



NOMURA

Connecting Markets East & West

We aspire to create a better world by
harnessing the power of financial markets

Investor Day

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Nomura Holdings, Inc.

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WEALTH MANAGEMENT

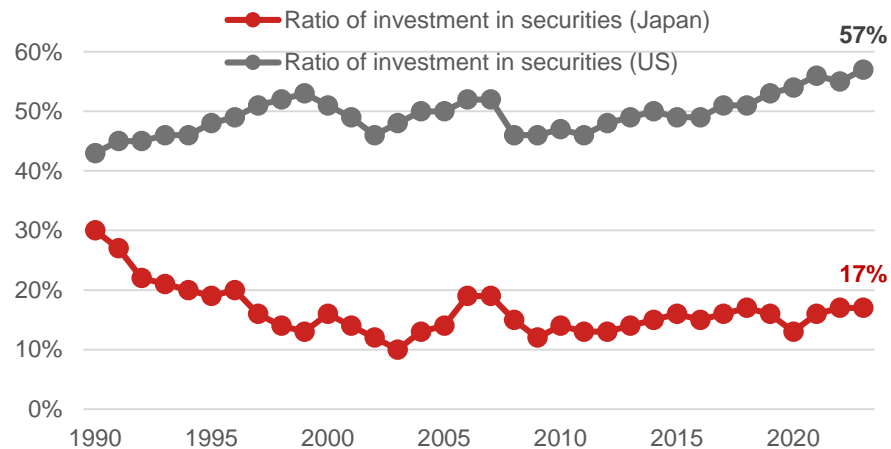
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Significance of Wealth Management business

Domestic environment

Overall Japanese household investment in securities still low

Japan/US securities investment ratio¹



Diversified asset needs in unpredictable times

Asset management needs in Japan

Investments in traditional financial assets such as stocks and bonds

Non-financial assets such as real estate

Business succession, asset succession and estate planning for next generation

Medium to long-term asset formation

Asset formation through workplace business (ESOP, equity compensation)

etc.

Vision for Wealth Management

Help clients achieve their goals by providing comprehensive asset management services

Embody Group Purpose of “We aspire to create a better world by harnessing the power of financial markets” and help Japan create a virtuous cycle of growth and distribution as part of its goal to be an investment-oriented country

What is asset management?

	2013	~	2024	Future
Name	Retail Division		Wealth Management Division	
Business model	Transform to focus on recurring business (wealth management) through asset management business		Align name and business model to asset management business	
Strategy	Start business model transformation Change to asset management business	Define client segments Drive channel reformation	Clarify value to clients Rename division	Establish brand Nomura Wealth Management

Nomura Wealth Management's asset management services

What is asset management?

- Comprehensively manage assets based on overall family balance sheet

Client balance sheet	
Financial assets	Borrowings, etc.
Real estate	Inheritance tax
Own shares/equity interest	Net assets
Other assets	



Nomura Wealth Management

- Provide asset management services, including investment management, for clients beyond traditional brokerage services

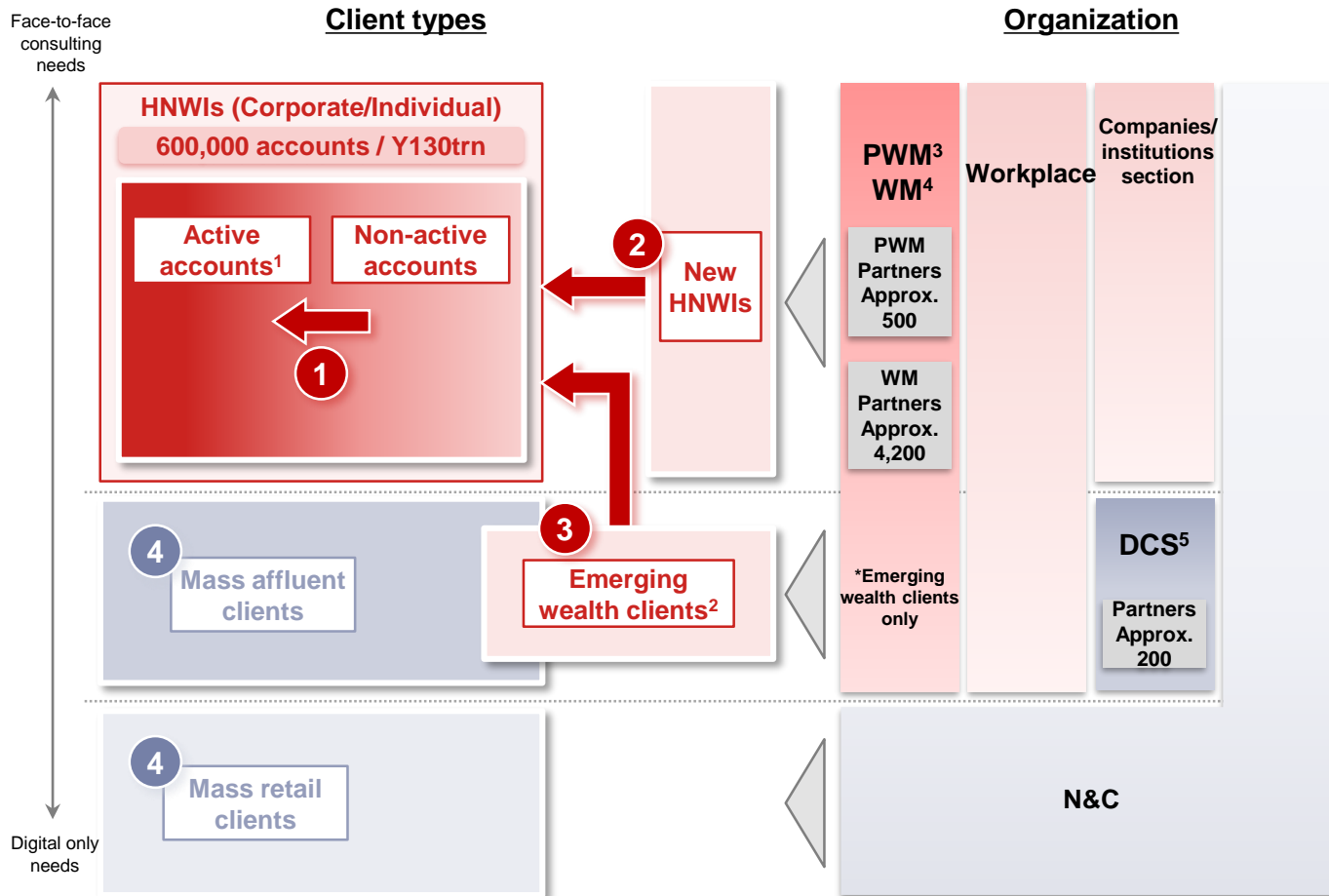


Towards expansion of Wealth Management Business

- Amid expansion of HNWI market, set up organization to provide client coverage based on client needs
- For HNWIs, grow active accounts that provide a certain level of client assets and revenues from asset management services
- For clients with simpler needs, create sustainable organization to provide services leveraging digital

Client coverage towards expansion of Wealth Management business

Medium to long term strategy



- 1 Grow HNWI active accounts**
 - Increase HNWI active accounts by providing sophisticated asset management services to meet the complex needs of our clients
 - Enhancing level of services is key to achieving goal
- 2 Onboard new clients in HNWI market**
 - Win new clients amid growing HNWI market
 - Efficiently onboard clients by securing partner resources and fine-tuning partner actions
- 3 Gain emerging wealth clients**
 - Create framework to bring in emerging wealth clients towards a sustainable build out of client franchise
 - Target mainly HNWI families and workplace clients
- 4 Establish business model to provide sustainable services leveraging digital**
 - Create organization to deliver services by combining digital and partners
 - Increase/maintain client activity leveraging digital even with fewer partners

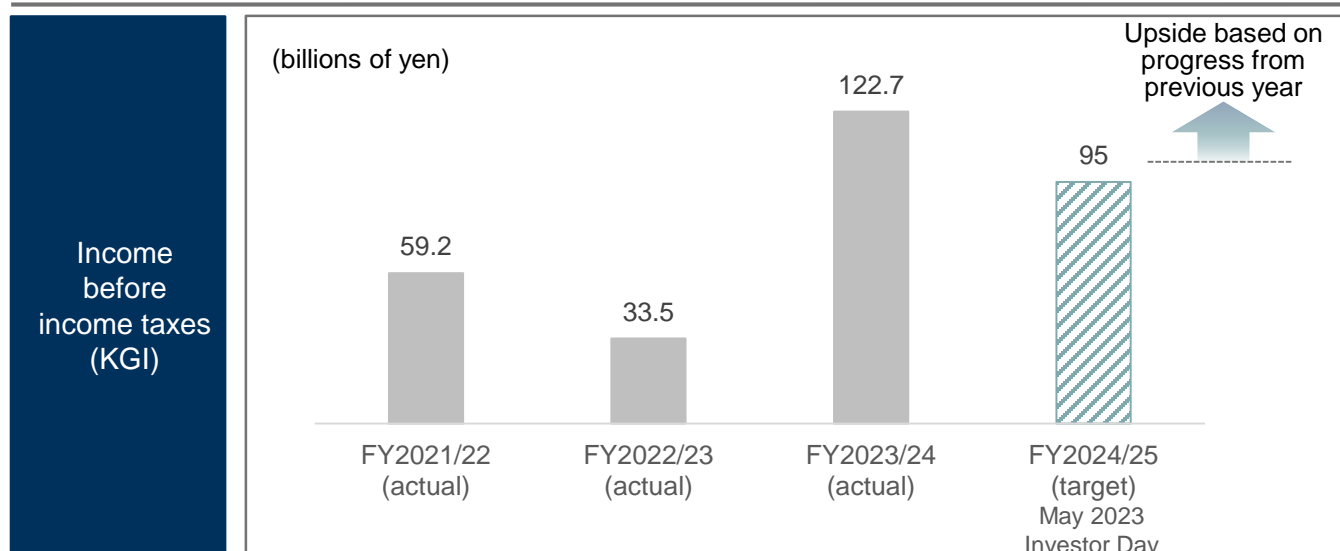
1. HNWI accounts providing a certain level of client assets and asset management service revenues.
 2. Clients with high possibility of becoming HNWI in the future.

3. Private Wealth Management.
 4. Wealth Management.
 5. Digital Customer Services.

Review of FY2023/24 and FY2024/25 KGI/KPIs

- Achieved FY2024/25 target for income before income taxes (KGI) ahead of schedule, driven by the successful realignment of our people at the start of the fiscal year with market rally as tailwind

Quantitative targets for FY2024/25



KPIs	FY2023/24 or Mar (actual)	FY2024/25 or Mar (KPI)
	Recurring revenue assets	Y23trn
Net inflows of recurring revenue assets (excl. investment trust dividend outflows)	Y702bn (incl. investment trust dividend outflows: Y 317.4bn)	Y800bn (Changed from Y800bn (incl. investment trust dividend outflows))
Flow business clients	1.692m	1.46m
Workplace services ¹	3.627m	3.66m

Review of FY2023/24

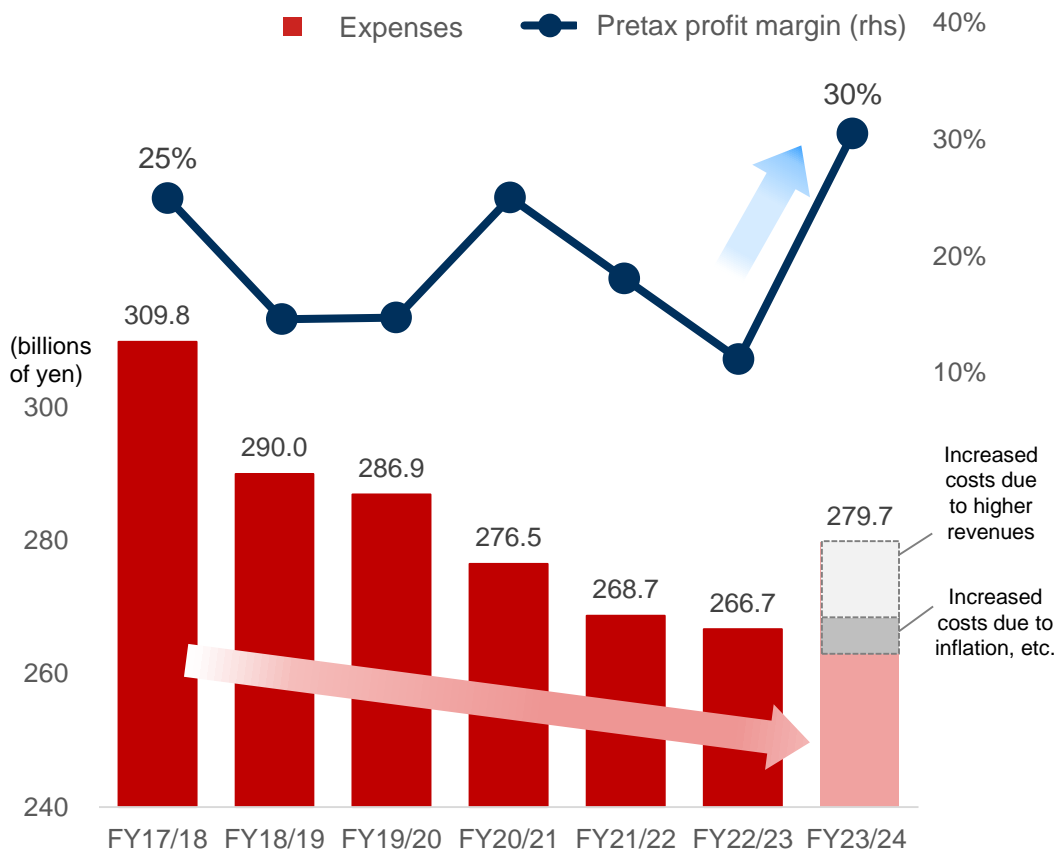
- Progress in shift towards recurring revenue business**
 - ✓ Recurring revenue of Y153.5bn underpinned by progress in asset management recurring revenue business; FY2024/25 target achieved ahead of schedule
 - ✓ Recurring revenue cost coverage ratio of 55%
- Expansion of flow business, etc.**
 - ✓ Flow revenue up 50% on thorough delivery of all products to meet client needs amid favorable market
 - ✓ Flow business clients trending above FY2024/25 target
- Wide range of product sales through NISA**
 - ✓ Apart from accumulation of index investment trusts, achieved sales of wide range of products including domestic stocks and active investment trusts
- Appropriate cost controls**
 - ✓ Identified cost reduction items for Y20bn under earnings structural reform project
 - ✓ As a result, achieved significant reduction in fixed expenses

1. Changed from services for salaried employees

Cost strategy

- Despite factors contributing to higher variable costs, pretax profit margins improved markedly on stringent cost controls mainly on fixed expenses
- Identified items for FY2024/25 cost reduction target of Y20bn ahead of plan due to earnings structural reform project; Aim to improve profitability through further review of cost structure

Division expenses and pretax profit margins



Initiatives

Main initiatives under earnings structural reform project (Mainly fixed costs)

- Reduce administrative expenses by containing outsourcing and communication costs
- Reduce real estate expenses by moving branches from road level to higher levels and returning office space
- Cut system expenses by reviewing system user fees and maintenance fees
- Lower compensation and benefits by optimizing allocation of people and ensuring pay for performance

Identified items for March 2025 cost reduction target of Y20bn ahead of plan

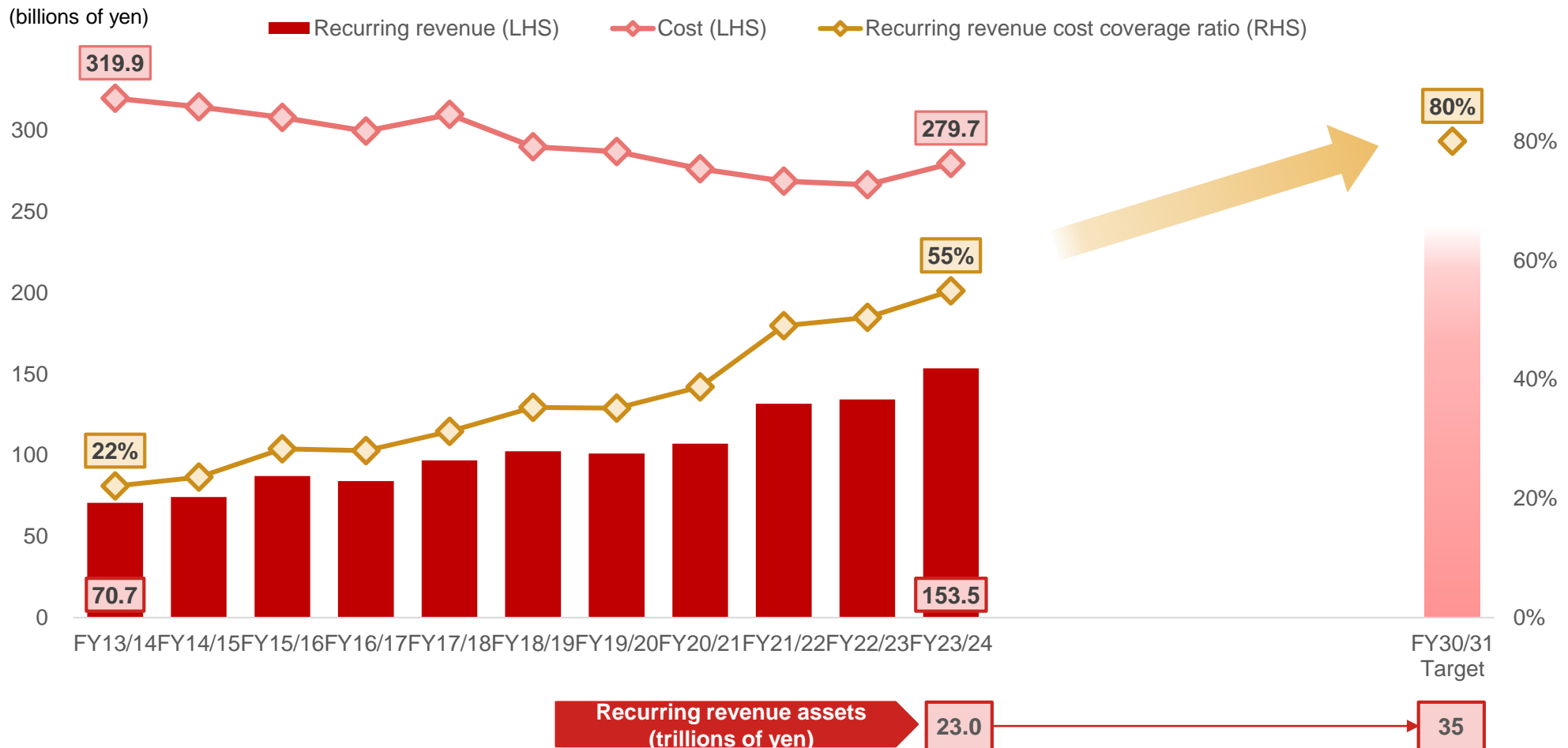
Future initiatives

- Lower IT system expenses by insourcing system construction and application development, and migrating to a common IT infrastructure base
- Cut administrative costs by digitizing ledgers, etc.

Quantitative targets for 2030

- Increase client satisfaction and performance through the provision of asset management services and grow recurring revenue assets by maximizing client assets
- Aim for recurring revenue cost coverage ratio of 80% or higher by FY2030/31

Change in recurring revenue and recurring revenue cost coverage ratio



Strategy for business growth

1

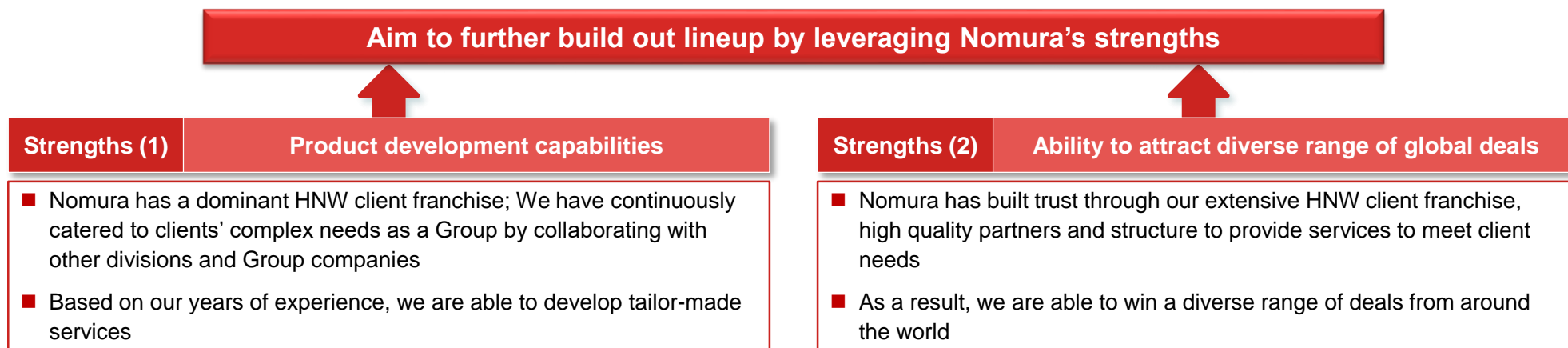
2

Grow HNWI active accounts and onboard new clients Enhance products and solutions

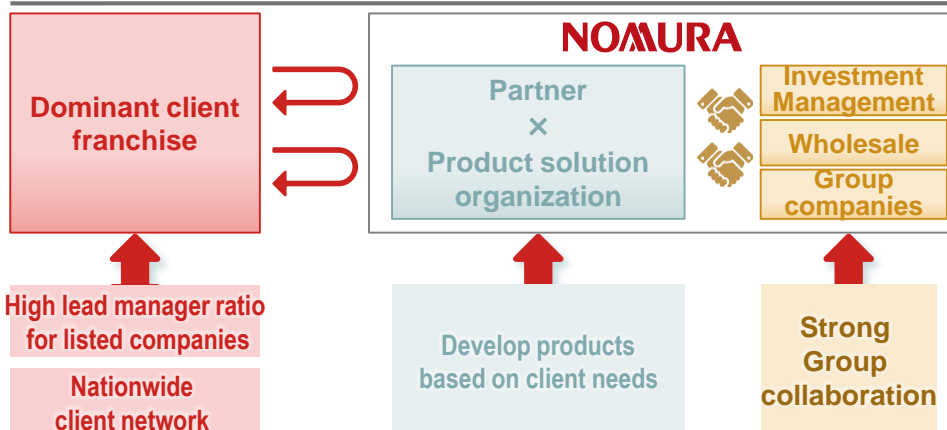
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- Nomura's strength lies in our ability to develop products and bring a diverse range of global transactions
- Aim to expand lineup using group collaboration to further build on Nomura's strengths

Enhancement of products and solutions

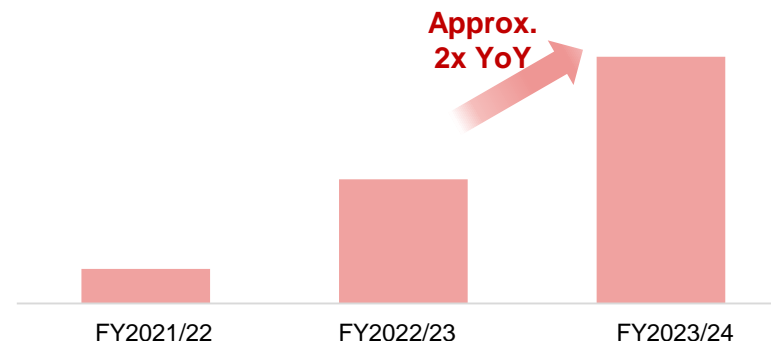


Organization enabling development of original services



Example of strengths: Amount of private assets

- Achieved substantial increase in private assets leveraging Nomura's presence



1

2

Grow HNWI active accounts and onboard new clients Improve services by sales partners

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FY2023/24

Future

Accelerate growth of HNWI active accounts and onboarding of new clients by optimizing accounts per partner and allocating partners appropriately

Enhance services provided by sales partners by securing partner resources and fine-tuning actions

Wealth Management: Optimization of accounts and results

Aim	HNWI active accounts	Onboard new clients in growing HNWI market
Initiatives	Enhanced communication between partners and HNWI clients	Make effective use of partners
Results	HNWI active accounts grew 41% YoY	New Wealth Management accounts 51% higher YoY

Future initiatives

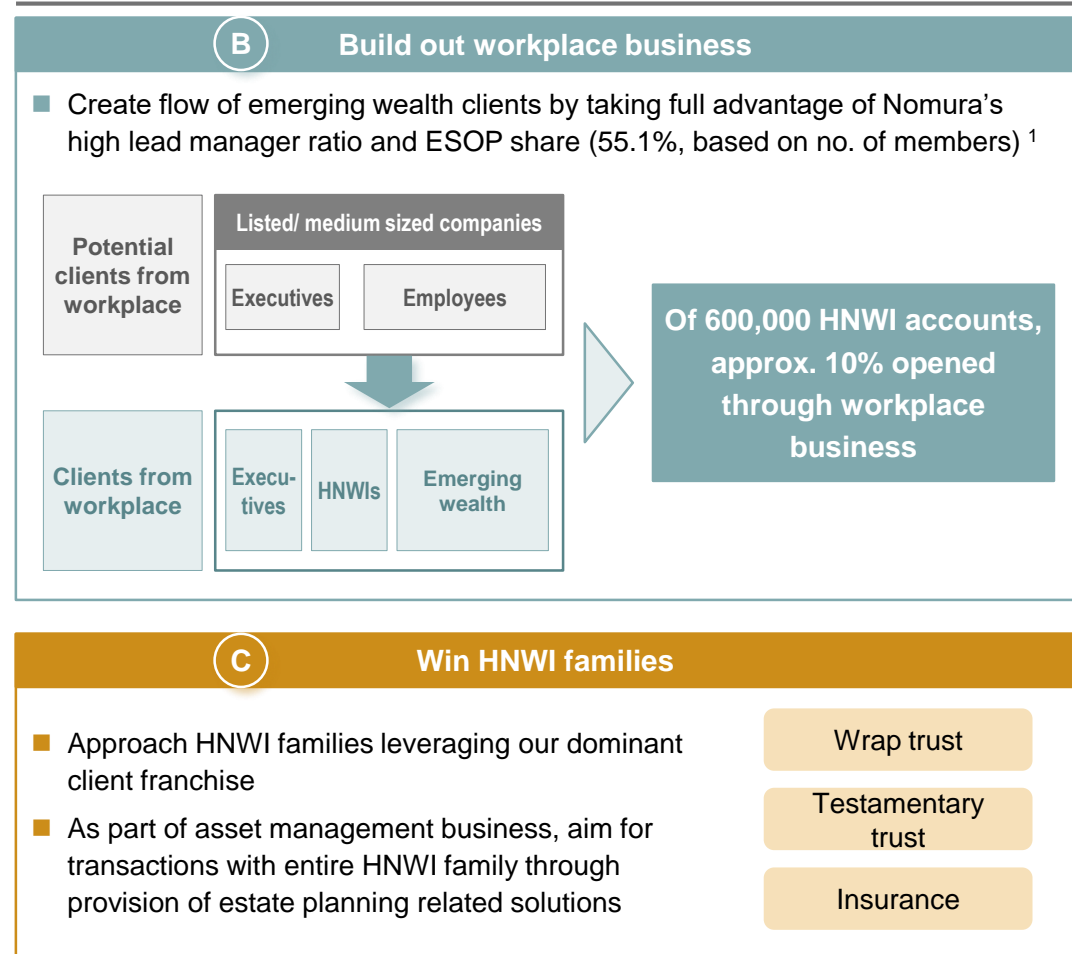
Secure partner resources	Raise productivity using digital	<ul style="list-style-type: none"> Digitize administrative tasks and routine work to ensure more time for partner interactions with clients
	Bolster hiring	<ul style="list-style-type: none"> Bolster mid-career hiring mainly recent graduates with work experience to improve the level of services provided by partners
Fine-tune partner actions	Refine client segmentation	<ul style="list-style-type: none"> Further refine client segmentation to grow HNWI active accounts
	Promote onboarding of new clients using external data	<ul style="list-style-type: none"> Accurately capture target clients using external data and implement efficient and effective onboarding

- Acquiring emerging wealth clients is key issue in the sustainable build out of our client franchise
- Capitalize on Nomura's strengths to approach workplace clients and HNWI families in order to win emerging wealth clients

Types of emerging wealth clients

Category	Client type	Measures
A Build assets through business	Business owners	<ul style="list-style-type: none"> • Able to identify from public information • PWM/WM partners acquire using data (→ See page 9)
	Startup managers	
	Medical physicians	
	⋮	
B Build assets through income	Listed company executives	<ul style="list-style-type: none"> • Hard to identify from public information • Leverage high lead manager ratio and ESOP share, using as "mechanism" to capture clients
	Listed company employees	
	⋮	
C Build assets through asset succession	HNWI families	<ul style="list-style-type: none"> • Hard to identify from public information • Leverage HNWI client franchise, using as "mechanism" to capture clients

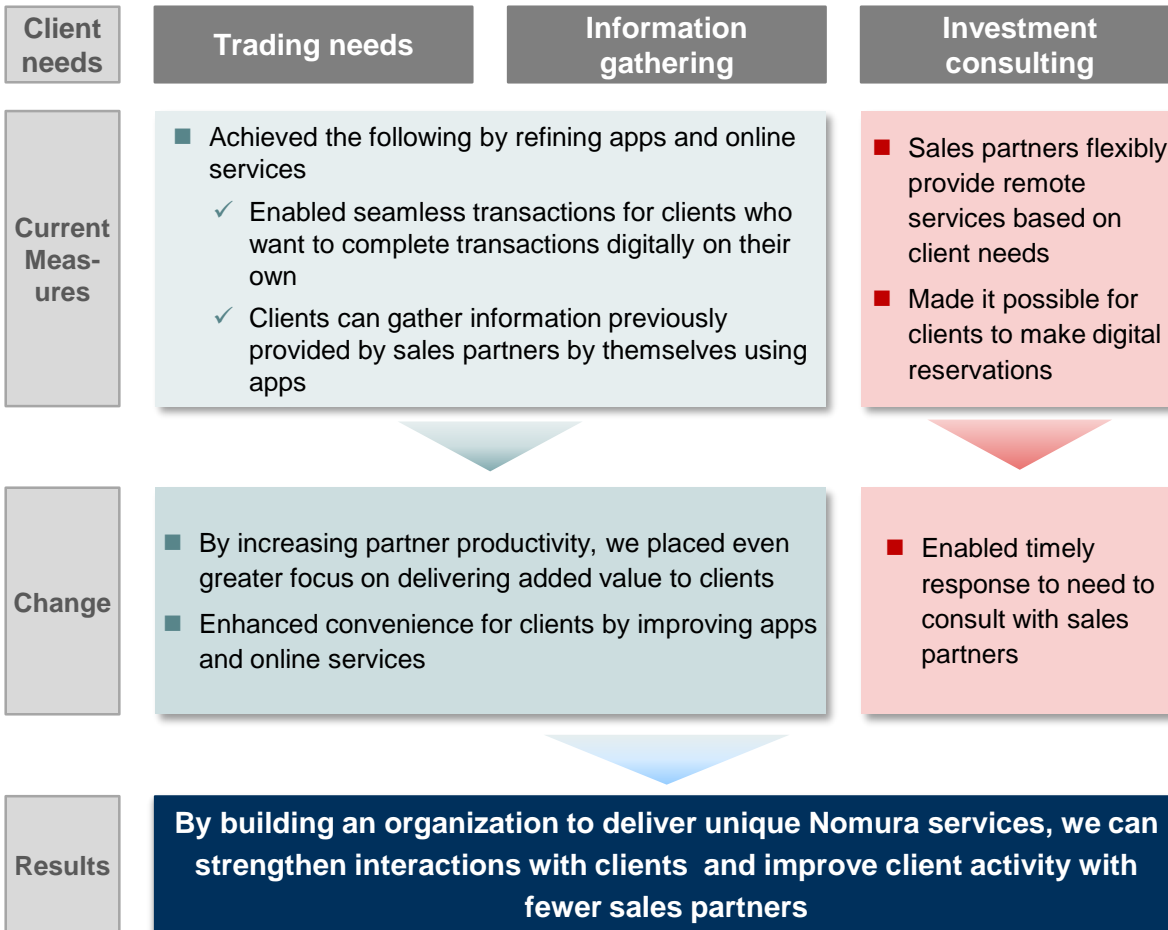
Future initiatives



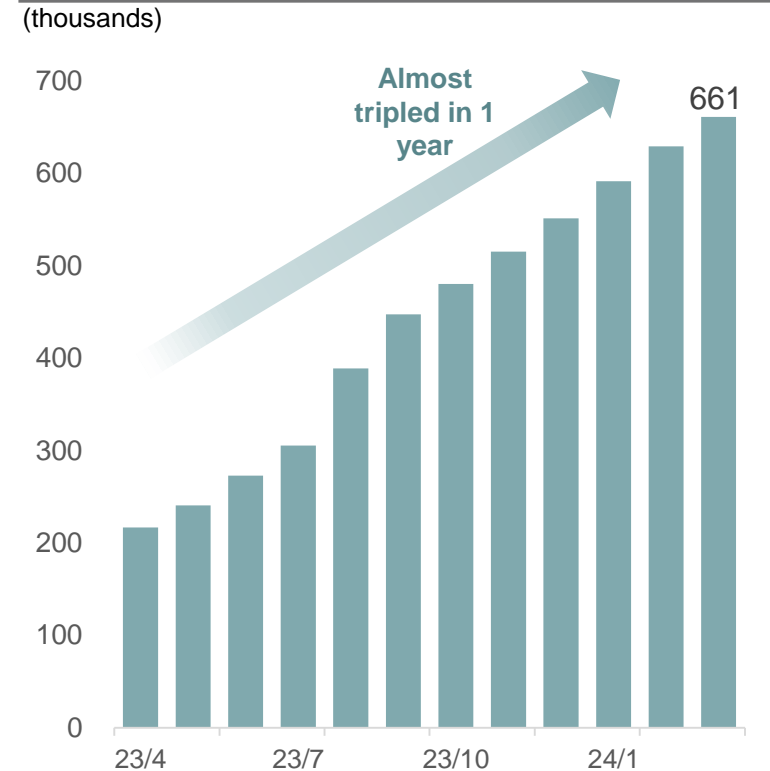
1. As of end March 2023. Source: Nomura, based on the results of the TSE's FY2022 ESOP survey.

- We made progress in creating a business model to provide services by combining digital and sales partners
- We will enhance client interactions in line with client needs and build out pool of investors

Building organization combining digital and partners to deliver services



App login accounts

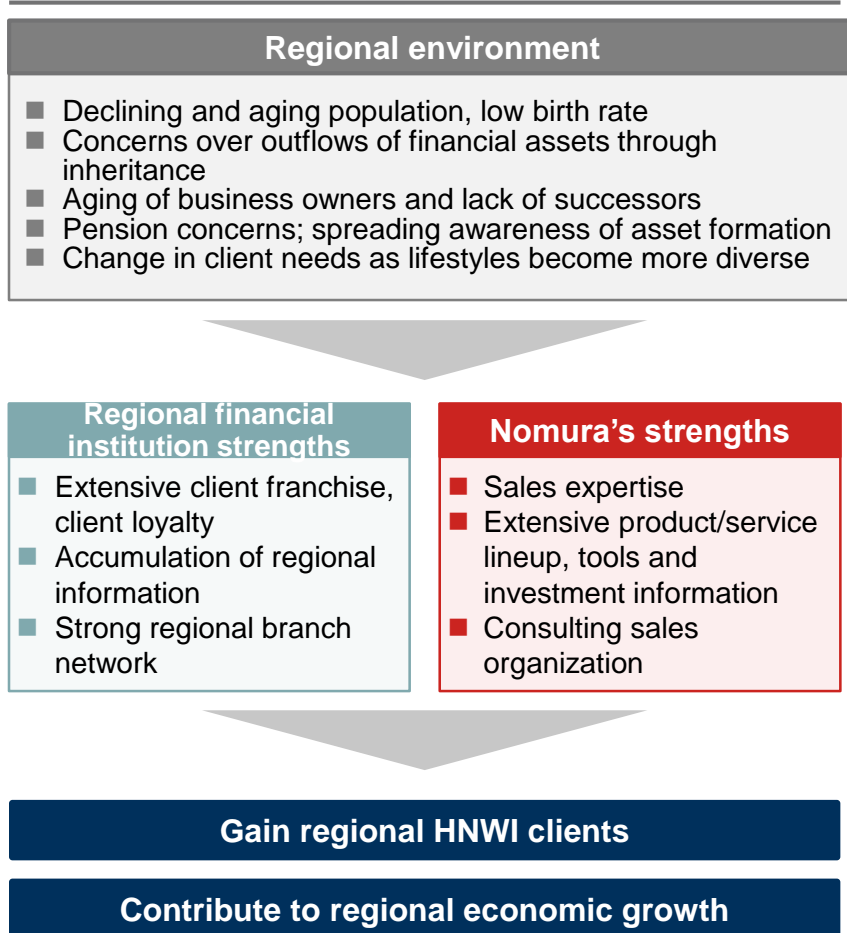


Significantly enhanced interactions with clients through digital services

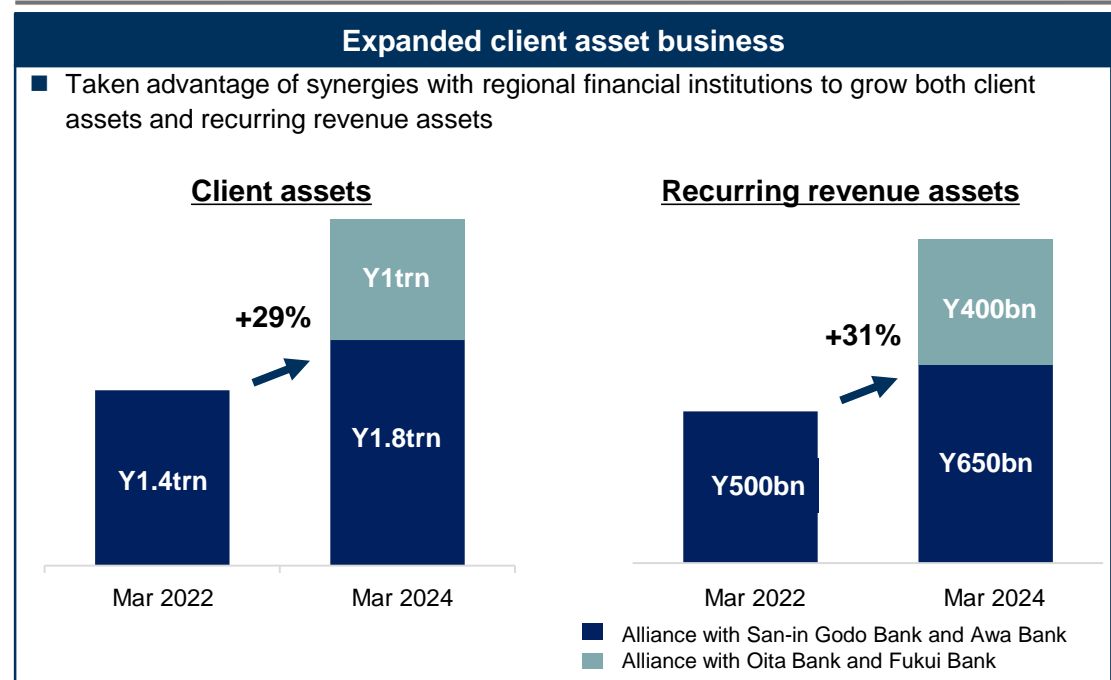
Growing our client franchise and recurring revenue assets through alliances

- By establishing interactions with clients we previously couldn't access, we will gain regional HNWI clients and contribute to the development of regional economies

Significance of comprehensive business alliances



Results of alliances



Expand financial services and solutions

- Through our alliance initiatives, we have achieved over 60,000 new client accounts and grown the pool of investors
- Dramatic increase in revenues related to solutions such as estate planning
- Enhanced provision of regional asset management services

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