

DIVISION

Wholesale



Head of Wholesale

Christopher Willcox

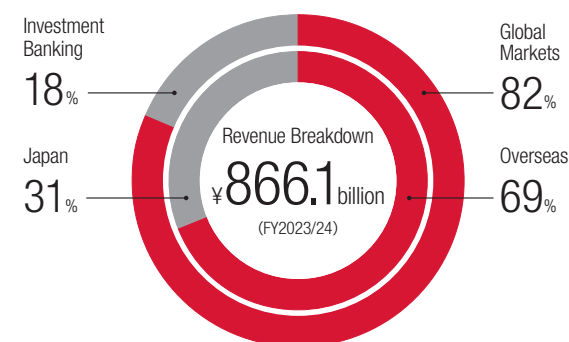
At its core, Wholesale acts as a key financial intermediary, advisor and liquidity provider in capital markets – a critical function to ensure confidence in the financial system. Our commitment to sustainability and the service we provide to our clients continues to embody Nomura's purpose.

Wholesale Division

“ As a financial intermediary, we are at the forefront of connecting capital seekers and holders globally while staying committed to deliver growth sustainably and contributing to society ”

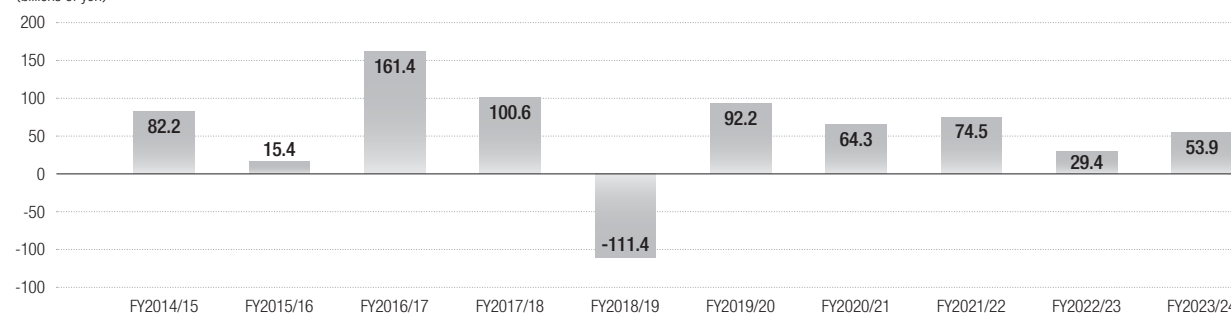
Wholesale encompasses a wide range of products and services to cater to the diverse needs of our clients globally. In Japan, we are a leading company^{*1*2}, across Fixed Income, Equities and Investment Banking, positioning us uniquely to provide our global clients with unparalleled access to domestic markets. To complement our Japan franchise, we have scaled our international platform, which generates more than two thirds of our Global Wholesale revenue and commands leading positions in multiple products and markets.

Revenue Breakdown



Income Before Income Taxes

(billions of yen)



^{*1} Source : Fixed Income, Equity: Coalition Greenwich Competitor Analytics (CY2019-23 Avg). Market Share based on industry revenue pools. Results are based upon Nomura's internal product taxonomy and Nomura internal revenues.

^{*2} Source : Investment Banking: Dealogic (23/24)

Progress Towards FY2024/25 Target

The fiscal year 2023/24 began amidst challenging market conditions. However, the overall market environment turned more favorable in the second half as the Japan re-emergence theme started to gain traction. Amidst this backdrop, Wholesale revenue rose by 12% year-on-year in FY2023/24, with successive revenue increases each quarter in what was a difficult year for the industry.

We have been progressing on the right path for specific KPIs such as Revenue/RWA and Fee & Commission Revenue. Although the target is yet to be achieved, gains have been made in terms of Cost to Income Ratio, which we aim to further improve through our targeted strategic initiatives.

Stability

We have made solid progress in creating a more stable and resilient Wholesale platform. We are currently on track to exceed our 2023 Investor Day cost saves target of 150 million US dollars by >50% through structural reform of our operating model and streamlining of our Front Office footprint. Performance continued to recover in FY2023/24, with more businesses generating higher contribution through strong client wallet share*3 gains and improved risk taking, limiting Wholesale loss days to ~1% during the year.

● Progress/Achievement of KPIs and KGI		FY2023/24 (Actual)	FY2024/25 (Target, announced at Investor Day in May 2023)
KPIs	Revenue/RWA	6.8%	>6%
	Cost to Income Ratio	94%	86%
	Fee & Commission Revenue	\$1.2 billion	>\$1.3 billion
KGI	Income before Income Taxes	¥53.9 billion	¥130 billion

Growth

Our Global Markets franchise has successfully delivered growth across multiple products with >30%*4 year-on-year revenue increase in Securitized Products and ~20%*4 in Equity Products. We strengthened our Global Markets client franchise, increasing client revenues by ~8%*4 year-on-year in FY 2023/24 and driving higher multi-product offering with top clients. We have achieved ~20%*4 year-on-year growth in International Investment Banking revenues, with >50% of global revenues coming from resource-light businesses*5. In addition, we cemented our dominance in our domestic market in FY2023/24 with Japan Wholesale revenues up 27% year-on-year.

Diversification

FY2023/24 was a landmark year for our International Wealth Management business, with AUM reaching 21 billion US dollar as we continued to expand the franchise, including into North Asia and Dubai. We added ~5.5 billion US dollar in Net New Money, opened 500+ new accounts, and increased revenues by ~50%*4 in FY2023/24. We also continued to increase cross-referrals to the Wholesale business, which have grown by ~1.6x since FY2019/20.

*3 Our share within clients
*4 USD based
*5 Includes Advisory, ECM and DCM

Initiatives for 2030

Our 2030 ambition for Wholesale is driven by our three pillars which is a continuous theme for 2025 - Stability, Growth and Diversification. We continue to focus on our steady client growth plan and seek market share gains while controlling costs and investing in core areas. As these plans require resources, our intention is to self-fund our growth plans by re-investing a portion of the retained earnings generated by Wholesale each year.

Stability

Globalized, Cost-Efficient Platform Generating Long-Term Sustainable Returns

In Wholesale, we are focused on generating sustainable long-term returns navigating different market cycles, and we aim to achieve through-the-cycle pre-tax ROE of 8-10% on a post Basel III finalization basis. We are targeting a cost-to-income ratio of ~80% by realizing economies of scale, maintaining cost discipline, and executing longer-term structural savings. Further, we will maintain our resource efficiency at ~6% on a post Basel III finalization basis and continuously seek to optimize resource usage across businesses in alignment with market opportunity and returns.

Growth

Increasing Proportion of Resource-Light, Low Volatility Businesses

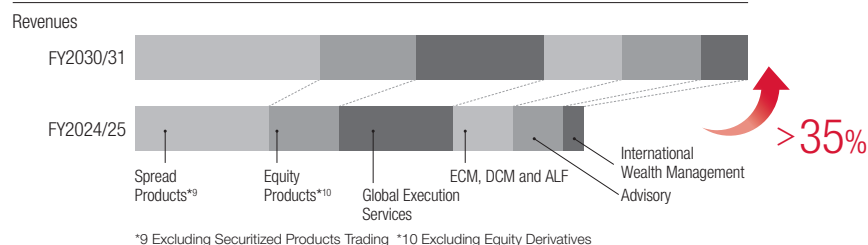
To steer future growth, a key priority for Wholesale is to create a diversified platform and shift our business mix towards more resource-light areas that use less financial resources. Specifically, as a high portion of our current revenue comes from Macro business we are targeting for ~70% of Wholesale revenues to originate from non-Macro products in 2030. We also expect to diversify our portfolio and to shift towards resource-light business including Advisory and Wealth Management and also low volatility, higher return businesses like Spread Products*7 and Equity Products. A key element of our strategy is building on our existing capabilities in areas where we already excel to extend our reach globally. To achieve stable and sustainable earnings, Wholesale will continue to focus on strengthening the client franchise. In Investment Banking, we continue to lead with differentiated content and focus on deepening new age subsectors coverage which includes agtech*8 and digital infrastructure while improving wallet share*3. In our Global Markets division, we aim to improve our client share and increase cross-sell across regions and products.

*7 Credit and Securitized Products
*8 Agricultural technology

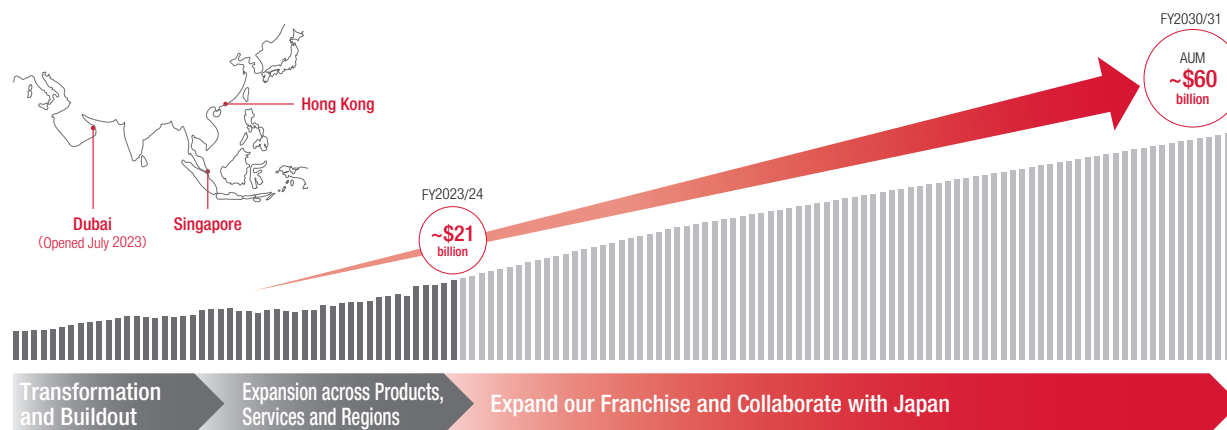
FY2030/31 (Target)	
KPIs	Pre-Tax ROE 8-10%*6
	Revenue/RWA ~6%*6
	Cost to Income Ratio ~80%
	Fee & Commission Revenue ~\$1.9 billion

*6 post Basel-III finalization basis

Higher Growth from Low Volatility and Resource Light Business



Further Expansion of International Wealth Management Business



- Institutionalized the business under the Wholesale division in September 2020, aiming to provide solutions for the International Wealth Management clients at the same level as institutional investors
- Sales recruitment and infrastructure development

- Expansion of products and services
- Established a co-work structure with Investment Banking and Global Markets
- Opened Dubai office and strengthened North Asia team

- Enhance collaboration with Japan and across divisions to broaden our client base, widen product suite, and expand in core regions while exploring opportunities in other select markets

Diversification

Longer-term Diversification to Increase Earnings Stability

We are focused on diversifying the Wholesale business mix across products, clients and markets. Continuing our growth trajectory in International Wealth Management is a key part of our diversification strategy; we intend to become a top 15 wealth manager in Asia and target 60 billion US dollar in AUM to fully extract synergies with our Markets and Banking businesses. Additionally, growing our International Advisory business will be a top priority to help push Fee & Commission Revenue for Wholesale to ~1.9 billion US dollar in the long-term. On the client side, we are also broadening our client base and deepening penetration with real-money*¹¹ and corporate clients. Lastly, we also seek to enhance cross-collaboration with other divisions in Nomura to drive growth for the firm.

*¹¹ Includes pension funds, asset managers and insurance companies