



Tetsu Ozaki
Wholesale CEO

To reach Nomura Group's target of ¥100 in earnings per share ahead of plan, Wholesale is working to expand its market share and increase productivity as quickly as possible.

In capital markets, interest rates in the industrialized world are at lower levels than at any time in the past, and liquidity has markedly declined. The needs of capital market clients are expanding and becoming more diverse. Accordingly, Nomura Group is responding by devoting its fullest energies to benefit its clients by drawing on its management resources nimbly and managing risk appropriately.

Under our policy of "DELIVERING TOGETHER," we provide the most-appropriate solutions to clients by working across our divisions and from country to country to ensure that the quality and flexibility of the services we offer to clients are best in class. We are also putting even greater emphasis on our principle, "Placing Our Clients at the Heart of Everything We Do."

Highlights

Income before income taxes

¥82.2 billion

Share of global fee pool

Source: Nomura

3.2%

Standing in the Japan ECM League Table

(April 1, 2014 to March 31, 2015)

Source: Thomson Reuters

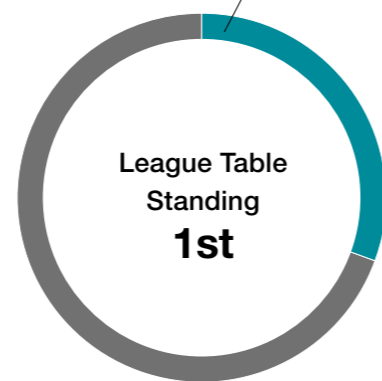
1st (Share: 38.2%)

Japan-Asia Related M&A Deals Advisory

(January 1 to December 31, 2014)

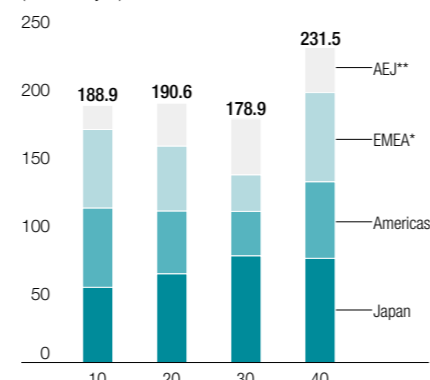
Source: Thomson Reuters

Share:
30.8%



FY2014/15 Wholesale net revenues by region

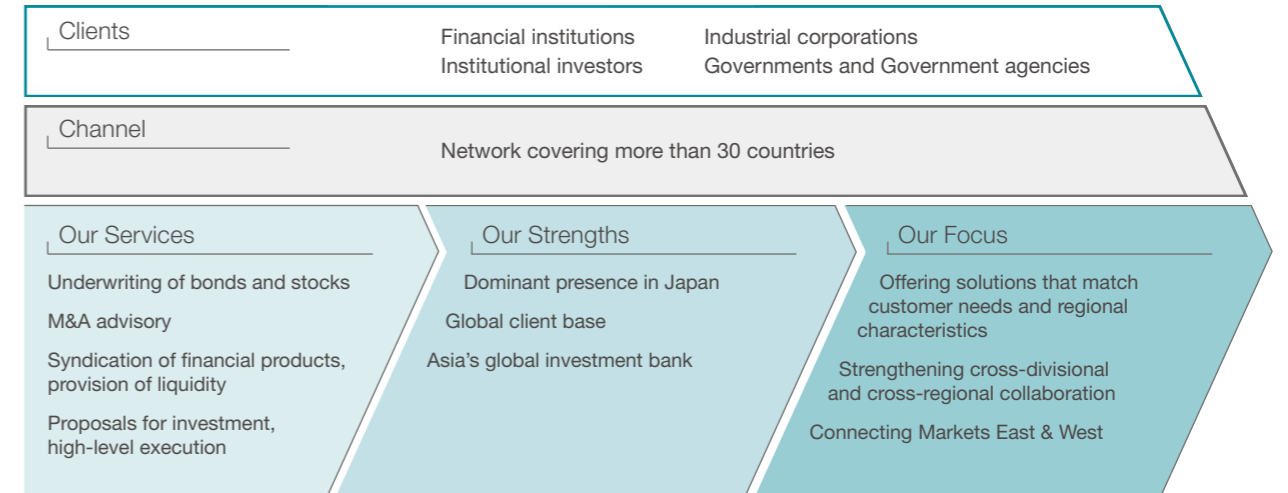
(Billions of yen)



* EMEA=Europe, Middle East, and Africa

** AEJ=Asia except Japan

Wholesale Business Model



Wholesale

Market Environment and Results in FY2014/15

In Wholesale, while market conditions were tough, net revenues were strong at ¥789.9 billion, 3% higher than in the previous fiscal year. By geographical area, performance in Japan and Asia except Japan was favorable, and we are consolidating a strong position as a global financial services group based in Asia. In the Americas and Europe, results were influenced by the especially unstable market conditions in October 2014, and results in the third quarter left much to be desired. In addition to reviewing our business portfolio with the aim of better matching client needs and Nomura Group's strengths, net revenues recovered in the fourth quarter, aided by improvement in the operating environment. Notwithstanding, costs rose because of the weaker yen, and income before income taxes amounted to ¥82.2 billion, 26% lower than in the previous fiscal year.

Looking Forward

In Wholesale, to diversify and expand sources of revenues, we are reallocating our management resources optimally toward our areas of competitive strength, while watching changes in the macro and regulatory environment. In fiscal 2015/16 and beyond, we intend to respond to the anticipated needs by offering even higher-value-added products and services, as we build on our greatly improved credit rating.



Head of Global Markets Steven Ashley (right)



Kentaro Okuda (center)
Head of Investment Banking
James DeNaut (right)
Joint International Head of Investment Banking
Head of Investment Banking, Americas
Charles Pitts-Tucker (left)
Joint International Head of Investment Banking
Head of Investment Banking, EMEA

“DELIVERING TOGETHER”

**Working together across divisions and regions,
we are committed to being highly proactive and offering
optimal solutions.**

Global Markets

**Market Environment and
Results in FY2014/15**

FY2014/15 started on a relatively favorable note with signs of recovery in the U.S. and turnaround in the Eurozone economies, but the momentum waned from heightened geopolitical risks, divergence in monetary policies of central banks, and concerns about persistent low inflation. In global financial markets, liquidity declined markedly due to sudden changes in the market environment and the effects of regulatory tightening. This resulted in periods of market dislocations, such as the sharp fluctuations in both equity and bond markets in October 2014. In this environment, investors took shelter in safe-haven assets, as evidenced by negative yields on government bonds of certain developed countries.

Amidst this macroeconomic and market backdrop, Nomura's Fixed Income business remained relatively steady. This performance was supported by growth in Japan and Asia, continued expansion of our client franchise, tight risk controls, and Nomura's diversified business model, offset by market-driven declines in EMEA and the United States. As a result, revenues amounted to ¥407.2 billion, an ¥8.9 billion increase from the previous fiscal year.

Despite the macroeconomic challenges, the Equities markets globally continued to rally driven by abundant liquidity supplied by central banks and a persistently low rates environment. In our Equities business, client volumes were robust as trading and Prime Services held strong. As a result, revenues amounted to ¥276.2 billion, a ¥24.8 billion increase from the previous fiscal year. Even as the downward pressure on commissions continues and regulatory changes lead to increased uncertainty, our Japan Equities business remains the cornerstone and driver of our franchise.

Looking Forward

With the global economy heading toward recovery led by the United States, and changes in the regulatory environment and market structure now priced in, we expect a gradual turnaround in the global markets over the coming years. However, increased geopolitical risk, a trend toward competitive currency devaluation against a background of diverging central bank monetary policies, and other factors are likely to continue to weigh on market sentiment in the foreseeable future.

Global Markets remains committed to providing market insights, investment ideas, market access, and liquidity to clients throughout market cycles. In our endeavor to be an industry innovator and thought leader, we will offer cutting-edge products and services, including our integrated Global Markets offerings, our leading agency execution platform Instinet, and our global research. In all regions and businesses, we will implement strict capital management measures and shift to business models that are not so much dependent on leveraging our balance sheet. We will also draw on our recent credit rating upgrade to further deepen relationships with clients and generate higher returns on our resources for our shareholders.

Investment Banking

**Market Environment and
Results in FY2014/15**

Gross revenues in Investment Banking in FY2014/15 amounted to ¥193.8 billion. As the financial needs of our clients became increasingly diversified and globalized, we encouraged cross-divisional and cross-regional collaboration and were successful in providing global fund-raising, M&A advisory, related acquisition finance, and a wide range of other financial services, including foreign exchange and interest rate related solutions.

In Japan, Nomura acted as bookrunner for Softbank's retail bond issue, which was the largest bond underwriting deal in Japan during FY2014/15, and on all the major equity issues amounting to ¥100 billion or more during the fiscal year. Highlights included the global public offering of Mitsui Fudosan and the global IPO of Recruit Holdings. We also advised ITOCHU on its acquisition of shares of CITIC of China jointly with Charoen Pokphand Group of Thailand, which was the largest deal spanning Japan and other countries in Asia. Our market share in the ECM, DCM, and M&A league tables increased from the previous fiscal year.

Overseas, Nomura played major roles in many deals and continued to add to its record of major accomplishments especially in the Americas where we have expanded our business base. These included large deals worth over ¥1 trillion such as advising Talisman Energy of Canada on its acquisition by Spanish company Repsol, which was a cross-border deal spanning Europe and the Americas, and the acquisition of U.S. company PetSmart by the consortium led by U.K. company BC Partners. We also played major roles in many fund-raising deals. In Europe, we effectively identified the needs of financial institutions to help them navigate regulatory changes, and underwrote a number of deals including the Samurai bond issue of Rabobank of the Netherlands and the rights offering of Banco Popolare Societa Cooperativa Scarl of Italy. We also underwrote the IPO of Dalian Wanda Commercial Properties of China, which was the largest deal in the Hong Kong market in 2014,

and the IPO of the NN Group, which was the second-largest Continental European IPO in 2014. We continue to build on our strengths in Financial Sponsors, with a number of multi-product deals, including acting as advisor to GIC on the acquisition of a stake in RAC and providing related financing.

Looking Forward

We are strengthening our global investment banking capabilities by promoting cross-divisional and cross-regional collaboration. We are working to enhance profitability by offering clients value-added solutions.

M&A Advisory

In addition to Japanese cross-border M&A deals, we are focusing on securing global mandates following our continued platform build-out in the Americas. Progress continues to be made in providing M&A financing, along with foreign exchange and interest rate solutions, as we meet the increasingly diverse needs of our clients.

Global Fund-Raising

We will continue to identify the increasingly diverse funding requirements of our client base, expanding our fund-raising business through the use of our global platform. This will include equity and bond underwriting as well as other services in an expanding range of currencies and markets.

Nomura at 90 Years. The Road Ahead**Social Contribution Bonds**

In September 2014, and January and March 2015, Nomura underwrote and sold World Bank Bond to the individual investor market. We also underwrote Global U.S. dollar denominated World Bank Bond in April 2015 and supported the fund-raising activity to terminate world poverty. The raised fund will be employed for supporting education, providing for disaster measures, promoting gender equality, and other uses that will facilitate sustainable development. The syndication and sale of World Bank Bond were made possible through the collaboration of Nomura's Wholesale and Retail divisions, including overseas offices. These divisions worked together to design these foreign currency denominated bonds to attract the interest of a range of investors preparing marketing materials to communicate the value the World Bank offers not only in economic but also in social terms. Looking ahead, Nomura divisions will continue to collaborate to offer investment products that meet the asset management needs of customers and contribute to the solution of social issues such as Food Security Bond and Education Support Bond from AfDB, and Water Bond and Clean Energy Bond from ADB.

