tbody>
</table>

1. Japanese Operating Lease
2. AUM as of Oct. 2022

Expected return (estimate)
- FY2024/25: Y5bn
- 5 – 10 years: Y15bn

Unlisted companies
- Nomura SPARX Investment
  - Investment commitment of Y25bn
  - Completed five investments
  - Plan to list in future

Private equity
- JCP Japan-China Capital Partners
  - Completed first investment
  - Plan to expand in China

Mezzanine finance
- N-MEZ
  - Invested over Y25bn

Principal investments
- Nomura Private Capital in Americas in May 2022
- Preparing to launch private credit fund

Principal investments
- Set up Nomura Private Capital
- Preparing to launch private credit fund

Value provided by Nomura Group
- Use balance sheet
  - Principal investments, capital intensive businesses

Alternative assets
- Real estate (real estate, forestry)
- Private market strategy
- Principal investments
- Private credit
- Business succession fund
- Aircraft leasing
- US unlisted REITs
- Private equity
- Mezzanine finance
- Real estate, infrastructure
- Forestry assets
- Unlisted companies
- Nomura Real Asset Investment
- Nomura SPARX Investment
- JCP Japan-China Capital Partners
- N-MEZ
- Nomura Private Capital
- Blackstone
- JSP Japan Search Fund Platform
Strengthen digital financial services; Create new businesses in new domains

Promote digital strategy as a business strategy

Digitalization of client experience (CX)
- Transformation of business model (New services)
- Digitalization of client touchpoints
- Digitalization of business processes

Promote initiatives towards digitalization at each stage

Digitalization of business processes
- Reduce costs by digitalizing processes
- Automate services from front to back office
- Increase time used for clients by analyzing and using client data

Digitalization of client touchpoints
- Portfolio management tool for all assets, Nomura Navigation, already being used by 30 percent of applicable sales Partners following April launch
- Improve client convenience with remote consulting
- Corporate clients registered on SME business support platform Trynibus topped 1,000
- Provide digital financial services using three applications

Create business in new domains
- Increase in Japan security token offerings using blockchain platform such as BOOSTRY
- Newly established digital asset company, Laser Digital Holdings

Strengthen platform
- Appointment of highly skilled and experienced global talent to key roles

Platform supporting digital promotion
- DX leadership Organization/structure
- Risk and control
- Digital tools
- Hire/train digital talent
- Data/cloud strategy
- Corporate operating model
- Build robust group-wide cybersecurity system

Group CIO (Patrick Eltridge)  Wholesale CIO (Sameer Jain)  Group Data Officer (Deep Thomas)
Progress in new domain initiatives: Digital assets, STOs

- **Laser Digital Holdings established as a new digital asset company, segregated from existing businesses of Nomura, aiming to provide new value**
- **Security token offerings (STOs) growing as a non-traditional financing solution**

Aim to deliver new value through Laser Digital Holdings

**Laser Digital Holdings**

- Focus on building capabilities across digital asset value chain, offering differentiated proposition
- As part of Nomura Group, business to operate with the highest standards of risk management and compliance
- Well placed to build a resilient franchise and support development of healthy digital asset ecosystem

**Business expansion**

<table>
<thead>
<tr>
<th>Secondary Trading</th>
<th>Venture Capital</th>
<th>Asset Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Provide a wide range of services from trading to investment/asset management and pursue revenue opportunities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>✓ For trading, start from systematic market making using risk-light model and expand transaction strategy/methods and target regions in stages</td>
<td></td>
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</tbody>
</table>

**Plan to set up a business corporation and launch businesses in stages**

- Completed
  - Appointed chairman, CEO and other key posts
  - Start venture capital investments
- From FY2022/23 4Q onward
  - Complete set up of entities
  - Start providing market making
  - Implement asset management strategies

**Examples of STOs using BOOSTRY’s issuance and management platform**

- Publicly-offered STOs backed by two residential complexes
- Private products tailored to clients’ individual needs

**Japan Exchange Group**

Corporate bond STOs x Sustainability

- In June 2022, participated in issuance of Japan’s first publicly-offered digitally tracked green bond

**Issuance**

- Japan Exchange Group
- Nomura Trust & Banking
- JPX
- JPMorgan

**Usage of funds**

- Power generation measured, converted into CO2 reduction
- Monitor environmental impact
- Records stored
- Power generated
- Smart meters
- Power supply
- Invests in Corp. Bond
- JP Morgan
- Nomura
- Investors

**Completed**

- From FY2022/23 4Q onward
- Appointed chairman, CEO and other key posts
- Start venture capital investments
- Complete set up of entities
- Start providing market making
- Implement asset management strategies
4. BoD effectiveness, employee engagement
Composition of Board of Directors

- Significantly changed Board composition from June 2021 to enhance governance in line with global business
- Appointed non-Japanese Board members with financial industry expertise and Japanese company CEOs with global business experience as Outside Directors
- In light of expansion of Americas business in particular, directors with expertise in US financial sector, macro economy, and regulatory environment increased to three

Diverse Board of Directors

**Outside Directors**

- Kazuhiro Ishimura
- Takahisa Takahara
- Noriaki Shimazaki
- Mari Sono
- Laura Simone Unger
- Victor Chu
- J. Christopher Giancarlo
- Patricia Mosser

**Internal Directors**

- Koji Nagai
- Kentaro Okuda
- Tomoyuki Teraguchi
- Shoji Ogawa

**Nomination Committee**

**Compensation Committee**

**Audit Committee**

**Board Risk Committee**

**Chairperson of committee**

Significantly changed Board composition from June 2021 to enhance governance in line with global business

Appointed non-Japanese Board members with financial industry expertise and Japanese company CEOs with global business experience as Outside Directors

In light of expansion of Americas business in particular, directors with expertise in US financial sector, macro economy, and regulatory environment increased to three
Enhanced corporate governance

- Increased depth of discussions with Board comprising non-Japanese directors with financial industry expertise and Japanese CEOs with global businesses

Examples of Board discussions

Input regarding macro environment and geopolitical risks

- Marked increase in input regarding the global macro environment (inflation, rate hikes, yen depreciation) and geopolitical risks, essential considerations for medium to long-term strategy
- Multiple comments about conducting risk management and formulating business strategy in anticipation of changes in the environment even before current sharp interest rate hikes and yen depreciation
- Advice regarding analysis over possible impact from sharp currency fluctuations on Nomura’s financial position

Need for cybersecurity initiatives

- In light of the increased risk of cyberattacks globally, a point was raised about the importance of Japanese companies being proactive in creating policies related to preventing and responding to cybersecurity issues

Established Risk Committee, changed Audit Committee composition

<table>
<thead>
<tr>
<th>Composition</th>
<th>Details of discussions and results</th>
</tr>
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</table>
| Risk Committee | 4 times FY2021/22
| (Chair) | Established in October 2021; Of six members, four are non-Japanese; Chaired by Outside Director Laura Unger. |
| Audit Committee | 24 times FY2021/22 |
| (Chair) | In addition to sharing opinions on the risk environment, the committee provides oversight of risk management framework developed by the executive side. |
| (Full-time member) | Effectiveness of risk management has improved significantly as Risk Committee’s consent is required for the risk management framework |

From June 2022, Outside Director Victor Chu became the first non-Japanese director appointed to the Audit Committee

- Bring global perspective both in terms of depth of discussion and from audit perspective
Employee engagement

- Annual employee survey showed higher percentage of people who said they are proud to work at Nomura
- To help our people take on new challenges and transform themselves, we provide opportunities for them to voluntarily build their careers

Commitment to employee engagement

- **Listen to employee feedback**
  - Conducted survey for all employees (approx. 90% response rate)

- **Share at management level**
  - Understand improvements from previous year’s survey and issues
  - Employees group-wide come together and discuss their purpose
  - Cross-divisional communication on purpose

- **Implement measures**
  - Agree on measures
  - Group-wide discussion at SMD Meeting etc., and determine measures for each department/division
  - Implement improvements in each division/department
  - Conducted survey for all employees (approx. 90% response rate)

Support employees’ career development

- **Implement measures**
  - Agree on measures
  - Group-wide discussion at SMD Meeting etc., and determine measures for each department/division

Purpose Journey

- **Launched Nomura Purpose Journey as part of 100th Anniversary Project**
  - Employees group-wide come together and discuss their purpose
  - Cross-divisional communication on purpose

- **Enhance internal job posting system, Nomura Career**
  - Expanded programs available to some employees until FY2019/20 to all employees
  - Number of employees using program increased 8.3 times in FY2022/23 from FY2019/20

- **Study abroad program**
  - Total of 635 people have studied in Europe, the US and AEJ for 62 consecutive years since 1960
  - Continued to develop global talent during Covid-19 pandemic

- **Next generation training program**
  - 77 people selected since 2021

- **Startup company secondment program**
  - Five people this year

Percentage of employees who said they are proud to work at Nomura

- **80%** (FY2016/17)
- **85%** (FY2022/23)

To help our people take on new challenges and transform themselves, we provide opportunities for them to voluntarily build their careers.
Enhancing our people for sustainable growth

- Hiring and training based on required expertise and skill set for each business to execute its strategy
- Focus on providing future leaders and young people with opportunities

Qualifications for broader asset management business
Retail: Portfolio consultant (2,346), Real estate transaction specialist (864), etc.
Investment Management: CMA holders (465 or 45% of Nomura Asset Management employees)

Special skills for advisory business
Wholesale: M&A University invites internal and external experts to train juniors in M&A and provides tools (Curriculum consisted of 11 themes in 2022)

Digital IQ
E-learning program to improve digital knowledge and skills of all employees globally and help them develop expertise

Nomura Passport¹
Hire people with high expertise in AI development, data science, digitalization, etc.

Digital talent hiring/training
Employees with deep knowledge of Nomura’s business and mid-career hires working together to promote digital transformation

Internships
Held across regions in order to hire deserving university students
EMEA: Internship program held through SEO² Program for SEO university students (40 people on internship program. Including other programs, support about an average of 5,000 15 – 24 year olds annually)

Nomura Business Academy
- Support skill development of Japan-based employees (Total of nearly 14,000 participants in FY2021/22

Training for area-specific employees by head office departments
Retail: Use knowledge and skills learnt in current job (started in 2021, 37 participants)

Wholesale analyst training
To train people who can operate globally, graduates come together in New York after training in each region for a practical training program and to build internal network (In 2022, 230 participants took part over six weeks)

Nomura Management School
Program held for nine months to increase base and train next generation of leaders

Next generation training program
Sustainability and digital courses for younger employees (up to 50 people per course)

Mentoring
Held to motivate young people and improve managers’ leadership skills (421 pairs participated in 2021)

1. Hiring of late stage PhD candidates for mathematical and statistical professional positions and IT engineering positions. Students with Nomura Passport can extend their entry into Nomura until the year they are due to receive their PhD.
2. Established in the UK in 2000, SEO’s mission is to support talented students from underrepresented and underserved backgrounds to prepare them to succeed in their career.
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