



Toshio Morita
Retail CEO

The Retail Division delivers a wide range of financial products and high-quality investment advice, constantly enhancing its services in order to respond to the diverse and increasingly sophisticated needs of clients. These services are provided through several channels including a nationwide network of 177 branch offices (as of March 31, 2013) and Nomura Net & Call.

We seek to strengthen our consulting-based sales and deliver top-quality products and services tailored to the needs of each client, so that the Nomura Group can remain a trusted partner to our clients.

Market Environment

The market environment remained challenging for most of FY2012/13, but the large-scale monetary easing program initiated after the start of the new Abe administration in December 2012 resulted in a significant boost to Japanese equities and a highly positive outlook. However, many issues remain entrenched around the world, including Japan's fiscal woes, a dwindling birthrate and an aging population, as well as Europe's sovereign debt crisis and other global geopolitical risks. This has meant that our clients face a constantly evolving landscape, with future prospects somewhat uncertain.

Amid growing uncertainty about the increasing complexity and rapid advancements in an information-intensive society, our clients' interests, values and challenges continue to grow more diverse. The same can be said about financial assets, as the answer to the question of how to protect, use and pass on financial assets to future generations is different for each client,

Business results

(Billions of yen)

	FY2008/09	FY2009/10	FY2010/11	FY2011/12	FY2012/13
Net revenue	291.9	388.3	392.4	350.3	397.9
Non-interest expenses	273.6	274.9	291.2	287.1	297.3
Income before income taxes	18.2	113.4	101.2	63.1	100.6

depending on their individual lifeplan, family members, and approach to capital preservation. With many unsure of how best to design their portfolio, financial institutions now more than ever need to provide services tailored to the unique needs of each client.

Over half of Japan's personal financial assets remain in savings and deposit accounts. As a result, the role of securities brokerages continues to be essential in ensuring a smooth flow of funds into the economy. Moreover, through their services, securities brokerages are expected to make contributions to the development of the economy and society.

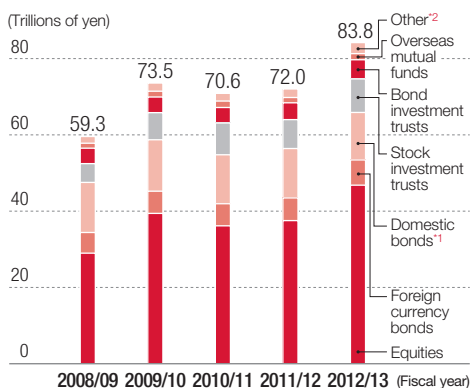
Via branch offices, online, and call-center channels, Retail will continue to provide quality products and services centered on consulting-based sales, and implement a series of strategic initiatives to ensure we remain a trusted partner to our clients.

Financial Results for FY2012/13

Although the economic environment remained challenging for much of the year, the markets have seen a strong upturn since the end of 2012. As a result, net revenue for FY2012/13 was ¥397.9 billion, non-interest expenses were ¥297.3 billion, and income before income taxes was ¥100.6 billion, up 59% compared to the previous year.

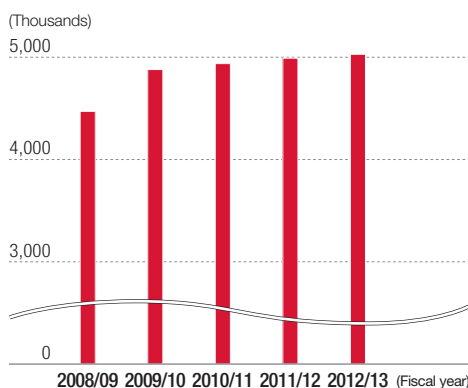
At the end of March 2013, we had 5.02 million client accounts, an increase of about 40,000 accounts since March 2012. We steadily expanded our client franchise during the year, with net asset inflows of ¥1.355 trillion. Retail also expanded total sales by providing a range of products suitable for individual client needs, investment strategies and risk appetites. As a result of this expansion and the major upturn in markets, Retail client assets increased to ¥83.8 trillion as of March 31, 2013.

Retail client assets



*1 Includes CBs and warrants
*2 Includes variable annuity insurance

Accounts with balances



Enhancing Client Satisfaction

Since FY2010/11, Retail has held a monthly CS (Customer Satisfaction) Improvement Meeting chaired by the Retail CEO and attended by Senior Managing Directors and other key stakeholders. The meeting reviews complaints, feedback and requests made through the customer help desk, call centers and our website, and based on these reviews, works to improve products, services and systems.

As part of our efforts, we have established a service assistance program where specially trained employees provide services to our elderly and disabled clients. This program was rolled at 128 (70%) of our branch offices in March 2013, and we became the first securities brokerage in Japan to have a team of several hundred service assistants operating in this way. Going forward, our service assistants will ensure that we provide a more customer-centric and enhanced level of service to our client base as it ages.

Customer Satisfaction Survey

In order to remain cognizant of customer satisfaction levels, since January 2011 we have been conducting customer questionnaires with clients who meet our financial services specialists, which cover our over-the-counter services such as customer service and product explanations. These questionnaires were conducted at 126 branch offices in FY2012/13. (See page 57 for the results for survey.)

In February 2013, we conducted a customer satisfaction survey about our sales staff. Asset management consultants who received particularly high praise from clients were rewarded and introduced on the Nomura Securities website.

Results of these surveys are shared with management, the head office and branch offices, and potential improvement measures are examined by Retail to provide better overall service.

Looking Forward

In FY2013/14, Retail continues to leverage its consulting-based services to foster greater trust among clients and to capture greater business opportunities. We aim to increase client assets, which provide a symbol of the trust our clients place in us, while striving to expand recurring revenues such as investment trust administration fees. This approach will enable us to build a solid and stable earnings base. Also, we continue to expand our line-up of low-risk products to meet the needs of our older clients who tend to prefer safer investment options.

To enhance the quality of our consulting services, we are expanding on-the-job training programs and increasing the support provided to branch offices by the head office. Furthermore, we strive to enhance client satisfaction by utilizing the wide range of tools at our disposal, such as the Asset Planning Service, which conducts interviews with clients to ascertain and analyze their current asset situation, and NOMURA i-port, which is used to centrally manage the securities portfolios of corporate clients. Starting in August 2012, a tablet PC was distributed to each of our sales staff to use for delivery of useful and important information to our clients in a timely manner from locations both inside and outside branches.

Going forward, each and every one of us at Nomura is committed to delivering superior quality service that satisfies the increasingly diverse needs of our clients, and to contributing to local economies and society as a whole through our core business.

Nippon Individual Savings Accounts (NISA)

Japan's equity markets are paying close attention to the start of Nippon Individual Savings Accounts (NISA), slated for January 2014. Under this program, individuals will be able to invest up to ¥1 million tax free each year. This represents a great opportunity to expand the horizons of securities investing for those with no investment experience and to encourage clients who have taken time off from investing to come back to the markets.

Retail is organizing various seminars across our domestic branch network to continue to meet the needs of its clients looking to invest using NISA.

Expanding the Number of Products and Services for Aging Societies

Older clients need to set aside funds for living expenses later in life as well as make preparations for leaving an inheritance for their dependants. To meet these needs, Nomura is taking steps to enhance its product lineup by offering annuities that provide regular income, whole life insurance for those clients thinking about their legacy, and comparatively low-risk investment trusts.

In addition to these products, we also offer a full lineup of services that meets the diverse needs of an aging society, such as seminars on inheritance matters and "My Life Note," a message written by the client to their family members.

Outside the realm of finance, we are partnering with companies that provide products and services geared toward seniors to host "Happy Life Seminars," which have been held at our branch offices across Japan since January 2013. This approach to satisfying an even broader range of needs is helping us to build a stronger rapport with our clients.