High inflation in US in 2022 starting to ease

Persistently tight labor market drove up core CPI, while supply chain blockages are clearing; recent easing led to sharp drop in CPI

Shift in monetary policy

Despite concerns over US regional banks, the Fed continues to shrink balance sheet; US bank stock slump, higher funding costs due to inflation and credit crunch are weighing on business confidence
Macro changes and major market shifts (2)

Rate hikes impacted fixed income and equity market volatility

Investment banking fee pools halved

Fixed income market volatility spiked on the back of rate hikes, while equity market volatility dropped

Fee pools nearly halved over past year from 2021 peak
Business performance

- Changes in external environment led to strong results in Macro Products and resilient performance in broader asset management business
- However, other main businesses faced challenging markets

Three segment net revenue

<table>
<thead>
<tr>
<th>Segment</th>
<th>Net Revenue (billions of yen)</th>
<th>YoY</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2021/22</td>
<td>1,179.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY2022/23</td>
<td>1,201.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wholesale</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Macro Products</td>
<td>+58%</td>
<td></td>
<td>Interest rate and FX volatility increased due to rate hikes, contributing to stronger client activity</td>
</tr>
<tr>
<td>Spread Products</td>
<td>-11%</td>
<td></td>
<td>US rate hikes, China property downturn and other factors have dented risk appetite</td>
</tr>
<tr>
<td>Equity Products</td>
<td>-19%</td>
<td></td>
<td>Growing uncertainty due to rate hikes hit client activity particularly in Derivatives</td>
</tr>
<tr>
<td>Advisory, Financing, etc.</td>
<td>-21%</td>
<td></td>
<td>Performance affected by drop in global fee pools</td>
</tr>
<tr>
<td>Retail</td>
<td>Flat</td>
<td></td>
<td>Although assets under management declined slightly, aircraft leasing business improved as airline industry recovered</td>
</tr>
<tr>
<td>Investment Management</td>
<td>-72%</td>
<td></td>
<td>Declined due to asset price adjustments following rate hikes</td>
</tr>
<tr>
<td>Business revenue</td>
<td>-16%</td>
<td></td>
<td>Retail investors remained on the sidelines amid market uncertainty</td>
</tr>
<tr>
<td>Investment gain/loss</td>
<td>+2%</td>
<td></td>
<td>Ongoing net inflows of recurring revenue assets as investors increasingly look to manage portfolios over the medium to long term</td>
</tr>
</tbody>
</table>
Macro uncertainty and geopolitical risk also bringing new business opportunities

### Changes to macro environment and client needs

<table>
<thead>
<tr>
<th>Shift to higher rate environment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand for private solutions driven by market volatility and uncertainty</td>
</tr>
<tr>
<td>Decarbonization</td>
</tr>
<tr>
<td>Corporates reassessing supply chain strategy</td>
</tr>
</tbody>
</table>

### Growing business opportunities

- Greater investment opportunities due to valuation adjustments
- Revival of Japan Rates business
- Improvement in US government MBS business
- Stronger demand for risk hedging and other solutions
- Increased use of private markets to raise funds
- Demand for investing in alternative assets
- Growth and diversification of sustainable finance
- Increased demand for sustainability-related advisory services
- Supply chain diversification, decentralization and shift back to home market leading to strategic investments and industrial realignment

### Positive impact on revenues

- JGB business revenues returned to levels pre introduction of negative interest rate policy for first time in seven years
- Private placement and other equity advisory revenues quadrupled YoY
- Alternative AuM up 1.5 times over past year
- Infrastructure Finance revenues up 1.8 times YoY
- Leveraged Greentech expertise with approx. 150 dedicated bankers covering globally
- Supported many strategic investments by Japanese companies to strengthen supply chains both at home and abroad
Expect money to shift to risk assets in Japan

We are building out our platform to capture business opportunities as they arise in changing landscape

**Economic indicators hinting at escape from deflation**

- **Core CPI**
  - Inflation accelerated recently

- **Wage increases**
  - 2023 spring wage negotiations saw wages rise at same pace as early 1990s

**Initiatives to promote shift from savings to investment**

- **Growth of NISA**
  - One in seven people have a NISA account
  - Purchases have exceeded Y31.6tn
  - Using both incremental and growth investment tracks, a total of Y36m is excluded from taxation annually (from 2024)

- **Financial education**

- **Client-first approach by financial service providers**

**Household financial assets parked in savings and deposits (Y1,000tn) could flow into capital markets**

- **Increase investor base**

- **Increase overall pie of securities investment**

- **Corporate growth, higher corporate value**

---

2. Source: Nomura, based on data from the Japan Trade Union Federation and Keidanren.
Raising corporate value
### Initiative to expanding our scope of business from public to private

<table>
<thead>
<tr>
<th>Efforts to provide private services</th>
<th>FY2020/21</th>
<th>FY2021/22</th>
<th>FY2022/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduced high value-added advisory model (CIO service)</td>
<td>Established Investment Management</td>
<td>Reorganized for segment based approach, introduced level fees</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Established Nomura SPARX Investment</td>
<td>Acquired stake in New Forests</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Established Nomura Real Estate Investment</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Set up international high-net-worth business office in Dubai</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Promoting partnership strategy</th>
<th>FY2020/21</th>
<th>FY2021/22</th>
<th>FY2022/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic alliance with Wolfe Research</td>
<td></td>
<td>Comprehensive alliance with Awa Bank</td>
<td>Comprehensive alliance with Oita Bank</td>
</tr>
<tr>
<td>Comprehensive alliance with San-In Godo Bank</td>
<td></td>
<td>Strategic alliance with Jarden Group in Australia</td>
<td>Comprehensive alliance with Fukui Bank</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sustainability initiatives</th>
<th>FY2020/21</th>
<th>FY2021/22</th>
<th>FY2022/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Established Nomura Greentech</td>
<td></td>
<td>Announced commitment to achieve net zero emissions</td>
<td>Published book on steps to achieve a sustainable economy and enhance corporate value</td>
</tr>
<tr>
<td>Issued TCFD report</td>
<td></td>
<td>Set target for sustainable finance transactions</td>
<td>Search Fund activities gain momentum</td>
</tr>
<tr>
<td>Formulated “Drive Sustainability” concept to express contribution to ESG/SDG promotion</td>
<td></td>
<td>Issued Nomura Group PBR report</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Digital utilization, Innovation</th>
<th>FY2020/21</th>
<th>FY2021/22</th>
<th>FY2022/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Established Nomura SRI Innovation Center</td>
<td></td>
<td>Introduced Nomura Navigation, an all asset portfolio management tool</td>
<td>Established Digital Company</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Established Laser Digital (Switzerland)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Appointed Group CIO</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>strategic capital reallocation</th>
<th>FY2020/21</th>
<th>FY2021/22</th>
<th>FY2022/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sold stake in BDO Nomura Securities (Philippines)</td>
<td></td>
<td></td>
<td>Sold stake in CNS (Thailand)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Sold stake in Nomura Asia Investment (Vietnam)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strengthening the structure</th>
<th>FY2020/21</th>
<th>FY2021/22</th>
<th>FY2022/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Established Content Company</td>
<td></td>
<td>Enhanced governance (BoD diversity)</td>
<td>New Wholesale management</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Further enhancement of risk management</td>
<td></td>
</tr>
</tbody>
</table>
Highly evaluated from outside

Retail client satisfaction survey

<table>
<thead>
<tr>
<th></th>
<th>Nomura</th>
<th>Securities companies (average)</th>
<th>Face to face securities companies (average)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CX index</td>
<td>3.50</td>
<td>3.45</td>
<td>3.28</td>
</tr>
<tr>
<td>Favorable response of 53%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Investment Management awards

- **R&I Funds Awards 2023**
  - Won eight first prize awards
  - Won nine second prize awards

- **Refinitiv Lipper Fund Awards Japan 2023**
  - Investment trusts category
    - Eight out of eleven funds won best funds award
  - Defined contribution pension category
    - Four out of six funds won best funds award
  - Defined contribution pension equity category
    - Won best funds award

Wholesale core product market share rankings

- #1 Japan equity trading volume share
- #1 Japan-related M&A ranking
- #1 Euroyen bond ranking
- #2 Samurai bond ranking
- #6 European government bond trading volume share
- #3 US listed equity options revenue share
- #4 Underwriting share of US agency mortgage-backed securities
- #2 Asia Credit revenue share
- #2 Indian IPOs

1. CX index is a client loyalty index for Japanese financial institutions provided by Nomura Research Institute calculated by combining three indices (intent to continue, intent to purchase, intent to recommend). Each item is evaluated on a five point scale (five being the highest). Securities companies average and face-to-face securities companies average are based on 2022 FD/CX benchmarking survey conducted by Nomura Research Institute.
Medium-term initiatives to raise corporate value

We are building a business model over the medium term to consistently achieve ROE of 8% to 10% while capitalizing on business opportunities.

**Top line growth**

- **Retail**
  - Strengthen segment based approach and alliances
  - Establish dominant presence in the growing HNWI market
  - Retail transformation
  - Expand alliances

- **Investment Management**
  - Continue to grow AuM: High value-added fund management
  - Strengthen internal fund management internationally
  - Increase products in private markets and real assets

- **Wholesale**
  - Scale up core products
  - Develop client strategy to increase wallet share for key clients
  - Strengthen Investment Banking business
  - Enhance private businesses and IWM
  - Diverse, consistent revenues

**Improve earnings structure and resource efficiency**

- Structural reforms to reduce costs
- Allocate capital to ensure sustainable corporate value
- Governance structure capable of overseeing global strategy

- **Create Group premium**
- Pursue inorganic growth opportunities

Deliver added value to clients, pursue people strategy to underpin growth

Stringent risk management

Conduct and compliance

Governance structure capable of overseeing global strategy
FY2024/25 management targets

- Aim for three segment revenue growth vs. FY2022/23 of about 20% by FY2024/25
- Control costs and improve ROE as soon as possible

<table>
<thead>
<tr>
<th>ROE</th>
<th>5.7%</th>
<th>5.1%</th>
<th>3.1%</th>
<th>8 - 10%</th>
</tr>
</thead>
</table>

(billions of yen)

### Three segment net revenue

<table>
<thead>
<tr>
<th></th>
<th>FY2020/21</th>
<th>FY2021/22</th>
<th>FY2022/23</th>
<th>FY2024/25 Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholesale</td>
<td>691.4</td>
<td>703.1</td>
<td>772.4</td>
<td>$=1,135.44 assumption</td>
</tr>
<tr>
<td>$=¥106.07</td>
<td>$=¥112.36</td>
<td>$=¥135.44</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Management</td>
<td>163.2</td>
<td>148.0</td>
<td>128.6</td>
<td>$=¥135 assumption</td>
</tr>
<tr>
<td>Retail</td>
<td>368.8</td>
<td>328.0</td>
<td>300.2</td>
<td>$=¥106.07 / 128.6</td>
</tr>
<tr>
<td></td>
<td>1,223.3</td>
<td>1,179.0</td>
<td>1,201.1</td>
<td>Approx. ¥1.4trn</td>
</tr>
</tbody>
</table>

+20% approx.

- Assuming wholesale fee pools decline slightly from FY2022/23 (Investment Banking up 14-22%, Global Markets down 8-10%)
- Accelerate medium-term strategy to boost revenues

- Build up AuM in public business
- Scale Japan private businesses
- Grow real asset business

### Three segment expenses (CIR)

<table>
<thead>
<tr>
<th></th>
<th>FY2020/21</th>
<th>FY2021/22</th>
<th>FY2022/23</th>
<th>FY2024/25 Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Three segment expenses</td>
<td>975.7</td>
<td>973.8</td>
<td>1,094.8</td>
<td>Approx. 1.1trn</td>
</tr>
<tr>
<td>80%</td>
<td>83%</td>
<td>91%</td>
<td>80%</td>
<td>288</td>
</tr>
<tr>
<td>Three segment income before income taxes</td>
<td>247.6</td>
<td>205.2</td>
<td>106.4</td>
<td>288</td>
</tr>
<tr>
<td>80%</td>
<td>83%</td>
<td>91%</td>
<td>80%</td>
<td>288</td>
</tr>
<tr>
<td>Groupwide income before income taxes</td>
<td>230.7</td>
<td>226.6</td>
<td>149.5</td>
<td>350+</td>
</tr>
</tbody>
</table>

- Pursue segment-based approach to boost revenues
  - Define client targeting in face-to-face business to deliver high added value
  - Leverage digital in non face-to-face business to deliver services to broader range of clients
Continue to control costs so we can deliver positive earnings even if market conditions don’t improve

FY2022/23 costs jumped due to macro and one-off factors

(billions of yen)

<table>
<thead>
<tr>
<th>Sector</th>
<th>FY2021/22</th>
<th>FY2022/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholesale</td>
<td></td>
<td>+114.4</td>
</tr>
<tr>
<td>Investment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management</td>
<td></td>
<td>-20.4</td>
</tr>
<tr>
<td>Retail</td>
<td></td>
<td>-2.1</td>
</tr>
</tbody>
</table>

- 108.2 (billions of yen)
- Impact of yen depreciation 93.0
- Fixed pay increase due to inflation 15.2

Run-rate cost reductions

Reviewing costs by taking a groupwide approach

1. Excluding increase in expenses due to inflationary items (e.g. wage inflation, energy prices etc.), increase in variable expenses linked to revenue growth, and investment in business growth initiatives. The savings are on run-rate basis and also exclude one-off costs required to execute the structural reform initiatives.
Capital allocation to continue enhancing corporate value (1)

- Allocate and manage capital to ensure sustainable enhancement of corporate value using quantitative and qualitative assessments from the viewpoint of ROE, growth and consistency
- Evaluate not just at business and regional level but at divisional and group level

**Capital allocation process**

**Profitability, capital efficiency**

- ROE

**Growth**

- Client value
- Market appeal
- Competitiveness

**Lower cost of capital**

- Diverse
- Stable
- Consistent

---

**Key indicators**

- **Profitability, capital efficiency**
  - Average RORA (Revenue/RWA)
  - Average profit ratio (Pretax profit ratio)
  - Average tax rate

- **Business contribution to increasing ROE**

- **Create added value for clients/society and contributed to increased wallet share**
- **Market size creates economies of scale, growth potential over medium to long term**
- **Remain significantly competitive over medium to long term**

- **Contribution to limiting division and group earnings volatility**

- **Sensitivity to market risk such as rates and FX**
- **Analyze business cycle**
- **Consistency with group strategy, cultural fit**

---

**Regular review (1-3yr) using criteria at left**

- **Invest capital**
- **Don't invest capital, recover capital, downsize business, pursue external alliances**

---

**Financial impact analysis**

- Impact on financial flexibility
- Impact on periodic profit/loss
- Impact on regulatory capital
- Profit/loss simulation

---

**Does the evaluation of the business meet three or four of the key indicators?**

**Yes**

**No**

---

**Does the evaluation of the business meet three or four of the key indicators?**

**Yes**

**No**
Capital allocation to continue enhancing corporate value (2)

- Approach to raising corporate value aligned to specific nature of each division; Retail and Investment Management aim to boost profit levels by expanding stable revenues, while Wholesale will focus on boosting capital efficiency.

<table>
<thead>
<tr>
<th>Risk-weighted assets by division (usage basis) and nature of business</th>
<th>Divisional approach to raising corporate value</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Percentage of modified RWA total)</td>
<td></td>
</tr>
<tr>
<td>Wholesale</td>
<td>Portfolio management prioritizing revenue/modified RWA, pretax margin and CIR</td>
</tr>
<tr>
<td>64%</td>
<td>Boost profit margin by scaling up core products, while stabilizing and diversifying revenues by growing risk-light businesses</td>
</tr>
<tr>
<td>Investment Management</td>
<td>Increase stable revenues by growing AuM</td>
</tr>
<tr>
<td>8%</td>
<td>Inject additional capital if we see growth opportunities of stable revenues in private and real asset markets</td>
</tr>
<tr>
<td>Retail</td>
<td>Aim to increase pretax income by growing revenues through segment-based approach and reducing costs</td>
</tr>
<tr>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>Concentrated on human capital and IT platform, but not using much regulatory capital</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
<tr>
<td>24%</td>
<td></td>
</tr>
</tbody>
</table>

- Capital allocation to continue enhancing corporate value

- RWA $17.4tn (March 2023, reported)
Strategic capital allocation

- Reallocate capital strategically through disciplined management and selling off non-core assets and businesses to continually readjust business portfolio
- Leverage partnerships to create value together with clients

Strengthening our platform through strategic alliance and readjusting our business portfolio

- Oct 2008 - May 2016
  - Lehman Brothers acquisition in EMEA and Asia

- May 2016 - Apr 2020
  - Strategic alliance with American Century Investments
  - Acquisition of Greentech Capital

- Apr 2020 - May 2022
  - Recalibration of Wholesale business
  - Sale of stake in BDO Nomura Securities (Philippine)
  - Sale of stake in Capital Nomura Securities (Thailand)

- May 2022 - Aug 2022
  - Alliance with Wolfe Research
  - Sale of stake in Nomura Asia Investment (Vietnam)

- Aug 2022 - Mar 2023
  - Comprehensive alliance with Oita Bank and Fukui Bank for financial intermediary services
  - Sale of stake in New Forests Pty Limited

- Mar 2023 - 2023
  - Comprehensive alliance with Oita Bank and Fukui Bank for financial intermediary services
Lifting corporate value by balancing long-term growth and shareholder returns

- Over past 10 years profits have been distributed mainly for shareholder returns and regulatory capital
- Moving forward, profits and surplus capital will be deployed for shareholder returns and selective investments for the future

**Shareholder return policy**

<table>
<thead>
<tr>
<th>Dividend payout ratio</th>
<th>Total payout ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>40% or more</td>
<td>50% or more</td>
</tr>
</tbody>
</table>

**Continued improvement of corporate value**

- Organic and inorganic investment in growth areas
- Disciplined capital allocation
- Ongoing reviews

**Invest for growth**

**Financial soundness**

**Regulatory requirements**

- CET1 ratio
  - Impact of finalization of Basel rules
    - 16.2%
    - 2 - 3%
    - 13 - 14%

- Strategic risk taking in line with market conditions
- Invest for growth
- Funds for shareholder returns
- Maintain appropriate capital to ensure financial soundness
- Medium term target: 11% or more

**New regulations in effect**

- Mar 2023
- Mar 2025

- Over past 10 years profits have been distributed mainly for shareholder returns and regulatory capital
- Moving forward, profits and surplus capital will be deployed for shareholder returns and selective investments for the future
Underpinnings of growth
**Addressing financial wellbeing**

- We have been a pioneer in financial and economics education since the 1990s supporting initiatives from schools to the workplace.
- We are promoting expansion of activities through collaboration with partner companies, as interest from society has grown.

**Vision**

Create a well-being society where everyone has the freedom to choose their future and feels enriched both mentally and economically.

**Financial education at every stage of life**

<table>
<thead>
<tr>
<th></th>
<th>Primary, middle and high school</th>
<th>University</th>
<th>Young adults</th>
<th>Mid-career</th>
<th>Seniors</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Support for financial education at schools</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td>Financial education recipients</td>
<td>1,028,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Financial education classes</td>
<td>14,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Nikkei STOCK League participants</td>
<td>145,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Original teaching materials</td>
<td>1,115,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Support for government, corporates, business groups</strong>&lt;sup&gt;2&lt;/sup&gt;</td>
<td>Support for in-house training</td>
<td>5,000 times</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Consulting</td>
<td>800 companies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Life planning seminars</td>
<td>9,000 times</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Financial education collaborations**

- **Working with alliance partners**
  - Held 5 seminars<sup>1</sup>
    - 245 participants
  - Held 20 seminars<sup>1</sup>
    - 1,085 participants
  - Blending our expertise and programs with regional banks’ brand recognition, trust and strong network
  - Bank employees conduct lessons to improve financial literacy of local community

- **Working with companies outside financial services**
  - Collaboration such as Nomura's lesson program and in-person lessons included in new service for children (comotto)
  - Joint development of app to teach incremental investing and started co-development of program of lessons and seminars

---

2. By September 2022.
Leveraging our talent pool of diverse backgrounds and high expertise to enhance our corporate value

Diverse talent

Employees by region¹
- **Americas**
- **EMEA**
- **AEJ**

- **Japan**

43% based overseas
90 nationalities
30+ countries and regions

Women’s participation and advancement at Nomura Group

- Ratio of female managers and female manager headcount in Japan
  - **FY21/22**: 20%
  - **FY16/17**: 15%

  Female manager headcount increased by **40%** in five years globally

- Nomura Group newly appointed executives (Apr 1, 2023)
  - Percentage of mid-career hires **over 50%**
  - Executive who started career outside Nomura **7 out of 15**

- **Female manager headcount in Japan**
  - **FY16/17**: 383
  - **FY21/22**: 633

  Female manager headcount in Japan has increased by **1.7x** since the Women’s Participation and Advancement Act of 2016

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¹ End March 2023.
² Nomura Securities, FY2022/23.
Our people deliver added value

Key initiatives

- Promote training and acquiring licenses
- M&A University - Learn skills for Advisory business
- Digital IQ - e-Learning program to increase digital knowledge and skills for all employees
- Diversify hiring channels to increase mid-career hires
  - Nomura Passport
  - Alumni rehiring
  - Referral program
- Hire, train digital talent
- Internships to find potential talent
- Compensate by pay for performance
- 360 degree reviews for managers
- Introduced ERCC performance metric

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. Use alumni network of former employees to maintain beneficial relationship for both parties and enhance hiring branding.
3. Globally introduced performance metric based on ethics, risk management, compliance, conduct.
Enhancing employee engagement

- Initiatives to enhance employee engagement based on results of employee survey
- Increase in number of employees saying they are proud to work at Nomura to 85% (vs. 80% in 2016)

Annual employee survey

- Listen to employees (90% response rate)
- Share among management
- Agree on initiatives
- Implement

Understand key drivers of employee engagement

- Management listening to employees and explaining
- Working for clients as one organization
- Diverse talent working together to take on new challenges and pursue growth

Examples of initiatives to drive employee engagement

- Hearing from CEO
  - Employee questions: 490
  - Responses from CEO: 90
  - Updates from CEO: 50
    (from Sep 2020)

- Half Time video series
  - Discussions with management

- Internal recruitment system
  - Applicants: 540
  - Employees changed jobs: 210
    (FY2022/23)

- Overseas exchange student system
  - Continued for 62 years since 1960
  - Total of 631 employees have gone to Americas, EMEA, AEJ
Continually overhauling governance system

Enhanced governance

**2003**
Shifted to Company with Committees (currently Company with Three Committees)

**2010**
Two non-Japanese Outside Directors (one woman) joined BoD and majority of BoD became Outside Directors

**2015**
Established Outside Directors meeting (Outside Directors regularly discuss our business and corporate governance)

**2015**
Nomura Asset Management welcomed two independent Outside Directors for first time; As of April 1, 2023, three of the eight directors are independent Outside Directors (including Chair)

**2019**
Chair of three Committees (Nomination, Audit, Compensation) all Outside Directors

**2021**
Voluntarily established Board Risk Committee to enhance risk management

**2023 (plan)**
Increase number of Outside Directors to nine to further enhance governance

Of this, four non-Japanese and three women directors

Outside Directors

- **2003**
  - Outside: 4 (36%)

- **From Jun 2023 (plan)**
  - Outside: 9 (69%)

Non-Japanese and women directors

- **2003**
  - Non-Japanese: 4 (31%)
  - Women: 3 (23%)

- **From Jun 2023 (plan)**
  - Non-Japanese: 4 (31%)
  - Women: 3 (23%)
Appendix
### FY2024/25 divisional KGI and KPIs

Some KGI and KPIs have been revised in line with current operating environment

<table>
<thead>
<tr>
<th>KPI</th>
<th>FY2022/23 full year or March 2023</th>
<th>FY2024/25 target (announced in May 2023)</th>
<th>FY2024/25 target (announced in May 2022)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>Recurring revenue assets</td>
<td>Y18.7trn</td>
<td>Y21.6trn</td>
</tr>
<tr>
<td></td>
<td>Net inflows of recurring revenue assets</td>
<td>Y333.7bn</td>
<td>Y800bn</td>
</tr>
<tr>
<td></td>
<td>Flow business clients</td>
<td>1.45m</td>
<td>1.46m</td>
</tr>
<tr>
<td></td>
<td>Services for salaried employees</td>
<td>3.49m</td>
<td>3.66m</td>
</tr>
<tr>
<td>Investment Management</td>
<td>Asset under management</td>
<td>Y67.3trn</td>
<td>Y75.8trn</td>
</tr>
<tr>
<td></td>
<td>Net inflows</td>
<td>-Y0.8trn</td>
<td>Y3.0bn</td>
</tr>
<tr>
<td>Wholesale</td>
<td>Revenue/modified RWA(^1)</td>
<td>6.5%</td>
<td>Approx. 6%</td>
</tr>
<tr>
<td></td>
<td>Fee and commission revenue</td>
<td>US$1.1bn</td>
<td>US$1.3bn or more</td>
</tr>
<tr>
<td></td>
<td>Expenses/revenue</td>
<td>96%</td>
<td>86% (Exit RR: 80%)</td>
</tr>
<tr>
<td>Retail</td>
<td>Income before income taxes</td>
<td>Y33.5bn</td>
<td>Y95bn</td>
</tr>
<tr>
<td>Investment Management</td>
<td></td>
<td>Y43.5bn</td>
<td>Y63bn</td>
</tr>
<tr>
<td>Wholesale</td>
<td></td>
<td>Y29.4bn</td>
<td>Y130bn</td>
</tr>
<tr>
<td>Three segment</td>
<td></td>
<td>Y106.4bn</td>
<td>Y288bn</td>
</tr>
</tbody>
</table>

1. Wholesale net revenue divided by modified risk-weighted assets (daily average for the accounting period, annualized) 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.
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