Investor Day

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Executive Officer, Head of Wholesale
Nomura Holdings, Inc.

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**Wholesale Business Resilient in Challenging Markets**

- Wholesale strengthened market share supported by a diversified product platform

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**Shock to Global Fee Pools**

<table>
<thead>
<tr>
<th>Fee Pools ($bn)</th>
<th>NOM WS Market Share Δ²</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Wholesale</strong></td>
<td></td>
</tr>
<tr>
<td>WS FY 21/22</td>
<td>329</td>
</tr>
<tr>
<td>WS FY 22/23</td>
<td>283</td>
</tr>
<tr>
<td>Δ²</td>
<td>-14%</td>
</tr>
<tr>
<td><strong>Investment Banking</strong></td>
<td></td>
</tr>
<tr>
<td>IB FY 21/22</td>
<td>124</td>
</tr>
<tr>
<td>IB FY 22/23</td>
<td>73</td>
</tr>
<tr>
<td>Δ²</td>
<td>-42%</td>
</tr>
<tr>
<td><strong>Global Markets</strong></td>
<td></td>
</tr>
<tr>
<td>GM FY 21/22</td>
<td>204</td>
</tr>
<tr>
<td>GM FY 22/23</td>
<td>211</td>
</tr>
<tr>
<td>Δ²</td>
<td>8%</td>
</tr>
</tbody>
</table>

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**Reinforced by Product Diversification**

<table>
<thead>
<tr>
<th>FY22/23 Revenue ($m)</th>
<th>YoY % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Wholesale</strong></td>
<td></td>
</tr>
<tr>
<td>FX/EM</td>
<td>50%</td>
</tr>
<tr>
<td>Rates</td>
<td>26%</td>
</tr>
<tr>
<td>Spread</td>
<td>-25%</td>
</tr>
<tr>
<td>EQ Products &amp; Cash EQ</td>
<td>-25%</td>
</tr>
<tr>
<td>Investment Banking³</td>
<td>-34%</td>
</tr>
</tbody>
</table>

1. Nomura internal estimates based on Coalition and Dealogic
2. Market share estimated in USD excluding any impact of FX changes
3. Includes Advisory, Equity Capital Markets and Debt Capital Markets
4. Based on last 2 year average producers Advisory / Coverage MD headcount with time in title > 1 year, excluding Japan expats; L2Y Average Advisory revenues
However, Wholesale Profitability Challenged in 22/23

- Post 19/20 restructuring, average revenue performance has improved
- However, pre-tax income remains susceptible to market declines given structural challenges and high cost-income ratio

Wholesale Revenue Firepower Improved; PTI Challenge

<table>
<thead>
<tr>
<th>Year</th>
<th>Pre-restructuring Average ($bn)</th>
<th>Post-restructuring Average ($bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>6.6</td>
<td>8.1</td>
</tr>
<tr>
<td>2017</td>
<td>6.7</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>5.0</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>6.0</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td></td>
<td>6.2</td>
</tr>
<tr>
<td>2022</td>
<td></td>
<td>5.7</td>
</tr>
<tr>
<td>2023</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Excludes loss related to transactions with a US client

Structural Challenges

- Structural cost inefficiencies
- Lack of scale in core platform and underlying client franchise
- Need to accelerate diversified revenue sources
Progress in Improving Franchise Stability

- Significant optimization of product platform to enhance stability of Wholesale business

**Reinforced Mature Businesses**

<table>
<thead>
<tr>
<th>Pre-Tax Income ($m)¹</th>
<th>Historical</th>
<th>Current</th>
<th>+$300m</th>
</tr>
</thead>
</table>

**Unlocked New Areas of Growth**

<table>
<thead>
<tr>
<th>Pre-Tax Income ($m)¹</th>
<th>Historical</th>
<th>Current</th>
<th>+$450m</th>
</tr>
</thead>
</table>

- ~40% Current Avg. PTI Margin

**Pursued Strategic Business Reductions**

<table>
<thead>
<tr>
<th>Pre-Tax Income ($m)¹</th>
<th>Historical</th>
<th>Current</th>
<th>-$370m</th>
</tr>
</thead>
</table>

### Domestic Markets

- #1 Domestic Markets
- Pre-Tax Income ($m)¹

### Int’l Markets

- >5% share
- Pre-Tax Income ($m)¹

#### Domestic Markets

- Japan FI client Penetration³
- Japan EQ Wallet Share⁴
- Japan M&A, ECM, DCM⁵

#### Int’l Markets

- US Flow Rates
- EMEA Structured Rates
- AEJ Cash Equities

#### Other

- SP Infrastructure & Power
- US Funds Financing
- EMEA EGBs
- AEJ Structured Rates Lending & Special Situations

#### Share

- >3% share Int’l Markets⁶

### 2021-22

- EMEA Flow resizing

### 2018-19

- International Fixed Income Right-sizing esp. Flow FI Secondary

### Pre 2017

- Equities/IB restructure
- US Fixed Income Right-sizing
- GM Principal Trading Exit

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2. Historical: 16/17 – 18/19 Avg. or the last year pre-exit
3. Source: Greenwich, for CY2022 (#1 in Yen Bonds, IR Derivs, Structured Credit and Non-Yen Bonds)
4. Source: McLagan, for CY2022 (#1 in Overall Cash EQ and Low Touch)
5. Source: Coalition Greenwich Competitor Analytics (CY20-22 Avg); Market share results are based on the following peers: BofA, BARC, BNPP, Citi, CS, DB, GS, JPM, MS, HSBC, SG & UBS. Market share results are based on Nomura’s product taxonomy and Nomura’s internal revenues
6. Source: For Japan M&A and ECM, Refinitiv; for Japan DCM, Capital EYE; for FY 2022/23 (By number of deals)
Progress in Enhancing Resource Efficiency

- Platform stability enhanced by efficient resource allocation across regions and products. Prudent approach to optimize and monitor resource usage.
- Resource allocation geared towards higher return areas to improve overall Wholesale RoE.

Regional Resource Allocation Aligned to Market Opportunity

**Wholesale RWA by Region (%)**

- **Japan**: 20% (14/15-16/17), 22% (18/19-20/22), 15% (21/22-23), 5% (Current Avg.)
- **AEJ**: 9% (14/15-15/16), 12% (16/17-18/19), 14% (20/21-22/23), 16% (Current Avg.)
- **EMEA**: 37% (14/15-16/17), 32% (17/18-19/20), 26% (21/22-23), 30% (Current Avg.)
- **US**: 34% (14/15-16/17), 35% (16/18-18/19), 45% (20/21-22/23), 50% (Current Avg.)

**Wholesale Fee Pool (%)**

- **Japan**: 5% (14/15-16/17), 15% (17/18-19/20), 16% (20/21-22/23), 5% (Current Avg.)
- **AEJ**: 14% (14/15-15/16), 26% (16/17-18/19), 30% (20/21-22/3), 30% (Current Avg.)
- **EMEA**: 26% (14/15-16/17), 26% (17/18-19/20), 30% (20/21-22/3), 30% (Current Avg.)
- **US**: 45% (14/15-16/17), 50% (16/18-19/20), 50% (20/21-22/3), 50% (Current Avg.)

Resource Allocation Aligned with Product Profitability

- **Flow Rates**
- **Eq Derivs**
- **Flow Credit**
- **FX/EM**
- **Securitized Products**
- **Eq Finance**
- **Execution Services**

**Pre-Tax Income**

- **Higher PTI, higher resources**
- **Lower PTI, lower resources**

**RWA Usage**

1. Source: Coalition & Dealogic; Based on CY 19-22 Average
2. RWA usage and RoE on a standalone product basis
3. Minimum GM Product standalone RoE required to achieve ~8% post tax Wholesale RoE
Addressing Structural Challenges

**Structural cost reduction to improve earnings stability**
- Increase globalization and standardization of processes and functions
- Enhance Front Office cost controls - non-revenue functions, NPE optimization

**Scale in core business to drive operating leverage**
- Address product gaps through targeted hiring plan
- Launch systematic client growth plan to expand wallet share

**Longer-term diversification into stable, high ROE asset classes**
- Accelerate growth plan in International Wealth Management
- Support International expansion of Investment Management Division

**Cost to Income Ratio**
- Current: 96%
- Medium Term: 80%
Wholesale Plan to Uplift Profitability

Wholesale re-orienting 24/25 plan to prioritize cost optimization efforts and scale core businesses

### Wholesale

- **Stability**
  - Executed saves in 22/23 with substantial run-rate benefits in 23/24; initiating structural reform to simplify operating model and increase efficiency

- **Growth**
  - Revised IB growth plan – more focused growth on a targeted set of sectors post stabilisation to a sustainable PTI level

- **Diversification**
  - PTI accretive GM growth plan underpinned by Client franchise - scaling core centers of excellence and diversifying in adjacent products leveraging regional strengths

#### Tier 1 KPIs

<table>
<thead>
<tr>
<th>KPI</th>
<th>21/22</th>
<th>22/23</th>
<th>24/25</th>
<th>Medium Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Before Income Taxes (KGI)</td>
<td>74</td>
<td>29</td>
<td>130</td>
<td>160-180 JPY bn</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>KPI</th>
<th>21/22</th>
<th>22/23</th>
<th>24/25</th>
<th>Medium Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost to Income Ratio</td>
<td>89%</td>
<td>96%</td>
<td>86%</td>
<td>~6% (post Basel III)</td>
</tr>
<tr>
<td>Fee &amp; commission revenue</td>
<td>$1.4 bn</td>
<td>$1.1 bn</td>
<td>&gt;$1.3 bn</td>
<td>&gt;$1.5 bn</td>
</tr>
</tbody>
</table>

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

2. Includes International Wealth Management, Advisory and Execution Services.

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- **2023/24**: Diversification with a focus on accelerating International Wealth Management growth plan.
Stability: Focus on Cost Efficiency

- Reducing baseline expenses critical to stabilize platform and create room to self-fund growth plans
- Focus on globalization and standardization as levers to effect long term structural cost saves

Wholesale Baseline Expense Trajectory

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue-Linked &amp; Optimization</th>
<th>Platform Investments</th>
<th>FY 22/23 Actions RR Impact</th>
<th>Structural Reform</th>
<th>External environment linked increases</th>
<th>24/25 Exit Run-Rate (ex Growth Linked)</th>
</tr>
</thead>
<tbody>
<tr>
<td>20/21</td>
<td>5.7</td>
<td>0.3</td>
<td>5.5</td>
<td>0.1</td>
<td>0.2</td>
<td>5.3</td>
</tr>
</tbody>
</table>

Baseline, pre investments in growth

2021-2023

- Reduced expenses in line with revenue opportunity, continued portfolio optimization
- Invested in strengthening platform capabilities and remediation (RMEP)

FY 22/23 Actions

- Scaling International IB footprint to market opportunity while enhancing productivity
- Significant de-layering across Corporate functions and Front Office Non-producers
- $120m+ run-rate impact

Structural Reform

- Initiating a larger review and reform of our operating model and work practices
- Key levers are de-regionalization, reduced NPE and vendor spend
- $150m+ run-rate saves by March-25, further potential beyond 24/25 from location strategy

1. Excludes loss related to transaction with US client
Critical for Wholesale to Gain Scale

- Potential to unlock operating leverage and increase sustainable profitability through market share gains

Implications of Market Share Gain on PTI Margin and CIR

- Market share gain will lead to a rise in PTI Yen bn, LHS.
- Cost to Income Ratio, RHS will decrease by +10bps.
- PTI, JPY will increase by +20bn.
- CIR will decrease by ~3pp.
Progress Made in Investment Banking Despite Challenging Markets

Resilient Investment Banking business made progress against strategic initiatives despite severe market downturn.

Targeted Global IB Strategic Sectors

- **Greentech**
- **Industrials & Infrastructure**
- **Consumer / Retail**
- **Technology, Media and Services**
- **Financial Institutions**

Key point of differentiation

Continued Growth in Advisory Revenue Generation per MD

~100% increase in International Advisory MD productivity in last 4 years

International Advisory MD Productivity ($m/MD) (L2Y rolling)¹

<table>
<thead>
<tr>
<th>Year</th>
<th>18/19</th>
<th>19/20</th>
<th>20/21</th>
<th>21/22</th>
<th>22/23</th>
<th>25/26 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan M&amp;A Rank²</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

1. Based on last 2 year average producers Advisory / Coverage MD headcount with time in title > 1 year; last 2 year average Advisory revenues; 2. Source: Dealogic on fiscal year basis. Based on completed deals; 3. Based on internal available data in the CRM system; 4. Japan prior client count as of FY16/17, International IB prior client count as of early 22/23 after a new intense client operating rhythm was introduced.
Focus on Delivering Deep Sector Insights Globally: Greentech Industrials and Infrastructure Example

Deepen our expertise in Greentech Industrials and Infrastructure (GII) to continue to position for the megatrend of Sustainability

Progress made in building scale in our core areas. Achieved through focusing existing talent and selective investment

~3.0x increase in International GII headcount in last 4 years

International Greentech Industrials and Infrastructure (GII) Headcount

Focused sub-sector strategy to maintain deep connectivity with our Clients

<table>
<thead>
<tr>
<th>Incumbents</th>
<th>Innovators</th>
<th>Investors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced Materials and Chemicals</td>
<td>Low Carbon Infrastructure</td>
<td></td>
</tr>
<tr>
<td>AgTech and Sustainable Food</td>
<td>Low Carbon Molecules</td>
<td></td>
</tr>
<tr>
<td>Building and Sustainable Products</td>
<td>Mobility and Automotive Technology</td>
<td></td>
</tr>
<tr>
<td>Digital Infrastructure</td>
<td>NextGen Ocean and Air Transportation</td>
<td></td>
</tr>
<tr>
<td>Energy and Industrial Technology and Services</td>
<td>Renewable Energy Value Chain</td>
<td></td>
</tr>
<tr>
<td>Environmental Services and Technologies</td>
<td>Water</td>
<td></td>
</tr>
</tbody>
</table>

#1 Advisor in Global Renewable Energy M&A

- On-going focus on cost management and re-tooling existing talent to ensure a prudent approach to growth investment
- Established Japan GII virtual team with GII sub-sector heads appointed to leverage the differentiated content globally

1. Producer only headcount, as at year end; 2. Based on last 2 year average producers Advisory / Coverage MD headcount with time in title > 1 year, last 2 year average Advisory revenues; 3. #1 by deal count among our Advisory peers (Nomura Greentech - as per 2021-2022 Bloomberg New Energy Finance Clean Energy League Table)
## Global Markets Plan: Building on Areas of Strength

- **Demonstrated ability to gain market share in chosen areas of investment with continued focus on leveraging strengths**

### Platform Strength & Opportunity

<table>
<thead>
<tr>
<th>Areas of Strength</th>
<th>Forward Ambition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equities</strong>¹</td>
<td></td>
</tr>
<tr>
<td><strong>Securitized Products</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Credit</strong></td>
<td></td>
</tr>
<tr>
<td><strong>FX/EM</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Rates</strong></td>
<td></td>
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</tbody>
</table>

### Target Growth Areas

<table>
<thead>
<tr>
<th>Japan</th>
<th>Amer.</th>
<th>EMEA</th>
<th>AEJ</th>
</tr>
</thead>
<tbody>
<tr>
<td>~26% share</td>
<td>~3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>~4%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&gt;35%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>~11%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>~16%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>~16%</td>
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### Forward Ambition

- **Build on US and Japan strengths and expand business in EMEA and AEJ**
- **Bolster and globalize existing US/EMEA businesses; grow in adjacent products/regions**
- **Replicate successful APAC model across International regions**
- **Business expansion in EMEA/US underpinned by growth in Client franchise; leverage APAC strengths**
- **Further scale up through targeted investments and product suite expansion**

**Source:** Coalition Greenwich Competitor Analytics (CY20-22 Avg). Market share results are based on the following peers: BofA, BARC, BNPP, Citi, CS, DB, GS, JPM, MS, HSBC, SG & UBS. Market share results are based on Nomura’s product taxonomy & Nomura’s internal revenues

1. Equities include Equity Derivatives, Cash Equities, Convertibles, Exchange Traded Derivatives, Delta 1, Prime Brokerage
Global Markets Growth Plan

**Systematic Plan to Scale GM Franchise**

- **IWM & CFS Cash**
  - ~20%
- **Equities**
- **Spread**
- **Macro**

**Growth Initiatives Across Product Areas**

- **Equities**
  - Expand in EMEA & AEJ leveraging US and Japan strengths
  - Globalization of structured products and deepening of solutions & financing activities
- **Sec. Prod.**
  - Bolster and globalize core Structured Finance businesses
  - Expand in new areas leveraging existing capabilities (e.g. Trade Finance)
- **Credit**
  - Leverage AEJ model and develop flow trading franchise across Global Emerging Markets
  - Targeted expansion of Structured Lending, Special Situations, and Structured Credit businesses
- **Rates**
  - Expand on core strengths in Government Bonds, Agency MBS, and Global Structured Rates
  - Increase client financing activities and strengthen Derivatives business
- **FX/EM**
  - Investments to rebuild US FX and further scale-up EMEA franchise
  - Leverage APAC strengths to drive increased x-border collaboration
- **IWM**
  - Expand product/lending suite, enhance RM productivity, and extend geographic expansion
  - Leverage platform and infrastructure investments to date to accelerate AuM growth

**GM Headcount Growth**

- 16/17-18/19 Avg.: ~(2)%
- 2022: ~5%
- 2024/25: ~5%

**Rev / HC Growth**

- 16/17-18/19 Avg.: ~(4)%
- 2022: 15%-20%
- 2024/25: ~20%

**Rev / RWA (%) Growth**

- 16/17-18/19 Avg.: Flat to 50 bps
- 2022/23: +20 bps
- 2024/25: Flat to +50 bps

- **Targeted Sales, Trading & Structuring hires to deepen scale and address product / coverage gaps**
- **Unlock economies of scale enabled by product/client franchise growth and resource deployment**
- **Build on resource discipline, and further optimize financial resource allocation**
Global Markets Plan: Client Opportunity Driven Growth

- Increasing penetration with top clients and cross-sell across regions and products key to delivering growth

**Increasing Contribution from Top Clients**

*Revenue from Top 100 Clients*
(16/17-18/19 Indexed to 100)

**Growing Int’l. Japan Cross-Border Deals**

*International Private Market Products*¹ Distributed in Japan (Deal Value)
(21/22 Indexed to 100)

**Cross-Sell Driven by Macro, Equities**

*International Cross-Sell*
(16/17-18/19 Indexed to 100)

1. Products include CLO, Infrastructure and Power Finance, Private Funds
Diversification: International Wealth Management

- Strong progress underpinned by momentum in asset growth, franchise expansion and uplift in product & platform
- Further scale up AUM to $35bn in the medium term and targeting to deliver 15%+ RoE in Medium-Term

Strong Growth Momentum...

...Underpinned by Robust Expansion

**Progress delivered since 19/20:**

- **25%** AUM CAGR
- +50% Cross-referral Revenue
- 1,200+ New Accounts

**Accumulated NNM**: +$2.8bn

**Revenue**

- $64m to ~$100m

**RM Productivity**

- $1.2m to $1.4m

**# of RMs**

- 61 to 80+

Continue to Execute on Key Priorities

- Client Franchise Expansion
- Product Suite Build-Out
- One-Bank Collaboration
- Platform Enhancement

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1. Accumulated NNM since 19/20
2. Revenue contribution to broader Wholesale through cross-divisional collaborations
3. Gross revenue (including revenue contribution to broader Wholesale through cross-divisional collaborations) per RM
Conclusion

- Wholesale platform stable and more resilient
- However, profitability challenged due to cost inefficiencies and lack of scale
- Robust plan to increase market share, deepen client relationships, optimize costs, and enhance resource efficiency

- Targeted Investment Banking ambition supported by strengths in Japan
- Global Markets growth plan underpinned by systematic client driven plan
- Focus on scaling core products, higher productivity, resource efficiency

- Expansion in risk-light areas with strong RoE
- International Wealth Management expansion to build on current platform successes
- Supporting International Asset Management growth strategy
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