

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

Date: April 28, 2006 (Friday 18:30 hrs)

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

Q1) On Page 18 of the presentation, "Stock brokerage commissions (other)" increased to above 40 billion yen. Is this revenue from block trades, and can we think of it as the same as trading revenue?

A1) With the robust stock market, institutional investor order flow was at a high level. In addition, there were block deals where we received other commissions.

Q2) In Global Markets, both Equity and Fixed Income were strong in Q4. What changes have there been in the last 3 quarters?

A2) Regarding Fixed Income, the main reasons for the strong Q2, Q3 and Q4 were the solid sales of MTNs and foreign currency bonds. Along with the synergy between the sales side (Domestic Retail) and the global product origination/trading side (Global Markets), volatility increased in the second half of the fiscal year, and the trading opportunities expanded. Regarding Equity, order flow increased as a result of the robust stock market, and trading, including MPOs, was strong. In addition, equity derivatives contributed greatly to trading revenue in Q3 and Q4.

Q3) To what extent did the asset finance business contribute to earnings?

A3) Income has steadily grown as there were securitization exits in the U.S. in Q4 and the Asset Finance Group in Europe had several large exits. We have been discussing the asset finance business as a "key area" since the beginning of FY2006.3. In this securitization business, we accumulate deals and then exit them after a certain period of time. As a result, you don't see exits every quarter. In Q4, we saw the fruits from deals made earlier.

Q4) You have strengthened the loan-related business, but how are things looking at the moment?

A4) The loan-related business had 88 billion yen of business in Q3, and 101.5 billion of

business in Q4. The amount of business is not increasing exponentially, but volume is increasing steadily. We will continue to pursue this business as a key area.

Q5) Compared to Q3, results for Q4 declined some. How are things at the moment and what is your outlook for Q1?

A5) Compared to Q3, Q4 slowed down in some areas, but the reasons are different in each segment. In Global Investment Banking, Q4 results were better than Q3 if Millennium Retailing related gains are excluded. Japanese companies' activity has been picking up in capital investment and other areas, and the number of deals has risen, and we expect this trend to continue. Regarding Global Markets, trading-related results were strong in Q4. The interest rate and currency volatility has increased due to rising oil prices and other factors. This is not necessarily a minus for our business. In Domestic Retail, stock brokerage commissions decreased quarter-on-quarter, but this roughly paralleled the movement of the market. On the other hand, commissions for distribution of investment trusts continued to increase, and we feel the surety of the flow from savings to investments among the Japanese people. We are somewhat affected by the movement of the stock market, but the environment itself isn't bad.

Q6) Japan Post will now start to sell more investment trust products by various investment managers. Will you be able to keep your market share at 75%?

A6) The number of managers and products will increase, but this itself is not a negative as the overall pie will get larger and as the number of products meeting various customer needs increases. I also hear that there will be further additions made to the product lineup in the future, and we will continue to work hard so that our products will be selected again in the future. We currently have a 75% share of the market, but rather than worry simply about maintaining our market share, we are interested in leveraging the growth of the Post Office market to increase the volume of our product being sold, and therefore increase revenues.

Q7) What was the reason behind, and the specifics of, the Terra Firma markdown during the quarter?

A7) Certain Merchant Banking segment's portfolio, including NPF investee companies, was re-evaluated. These markdowns, along with funding costs, were posted during the quarter. By nature, this business has large swings quarter-to-quarter based on whether or not there are exits. When there is a large exit, the results will be that like we saw in Q3. When things are quiet, the result will be similar to that of Q4. In this business, we look at

investments over a span of 3-5 years, and evaluate them over the same time span. I would like to refrain from discussing individual investments.

Q8) On Page 22 of the presentation, “Net gain/loss on trading related to economic hedging transactions” is a minus, and Value at Risk (VaR) has increased. Is this related to the Fuji Photo Film (HPO II) swap contract?

A8) Concerning hedging, the outstanding amount of MTN has increased due to the strong sales of MTN issued by our own subsidiaries. Depending on the type of derivatives built into the MTN, there are cases where it is not accepted accounting-wise as a hedge transaction, and therefore a discrepancy arises between the fair market value of assets and liabilities on the balance sheet. This time, due to the increase in MTN issuance and the changes in the market environment, it swung to a minus. If you look at just this period up until maturity, this kind of time-gap arises. This minus is the accounting gap for the corporate bonds until maturity, but regarding this business, we judge it from the standpoint of final accumulated gains.

One reason for the rise in VaR is the effect of overall market volatility, including equity, interest rate, and currency markets. Concerning equity VaR, some large factors include the robust trading in equity derivatives and the increase in MPO deal volume. Currency VaR has increased in conjunction with strong MTN sales.

Q9) In July Nomura Securities will begin offering deposits as an agent of Nomura Trust & Banking. You say that this will center on structured deposits at first. In Domestic Retail, what is the thought about adding a settlement function on deposits?

A9) The bank agency business is a new challenge for us. Based on our customers needs we will think about product expansion, and offering banking services like settlement, etc.

Q10) Information processing and communications expenses increased in Q4. What do you think will happen this year and going forward with regard to these expenses? Also, have they increased due to costs related to launching Joinvest Securities?

A10) Please understand that we do not disclose expense figures for individual businesses. Most of the information processing and communications expenses were related to IT investment, which was quite high in FY2006.3. For example, in Domestic Retail we revamped Nomura Home Trade. For the upcoming year, I think that Domestic Retail will be the focus of IT investment, and it may very well equal or exceed last year's level. Joinvest-related expenses were not particularly large.

Q11) You have stated that both the loan-related business and asset finance business are

key areas. I have heard that with the Banking Law Reform in April securities companies will no longer be able to intermediate in loans. With this reform, do you think that it will become tough to work on leveraged buyouts in the investment banking business, and sell off securitized products in the asset finance business?

A11) Legally-speaking, our loan business is a “loan medium.” This is different than intermediation. Recently, we are trying to expand loan business as related to M&A finance (i.e. LBO financing). This business will also not be affected to the revision to the Banking Law.

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

Date: April 28, 2006 (Monday 21:00 hrs)

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

Q1) You announced a quarterly dividend, to consist of a target dividend (based on DOE) and a portion based on a payout ratio. How will dividends be paid?

A1) We announced a target dividend for FY2007.3 of 32 yen, and we are basically planning to pay this in quarterly payments of 8 yen. On top of this, we will return profits to shareholders by adding to the Q4 dividend an additional amount based on earnings during the year.

Q2) What areas are you planning on making new investments in?

A2) We don't want to limit our business portfolio to existing securities businesses, and we want to invest in areas where we can widen our business realm. Examples of this include our investment in Unified Partners, which is involved in investments of real estate and non-performing loans. Retail and other existing businesses have high growth potential and of course we will continue to invest in these areas as well.

Q3) You spoke of a payout ratio of 30%. Will you reinvest all of the remaining 70%, or will you consider share buybacks as well?

A3) For us, returning profits to shareholders involves both dividends and share buybacks.

Q4) Do you expect any "harvests" from your private equity investments this year?

A4) The Merchant Banking business approaches investments on a 3 to 5 year span. Therefore, there could be the possibility of an exit during the year.

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