

**Presentation of Consolidated Results of Operations**  
**Third Quarter, Fiscal Year Ending March 31, 2006**  
**Q&A Session**

Date: January 30, 2006 (Monday 18:30 hrs)

Speaker: Masafumi Nakada, Senior Managing Director, Chief Financial Officer,  
Nomura Holdings, Inc.

Q1) Can you give an overview of Fixed Income and Equity trading revenue by month?

A1) Foreign exchange market volatility is one of the main factors for the increase in fixed income trading revenue in the quarter. We had the biggest market swing in December. So, Fixed Income trading revenue in December was higher than October and November. In Equity, the market was very active throughout the October-December period, and thus Equity trading revenue was strong throughout the quarter.

Q2) You said that increased forex market volatility was the main reason for the strong performance in Fixed Income. Did both MTN and derivatives contribute?

A2) Trading revenue related to MTN transactions rose in conjunction with the higher currency market volatility.

Q3) Regarding the increase in variable-type compensation and benefits, please give a rough breakdown of the increase both in Japan and overseas.

A3) The increase of variable-type compensation is mainly due to the increase in bonuses in Japan in accordance with higher performance.

**Presentation of Consolidated Results of Operations**  
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**Q&A Session**

Date: January 30, 2006 (Monday 22:00 hrs)  
Speaker: Masafumi Nakada, Senior Managing Director, Chief Financial Officer,  
Nomura Holdings, Inc.

- Q1) Please comment on plans for utilizing capital. With the gains from the sale of Millennium Retailing, Nomura's level of capital should be even higher at the end of next quarter. Please explain how you plan to utilize your excess capital, the pipeline for Merchant Banking, and how you plan to return excess capital to shareholders going forward.
- A1) Merchant Banking exposure has decreased with the sale of Millennium Retailing and Wanbishi Archives. However, we think there is room to grow this business. In Japan, opportunities are not limited to the turnaround business, there are plenty of other opportunities for growing the business, including MBOs, and we have a reasonable pipeline. We still aim to build up our portfolio focused on NPF to between 250 billion and 300 billion yen over the next few years, and will continue to search for ways to grow, studying investment opportunities that are the best for our company. Regarding dividends and share buybacks, our line of thinking remains the same. We have announced a target annual dividend of 24 yen per share for the current year. Our dividend policy is that if a certain level of performance is achieved, we will set the actual dividend taking dividend payout ratio into consideration, in addition to the target amount. We will decide the actual dividend payment in accordance with this policy.
- Q2) Please tell me the ratio of inactive/dormant accounts to active accounts. Also, please explain in more detail about the increase in Domestic Retail revenue. Was it a result of inactive accounts becoming active, or was it a result of active accounts becoming more active?
- A2) The number of Cash Management Service accounts now stands at above 3.8 million. I don't have data at hand regarding the number of active accounts, but we think that active clients are on the increase.
- Q3) What led to the stronger performance in Global Markets (in Q3)? Do you think this

level (that of Q3) of performance is sustainable?

- A3) In Q3, the active equity markets and currency market volatility contributed to trading revenue. We look for mid- to long-term growth due to the fact that the Japanese economy and stock market have both rebounded after a prolonged downturn and growth is expected going forward, and the fact that individuals' assets are gradually shifting from savings products into investments.
- Q4) In Europe, Nomura has aggressively hired, driving up costs, and posted a loss again in the third quarter. When do you expect to achieve profits in Europe?
- A4) In Q3 we were unable to cover costs in Europe, and we saw a worse performance than in Q2. The direct reason for this was the fact that Europe didn't have the revenues in Merchant Banking that it had in Q2. Things have been a little tough, but we are now seeing a recovery trend, and we think that Europe will contribute to Nomura's earnings over the mid- to long term.

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