

Investor Telephone Conference on Consolidated Results of Operations
Whole Year, Fiscal Year ending March 31, 2004
Q & A Summary

Date: April 28, 2004 (Wednesday 18:30 hrs)
Place: Nomura Securities Co., Ltd., Nihonbashi Headquarters
Speaker: Akira Murayama, Senior Managing Director, Chief Financial Officer,
Nomura Holdings, Inc.

Q1: Why did the net interest revenue rise from Q3?

A1: Net interest revenue is impacted periodically by trading positions, so is tied to trading. In order to evaluate our business performance, please consider segment earnings trends based on combined trading gains and losses and net interest revenue.

Q2: Foreign bond sales seem to be declining; what are your expectations for future sales?

A2: We do not consider foreign bond sales to be on a downward trend. Going forward, we plan to enhance our services, offering products appropriate to a changing market environment and client needs.

Q3: On page 21 of the Consolidated Results of Operations – what is the reason for the large Q4 increase in the ‘Others’ and ‘Equity in losses/earnings of affiliates’ figures?

A3: ‘Others’ includes income from business outside the three business segments, such as finance companies and differences arising from US GAAP-based financial accounting and management accounting. The ‘Equity in losses/earnings of affiliates’ figure includes our share of affiliate companies’ income, including NRI and JAFCO.

Q4: What were the reasons for the strong growth in Q4 Equity Trading profits?

A4: The main reasons were a Q4 increase in client order flows, including off-floor and off-exchange trading, etc.

- Q5:** Please expand on Global Wholesale's improved net interest revenue.
- A5:** Net interest revenue is affected periodically by trading positions. For your reference, in the Q4 breakdown, Equity and Fixed Income contributed roughly equally.
- Q6:** Please explain why Terra Firma's fair value was re-valuated.
- A6:** The company's value increased due to investee company business performance, cash flow trends, and asset conditions. We re-valuate the company based upon third-party institutional evaluations.
- Q7:** So the increase in fair value is the reason for Terra Firma's expanded position. Though this year's position will rise to ¥25 billion yen, Merchant Banking's profit was 10.7 billion yen. What is this difference?
- A7:** Basically, this was partially due to a weaker yen following exchange rate fluctuations. Further, funding costs also accounted for differences.
- Q8:** 'Other' costs rose in Q4. Are extraordinary losses included in this figure?
- A8:** Most NPF investee company accounting is consolidated, and these companies' cost of sales is included in the 'other' item category.
- Q9:** Is the increased order flow for Equity Trading due to domestic investors or overseas investors?
- A9:** Orders from both domestic and overseas investors increased.

Investor Telephone Conference on Consolidated Results of Operations
Whole Year, Fiscal Year ending March 31, 2004
Q&A Summary

Date: April 28, 2004 (Wednesday 20:00 hrs)
Place: Nomura Securities Co., Ltd., Nihonbashi Headquarters
Speaker: Akira Murayama, Senior Managing Director, Chief Financial Officer,
Nomura Holdings, Inc.

Q1: What is the business outlook for this year?

A1: The Japanese economy has embarked on a stage of continuous growth. Many Japanese companies, after completing restructuring, hope to utilize the capital markets to raise funds for business expansion. Individual financial assets are also moving toward securities investments such as foreign currency bonds and equities. So Nomura's role is growing more important and we feel the market environment is quite positive.

Q2: How will higher domestic interest rates affect the businesses, especially retail?

A2: First of all, we offer a diverse product lineup, and a hike in interest rates is by no means a wholly negative impact. For example, sales of JGB's for individual investors have risen following the rise in domestic interest rates, and Nomura was responsible for ¥450 billion in sales of the 6th JGB offering in March. Further, our investment trusts offer bond-type investment trust products, and clients tend to buy more when interest rates rise.

Q3: What will the impact of regulatory changes allowing banks to offer brokerage services be?

A3: First of all, the Japanese securities market as a whole is expected to expand. As there are more new investors and the market grows even more, there will be more business opportunities for securities companies. Nomura Asset Management will be able to use bank networks to sell its products. In Retail, Nomura's strengths lie in its products that meet client needs and sales consultations. Last year, we held the top position in IPO and PO's. Nomura can also utilize its strong investment banking network to underwrite foreign bonds with high credit ratings.

Q4: Global Wholesale (equity) in particular improved performance considerably from Q3 to Q4. What were the reasons for this?

A4: The main reason for Equity's improved performance was increased order flow. Equity agency transaction values increased by 17% from Q3 to Q4, and off-floor and off-exchange transaction values rose by 31%. As Nomura's business is based on order flow, so when order flows increase there are more opportunities for greater trading income. In Fixed Income, February foreign bond and MTN sales rose due to significant fluctuations in the foreign exchange. Merchant Banking's Income before Income Taxes went from a 5.1 billion yen deficit in Q3 to a 4.8 billion yen profit. Nomura periodically values Terra Firma's assets via a third party, and realized profits this quarter due to a rise in the company's fair value.

Q5: How did Domestic Retail and Asset Management perform?

A5: Domestic Retail performed strongly. Stock Brokerage Commissions were 28.2 billion yen, the highest on a quarterly basis in three years. Commissions for Investment Trusts Distribution and Redemption similarly reached their highest level in the past three years. Domestic Retail client assets stood at 35.2 trillion yen at the end of March, exceeding the level even at the peak IT Bubble years when the Nikkei Average was at over 20,000.

The Asset Management business has started on a recovery trend after bottoming out. In March 2003, Nomura Asset Management's assets under management hit a low of 14.2 trillion yen, but by March 2004 had reached 15.7 trillion yen. Further, Asset Management and Portfolio Service Fees increased from 13.7 billion yen in Q1 to 18.6 billion yen in Q4 in FY 2004, as seen on page 24.

Q6: Despite a significant rise in income from Q3 to Q4, Domestic Retail still showed a decline in profits. Why was that?

A6: This was due to rising costs. Costs, as well as earnings, are subject to seasonal effects and thus fluctuate to some degree. Further, the system replacement that occurred this quarter also impacted profits.

Q7: What is the biggest difference in Segments and financial figures?

A7: Unrealized gains on investments in equity securities held for relationship purposes. As the Japanese stock market performed very well in FY 2004, approximately ¥55 billion yen in valuation gains occurred. Allocation differences due to differences in budgets and results are included in 'Corporate Items.'

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