Investor Day

Yoshihiro Namura
Head of Investment Management
Nomura Holdings, Inc.

May 18, 2023
FY2022/23 review and strategy towards FY2024/25

- In FY2022/23, investment gain/loss dropped significantly, but business revenue remained flat YoY
- Aiming for income before income taxes of Y63bn in FY2024/25 driven by business revenue growth from increase in assets under management and providing higher value-added asset management

<table>
<thead>
<tr>
<th>Business revenue (end Mar)</th>
<th>FY2022/23 (actual)</th>
<th>FY2024/25 (KPI)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AuM</td>
<td>Y67.3trn</td>
<td>Y75.8trn</td>
</tr>
<tr>
<td>Net inflows</td>
<td>-Y0.8trn</td>
<td>Y3.0trn</td>
</tr>
</tbody>
</table>

Review of FY2022/23

- Top line remained flat YoY as stable revenue
- Expenses increased on yen depreciation, inflation, recovery in business activities, and forward looking investments
- AuM declined slightly
- ACI-related gain/loss declined as market conditions deteriorated
- NCAP investment gain/loss remained solid, but declined YoY

Reasons for lowering target

- AuM lower than expected due to challenging market conditions
- Management fee ratio declined due to intensified competition
- ACI-related gain/loss declined due to US rate hikes
- Recognized valuation mark ups in portfolio companies earlier than expected

Key points to achieve adjusted target

- In public markets, grow AuM and provide higher value-added asset management
- Expand private market business
- Full launch of real asset business
- Continue with mark ups and exits of portfolio companies

1. ACI: American Century Investments
2. NCAP: Nomura Capital Partners
Key points to achieving targets

1. Further grow AuM in public markets
2. Focus on growth in high fee businesses such as in-house, private markets, real assets and global

**AuM and management fees**

- **Management fees**
  - **Growth of existing business**
  - **Focus on higher fee business**

**Medium to long-term business portfolio**

- **Enhance in-house management**
  - Credit investments
  - Sustainability strategy
- **Full launch of private business outside Japan**
  - Private credit investments
- **New businesses**
  - Forestry asset management
- **Real estate and infrastructure asset management**
  - Aircraft leasing

**Trend from 2013 to 2023**

- FY2016/17
- FY2019/20
- FY2022/23
Public markets business: Initiatives to grow AuM

- AuM roughly flat YoY despite challenging markets; Continue to grow AuM through strategic initiatives in growth areas of each channel

Investment Management AuM¹

(trillions of yen)

<table>
<thead>
<tr>
<th>Year</th>
<th>49.3</th>
<th>64.7</th>
<th>67.9</th>
<th>67.3</th>
<th>75.8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar 20</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mar 21</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mar 22</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mar 23</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mar 25</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Figures for March 2021 and earlier are former Asset Management division. Includes private assets. Other includes money funds, variable annuities and other businesses not included in above channels.
Public markets: Investment trust business

- Publicly offered investment trusts (excl. ETFs) showing solid growth, while the Japanese government’s plan to double asset-based income may spur faster growth in AuM

Growing trend towards asset building

- Providing additional support for corporate pension plans and continue to tap into demand for plan transfers
- AuM growth on the back of adoption of target year funds as default products

Defined contribution funds

- AuM in DC fund market expected to continue growing

Plan to double asset-based income acting as tailwind

- AuM in Nomuwrap Fund launched in 2010 tripled over past four years
- Net AuM in DC fund market¹

Response to new NISA scheme

- Nomuwrap Fund is a balanced fund that allows investors to choose from courses with varying risk levels that match their individual investment style

Enhance product governance

- Nomura My Target series boasts leading AuM in target year funds for DC funds with AuM of Y58.5bn at the end of March 2023.

2. Source: Cabinet Secretariat of Japan.
Public markets: ETF business

- Build out lineup of foreign stocks and bonds and strengthen marketing across wide range of channels

**Building out ETF lineup**
- Broad lineup of asset classes

**Invest in overseas markets in real time**
- Focus of foreign stocks and bonds to expand lineup

**Expand products**
- Listed ETFs¹ for European stocks and bonds, US multi-asset and Japanese stock ESG

**Respond to new scheme**
- TSE preparing listing scheme for active ETFs, expect more diversification of products and asset classes in ETF market

**NEXT FUNDS lineup by asset class**
- Continued to grow lineup across asset classes: **67 funds**
  - as of end of April 2023
  - (of 61 funds at end Mar 2021, 11 listed and 5 redeemed)

**NEXT FUNDS foreign stock and bond ETF AuM**
- (billions of yen)

---

¹. Newly listed since FY2021/22.
Public markets: International business

- Although UCITS market AuM declined across major asset classes in FY2022/23 due to market conditions, we are laying the foundations for future growth
- Build out credit and sustainability strategies to position for investment demand when rate hikes ease
- Strengthen access to regions outside Europe where UCITS can be used

In 2022, overall UCITS market saw decline in AuM across major asset classes due to inflation in Europe and the US and central bank rate hikes

ESG investment is expected to grow globally, but more transparent funds meeting investments standards will be needed

Nomura Asset Management UCITS AuM

(billions of USD)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total 26 funds</th>
<th>ESG⁰ funds 14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec-06</td>
<td>$9.1bn</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Mar 2023)</td>
<td></td>
</tr>
</tbody>
</table>

1. ESG funds that comply with Articles 8 and 9 of the Sustainable Finance Disclosure Regulation in Europe.
Private markets: Initiatives to grow alternative AuM

- Leverage strength of gatekeeping business to further expand AuM
- Work on democratization of alternative assets and strengthen in-house management

Initiatives in alternatives

**Gatekeeping**
- Provide packaged solutions to meet investor needs
  - Over 20 years of experience in fund evaluation and management
  - Wide coverage including private equity, private debt, infrastructure and real estate
  - Product sourcing, liaising with third parties
  - Due diligence of third parties by NFRC
  - Investment operations, execution, monitoring

**Democratization of alternative investments**
- Launched Blackstone US Real Estate Income Funds USD, Japan’s first publicly offered investment trust investing in US unlisted REITs
- Launched privately placed investment trust investing in alternative assets to meet needs of high-net-worth investors

**In-house management**
- Established Investment Management division in 2021
- Expanding the strategies we use

Managing alternatives to further boost AuM

- Provide solutions for institutional investors and investment opportunities for individual investors
- Increase alternative products by in-house management

Alternative AuM (billions of yen)

<table>
<thead>
<tr>
<th>FY18/19</th>
<th>FY19/20</th>
<th>FY20/21</th>
<th>FY21/22</th>
<th>FY22/23</th>
<th>FY24/25</th>
</tr>
</thead>
<tbody>
<tr>
<td>141</td>
<td>379</td>
<td>567</td>
<td>843</td>
<td>1,263</td>
<td></td>
</tr>
</tbody>
</table>

See next slide
Private markets: Initiatives in Japan

- Disciplined investing from buyouts to growth investing; Established track record of raising value and existing investments
- Scale up fund management business with launch of next fund and take Japan private markets business to second stage

**Nomura Capital Partners**
- Provide new solutions using equity to meet needs related to business and capital

**Japan-China Capital Partners**
- Invest in various companies aspiring for growth in Asia, primarily Japan and China

**Nomura Research & Advisory**
- Managing Japan's largest search fund with investment commitment of over Y5bn
- Investment solutions for SME business successions

**Nomura SPARX Investment / Japan Growth Capital Investment**
- Growth equity investments investing in unlisted stocks
- Investment commitment of over Y25bn; Steadily executing investments with aim of listing investment company

**Nomura Mezzanine Partners**
- Solutions using mezzanine financing\(^1\) for LBOs and MBOs
- Total investment of over Y40bn since first fund started investing in 2020

---

1. Mezzanine financing: Fundraising method that sits between debt financing such as bank loans and corporate bonds and equity financing such as the issuance of ordinary shares.
Private markets: Full launch of private asset management business in US

- Established Nomura Private Capital in May 2022 to manage private assets in US
- Acquire and strengthen expertise in US, build out asset classes, seek economies of scale in US private asset management business

1. Established private markets asset management company in US
   - Established Nomura Private Capital in US where demand for private asset investments by HNWIs expected to grow

2. Launched unique fund
   - Launched first fund Nomura Alternative Income Fund investing in private credit
   - Providing product via RIAs\(^1\) to US HNWIs through interval fund\(^2\) that invests mainly in credit

3. Building up private credit investment strategy
   - Building out organization to originate higher value added co-investment and secondary strategy funds
   - Aim to tap into institutional investors

4. Increase asset classes, seek economies of scale
   - Establish platform to manage other private asset classes in the medium to long-term

Market assumptions: Private credit market growth\(^3\)

<table>
<thead>
<tr>
<th>Year</th>
<th>(trillions of USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>0.5</td>
</tr>
<tr>
<td>2014</td>
<td>0.5</td>
</tr>
<tr>
<td>2015</td>
<td>0.6</td>
</tr>
<tr>
<td>2016</td>
<td>0.7</td>
</tr>
<tr>
<td>2017</td>
<td>0.8</td>
</tr>
<tr>
<td>2018</td>
<td>0.9</td>
</tr>
<tr>
<td>2019</td>
<td>1.0</td>
</tr>
<tr>
<td>2020</td>
<td>1.3</td>
</tr>
<tr>
<td>2021</td>
<td>1.5</td>
</tr>
<tr>
<td>2022 est.</td>
<td>1.9</td>
</tr>
<tr>
<td>2026 est.</td>
<td>3.8</td>
</tr>
</tbody>
</table>

Expected growth of $1.9trn over next four years

16.2% CAGR

Aiming for AuM of over $10bn in ten years

Current initiatives
- FY22/23
- FY23/24
- FY24/25
- FY25/26
- FY26/27
- FY27/28
- FY28/29
- FY29/30
- FY30/31
- FY31/32

Future target

1. Registered Investment Adviser
2. Registered Investment Company under Rule 23c3 of the Investment Advisers Act of 1940.
Real assets: Launch of Nomura Real Asset Investment

- Established Nomura Real Asset Investment together with Nomura Real Estate Holdings as a joint venture asset manager (started operating on April 3)
- Seeking synergies from blending finance and real estate and aim to provide leading real asset investment solutions

Business scope of new company

Outline of privately placed real estate fund business

- AuM: Over Y90bn
- # funds: 22 privately placed real estate funds
- Investment strategy: Core (property specific)
- Sectors: Residential, office, hotel, healthcare, land ownership

Expand business scope

- New types e.g. infrastructure
- External (CRE proposals, etc.)
- Internal (sponsor transactions, etc.)
- Property acquisition
- Asset class

Grow real asset business, increase related business opportunities

NRAI AuM target: Y700bn - Y1trn

Business scope of new company

Originator

Sourcing
- Listed and unlisted companies
- HNWIs
- New areas

Origination/management

Products
- Private funds
- Open-ended funds
- Security token offerings, small-lot products

Investors

Issues/Needs
- Alternative investment
- Japan-overseas rate differential, FX rate
- Low borrowing rates
- Invest in new areas
- Asset diversification, financial management

Clients
- Institutional investors
- International investors
- HNWIs

Table:

- Listed and unlisted companies
- HNWIs
- New areas

- Off balance sheet fundraising
- Business reorg., asset reallocation
- Sale of development properties, joint management
- Fundraising, financial strategy
- Data centers, renewable energy, forestry/agriculture, plant factories
Real assets: Aircraft leasing and forestry investment

- Leverage relationship with leading aircraft lease company BBAM to establish dominant leading brand in Japan
- Deliver forest resources to investors as new asset class through investment in New Forests

**Strengths of Nomura Babcock & Brown**
- Close relationship between NBB and BBAM and tie ups with leading external partners (introducers) in Japan allows us to differentiate in deal origination, first-class deal sourcing, and tapping into investor demand

**Invested in New Forests world’s #2 unlisted forestry asset manager**
- AuM of $10bn, world’s #2 unlisted forestry asset manager
- Funds covering four regions (Aus/NZ, North America, Southeast Asia, Africa)
- Built solid track record since launch

**Room for investment in forestry assets (left), global investments (right)**

**Future initiatives and target**
- Generate revenues
- Increase AuM
- Extract synergies with Nomura Group

**Establish dominant leading brand position**
- Confirm stability of aircraft leasing during pandemic
- Focus on aircraft leasing business of regional financial institutions
- Strengthen sales organization
- Step up collaboration with Retail and regional financial institutions
- Close large contracts
- Tap into business succession needs

**Market environment and growth opportunities**
- Passenger demand at 84% of pre-pandemic levels
- Airline revenues recovered to 93%

1. Business alliance of over 35 years with US firm BBAM Aircraft Management.
2. Source: IATA
This document is produced by Nomura Holdings, Inc. (“Nomura”).

Nothing in this document shall be considered as an offer to sell or solicitation of an offer to buy any security, commodity or other instrument, including securities issued by Nomura or any affiliate thereof. Offers to sell, sales, solicitations to buy, or purchases of any securities issued by Nomura or any affiliate thereof may only be made or entered into pursuant to appropriate offering materials or a prospectus prepared and distributed according to the laws, regulations, rules and market practices of the jurisdictions in which such offers or sales may be made.

The information and opinions contained in this document have been obtained from sources believed to be reliable, but no representations or warranty, express or implied, are made that such information is accurate or complete and no responsibility or liability can be accepted by Nomura for errors or omissions or for any losses arising from the use of this information.

All rights regarding this document are reserved by Nomura unless otherwise indicated. No part of this document shall be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior written permission of Nomura.

This document contains statements that may constitute, and from time to time our management may make “forward-looking statements” within the meaning of the safe harbor provisions of The Private Securities Litigation Reform Act of 1995. Any such statements must be read in the context of the offering materials pursuant to which any securities may be offered or sold in the United States. These forward-looking statements are not historical facts but instead represent only our belief regarding future events, many of which, by their nature, are inherently uncertain and outside our control. Actual results and financial condition may differ, possibly materially, from what is indicated in those forward-looking statements. You should not place undue reliance on any forward-looking statement and should consider all of the following uncertainties and risk factors, as well as those more fully discussed under Nomura’s most recent Annual Report on Form 20-F and other reports filed with the U.S. Securities and Exchange Commission (“SEC”) that are available on Nomura’s website (https://www.nomura.com) and on the SEC’s website (https://www.sec.gov); Important risk factors that could cause actual results to differ from those in specific forward-looking statements include, without limitation, economic and market conditions, political events and investor sentiments, liquidity of secondary markets, level and volatility of interest rates, currency exchange rates, security valuations, competitive conditions and size, and the number and timing of transactions.

Forward-looking statements speak only as of the date they are made, and Nomura undertakes no obligation to update any forward-looking statement to reflect the impact of circumstances or events that arise after the date the forward-looking statement was made.

The consolidated financial information in this document is unaudited.