

Presentation at Nomura Investment Forum 2012

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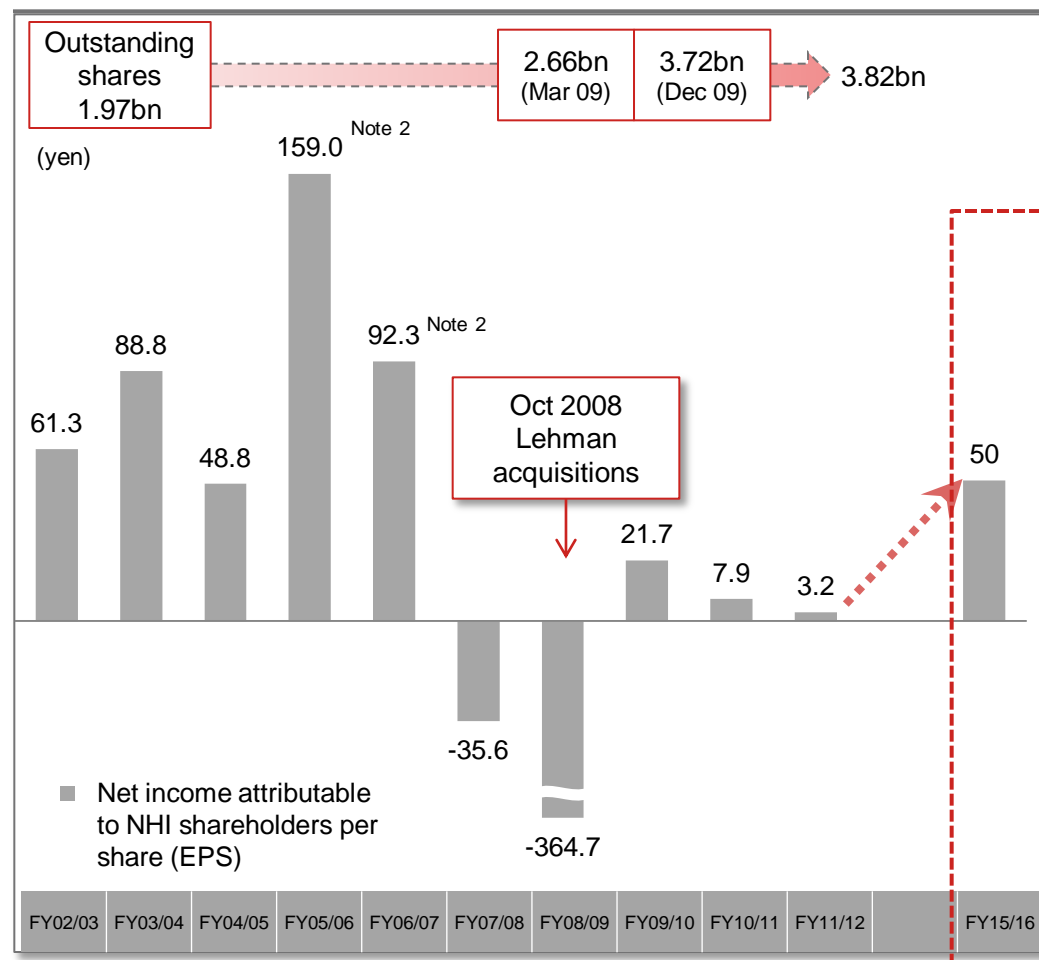
Reconfirm FY2015/16 management target and assumptions

Our position in the future regulatory environment

Divisional strategies to reach FY2015/16 management target

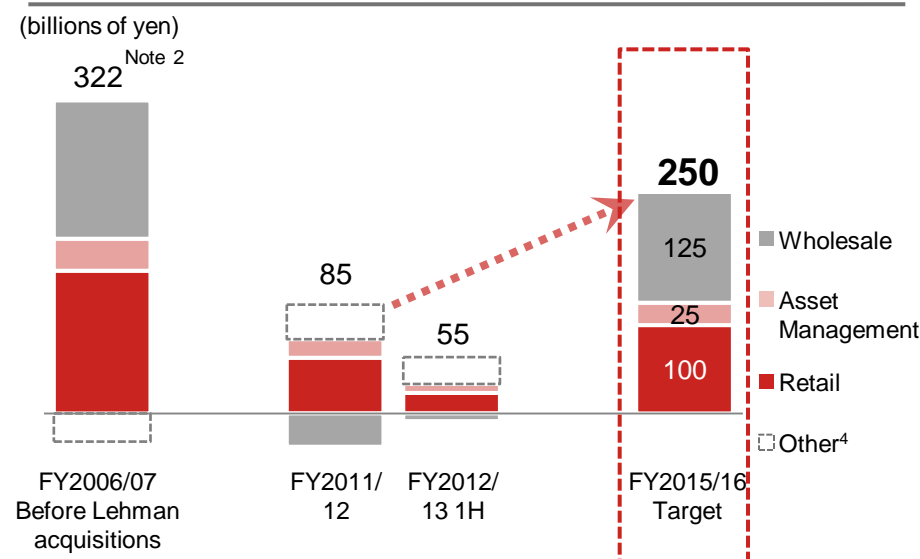
Medium to long term Asian strategy to be Asia's global investment bank

Reposition business to improve EPS to Y50 in FY2015/16



**EPS = Y50
(by Mar 2016)**

About Y250bn³ when calculated as 3 segment pretax income










1. Net income (loss) attributable to NHI shareholders per share




2. Includes pretax income from the former Merchant Banking business of Y55.4bn in FY2005/06 and Y52.8bn in FY2006/07.

3. Effective tax rate differs by country so pretax income required to achieve EPS of Y50 may fluctuate depending on the regional breakdown of earnings

4. Other includes unrealized gains (losses) on investments in equity securities held for operating purposes. FY2015/16 pretax income target excludes Other.

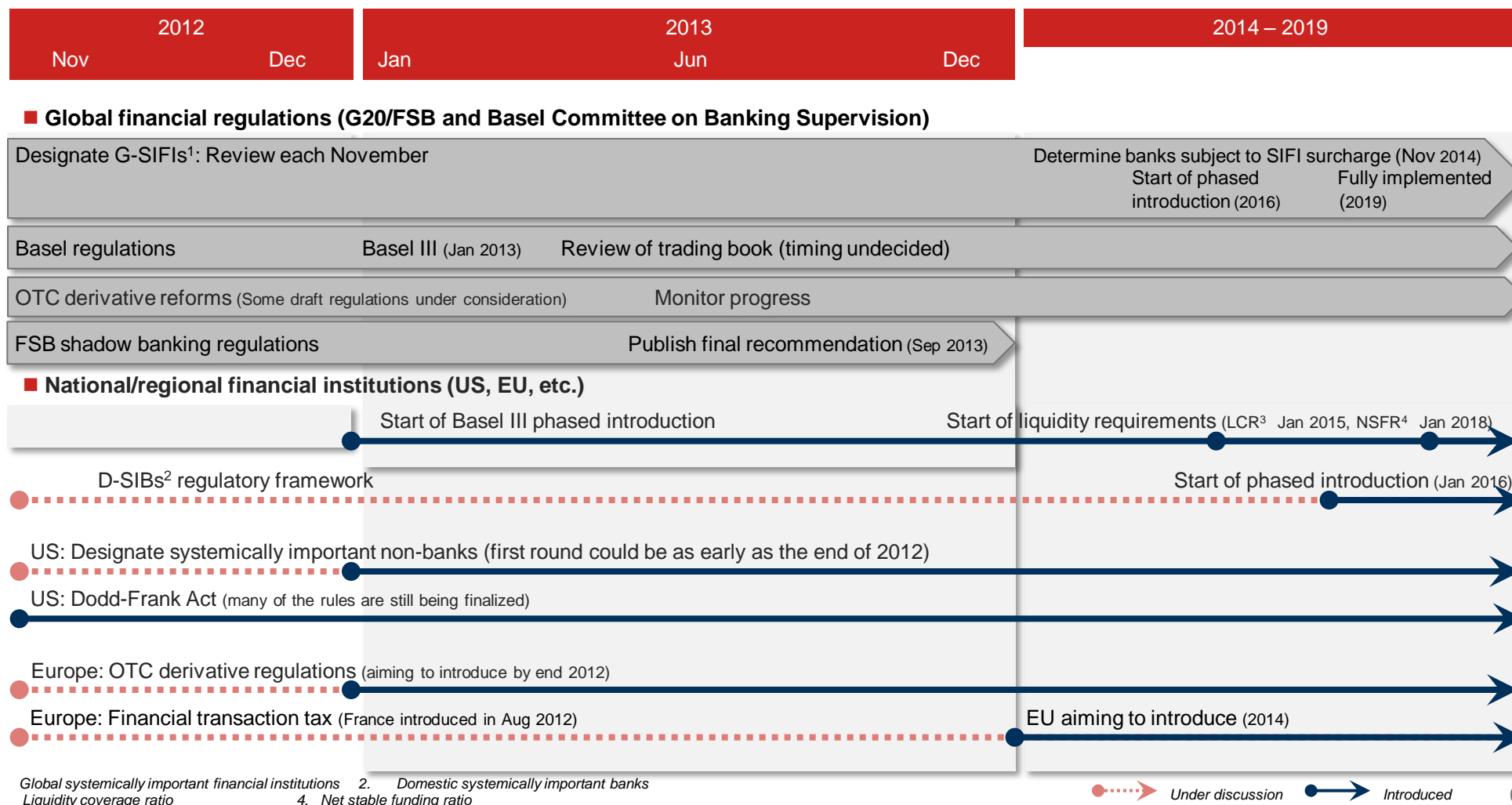
Wholesale	Revenue opportunities (fee pools, etc.) ¹	Nomura's market share
Fixed Income	 <ul style="list-style-type: none"> Stable growth, but regulatory tightening could lead to lower margins and limited market recovery 	
Equities	 <ul style="list-style-type: none"> Market expected to decline slightly, driven by margin pressure particularly in Europe 	
Investment Banking	 <ul style="list-style-type: none"> Improved revenue opportunities in Japan Mild recovery internationally over the next three years 	
Retail Asset Management	 <ul style="list-style-type: none"> Not expecting substantial market recovery 	

Legend

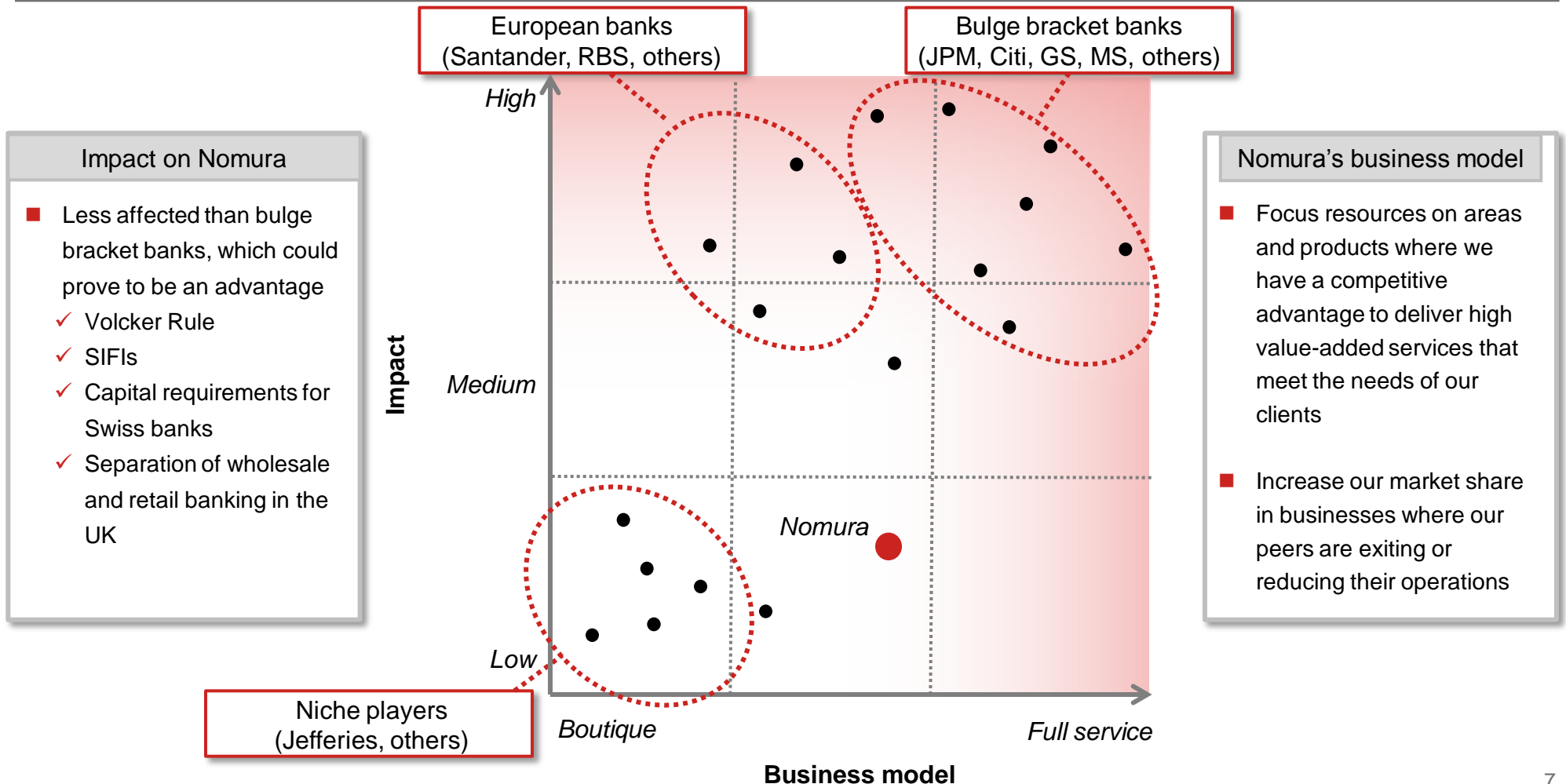
-  Increase (Up 3% - 10% each year)
-  Roughly flat (Between -3% and +3% each year)
-  Decrease (Down 3% - 10% each year)

Our position in the future regulatory environment

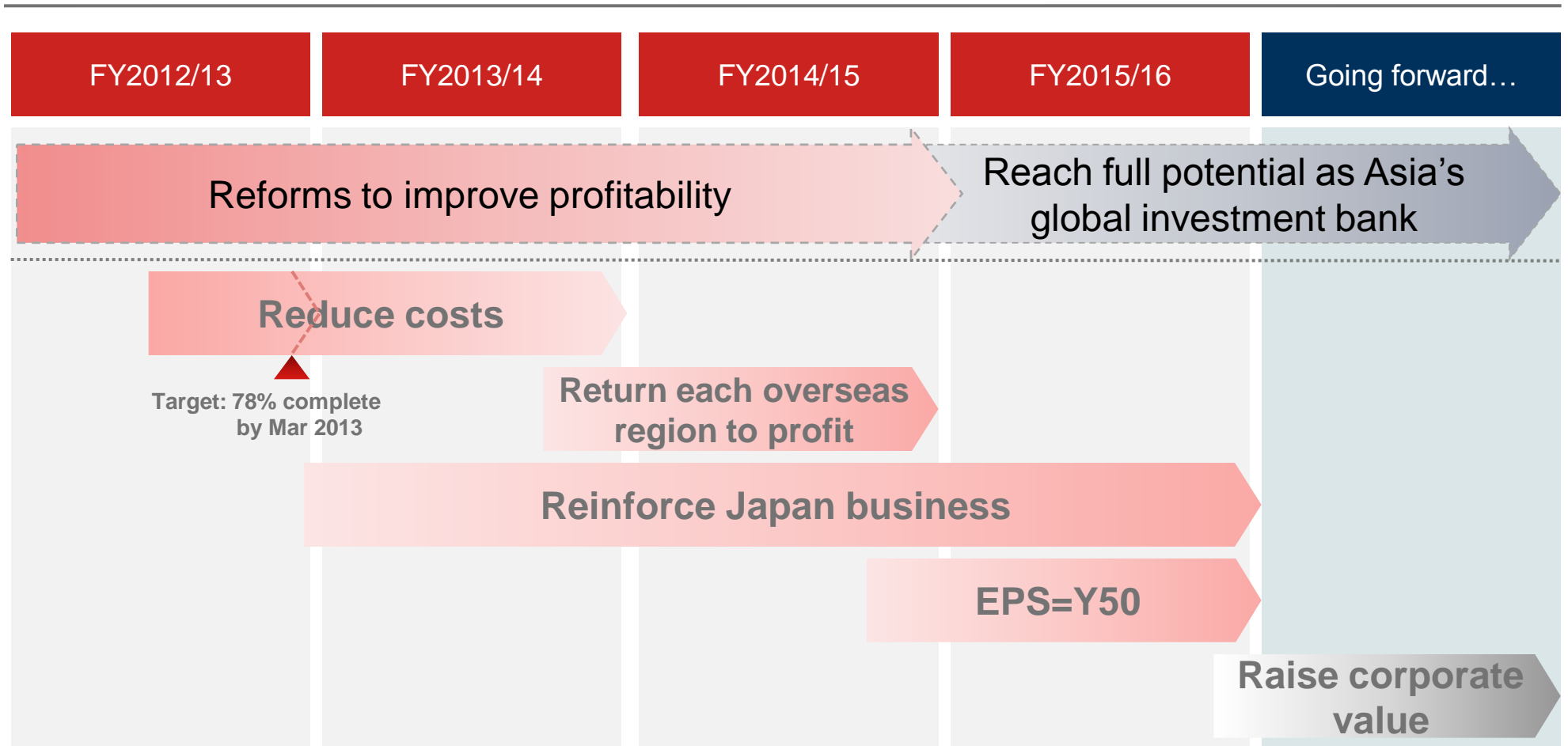
Implementation timetable



Comparison of impact of regulatory reforms



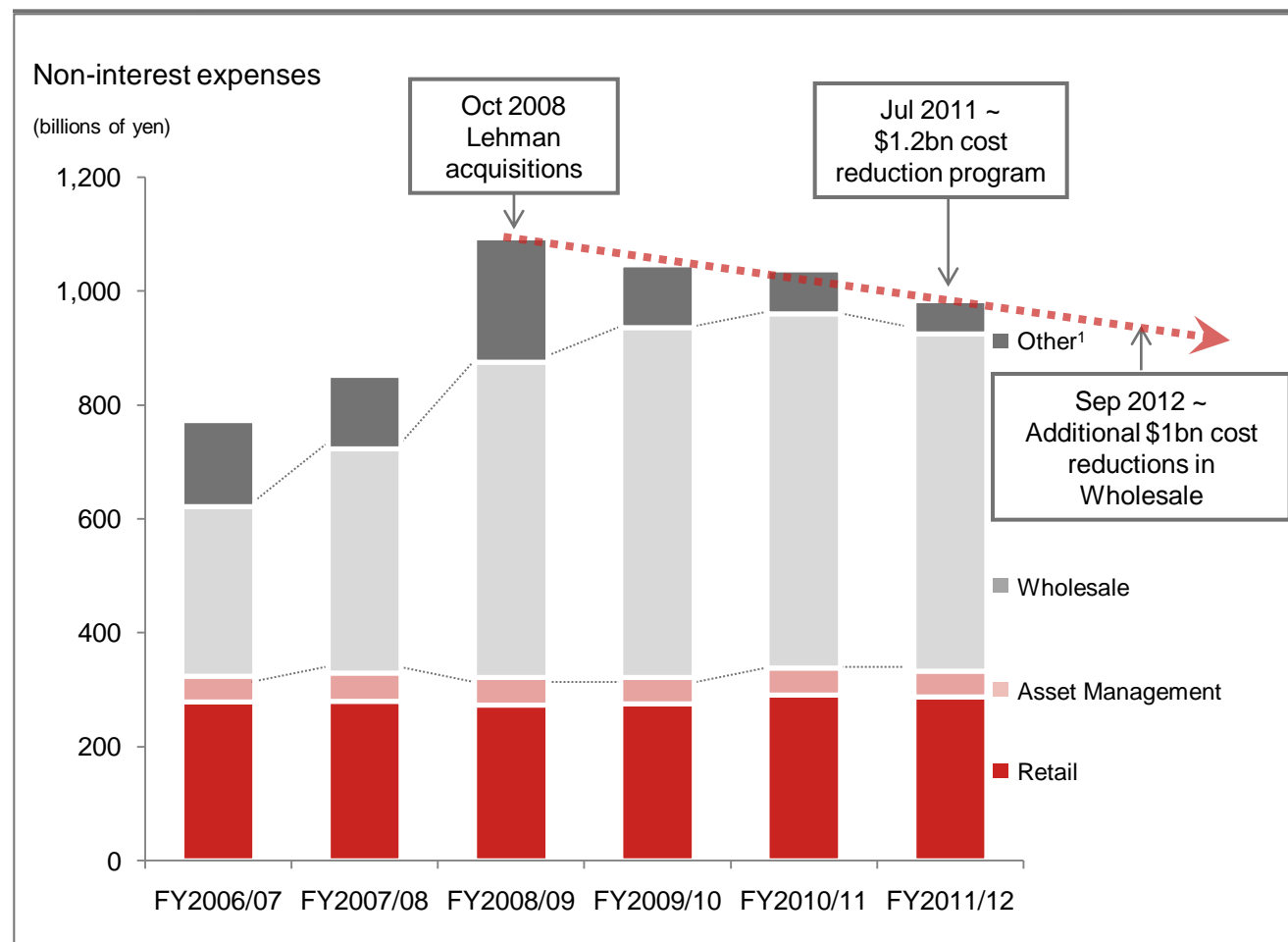
Divisional strategies to reach FY2015/16 management target



Further lowering our break-even point

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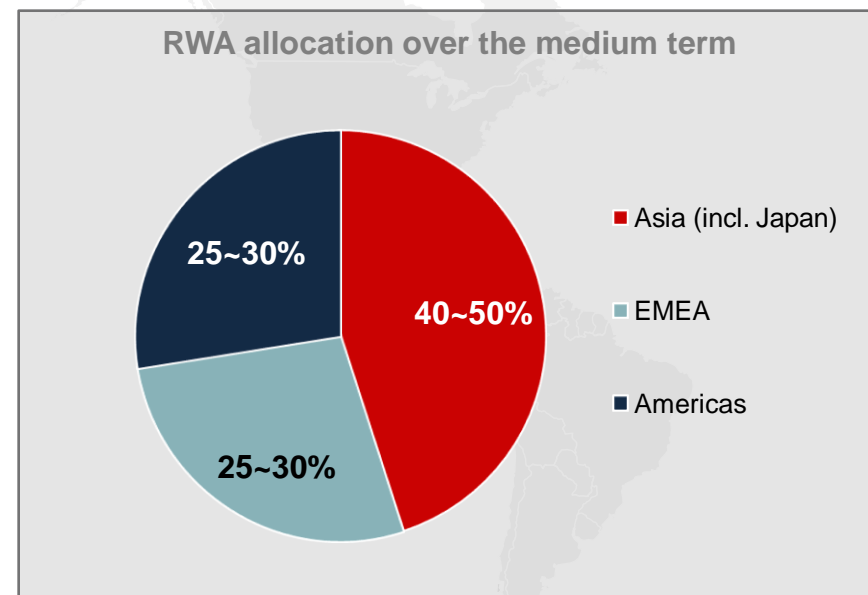
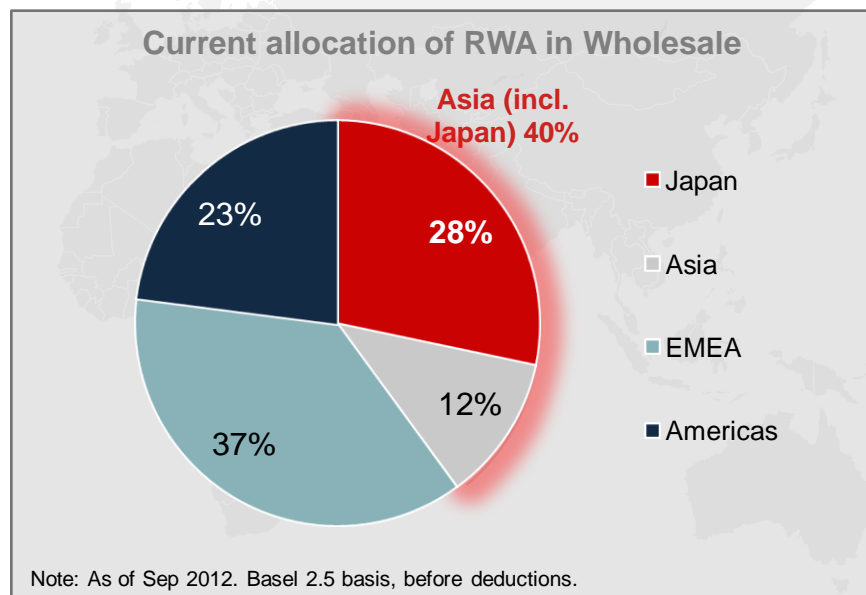
Significantly reduce cost base, lower break-even point



- Rightsizing cost base in line with current revenue environment following higher costs after Lehman acquisitions
- \$1.2bn cost reductions that started in 2011 were completed ahead of schedule
- Announced additional cost reductions in Wholesale of \$1bn in Sep 2012
- ✓ Strategic initiatives to improve profitability primarily in Equities and Investment Banking
- ✓ In Corporate, transforming IT expenses, improving business efficiencies, and rationalizing management structure
- ✓ Expect to complete by Mar 2014 (This will lower the Wholesale expense run rate to \$6bn)

Review cost base periodically and adjust to revenue environment

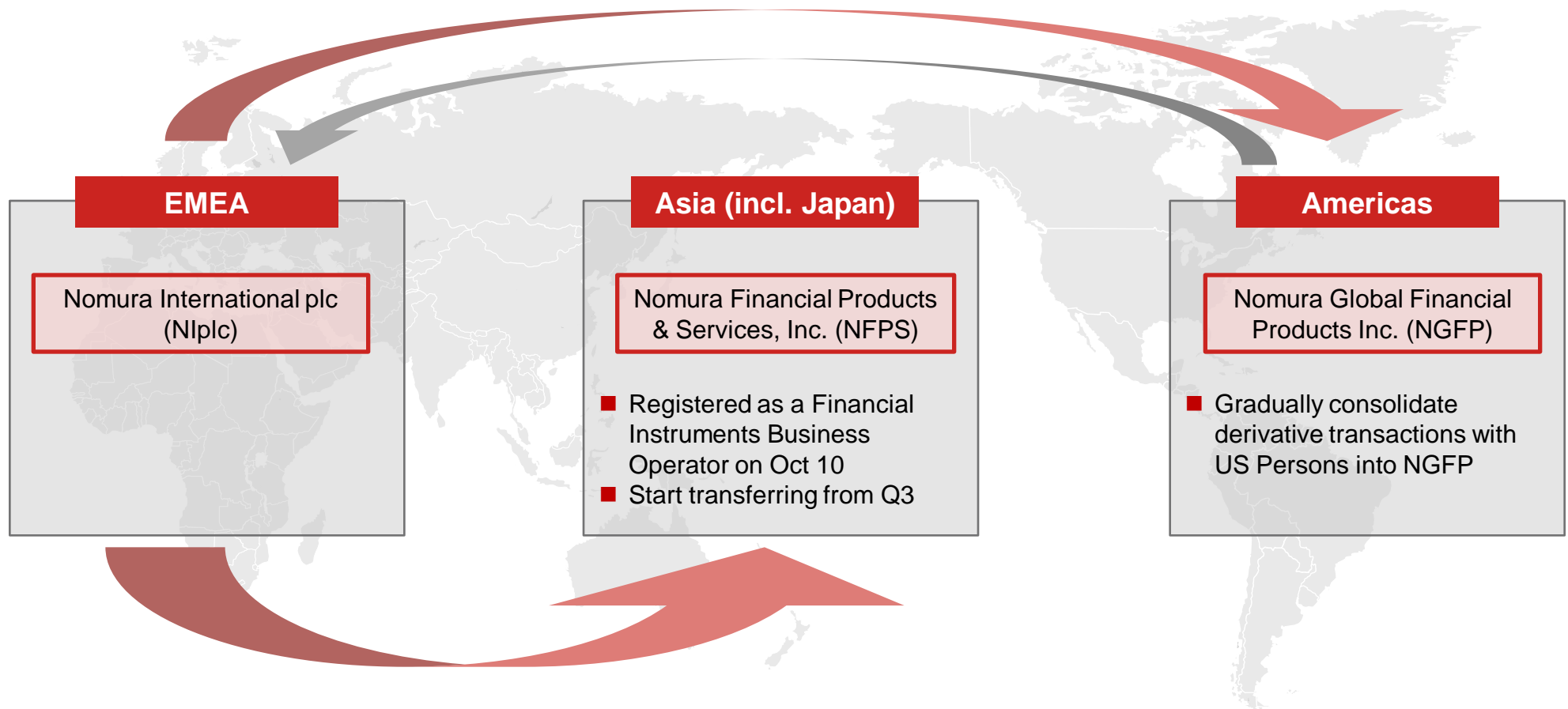
- Flexible allocation of resources globally and more disciplined focus on capital efficiency given Basel and other regulatory reforms
- Shift resources to Asia as required taking into account profitability in order to raise Asia-related revenues over the medium term



Diversify booking entities

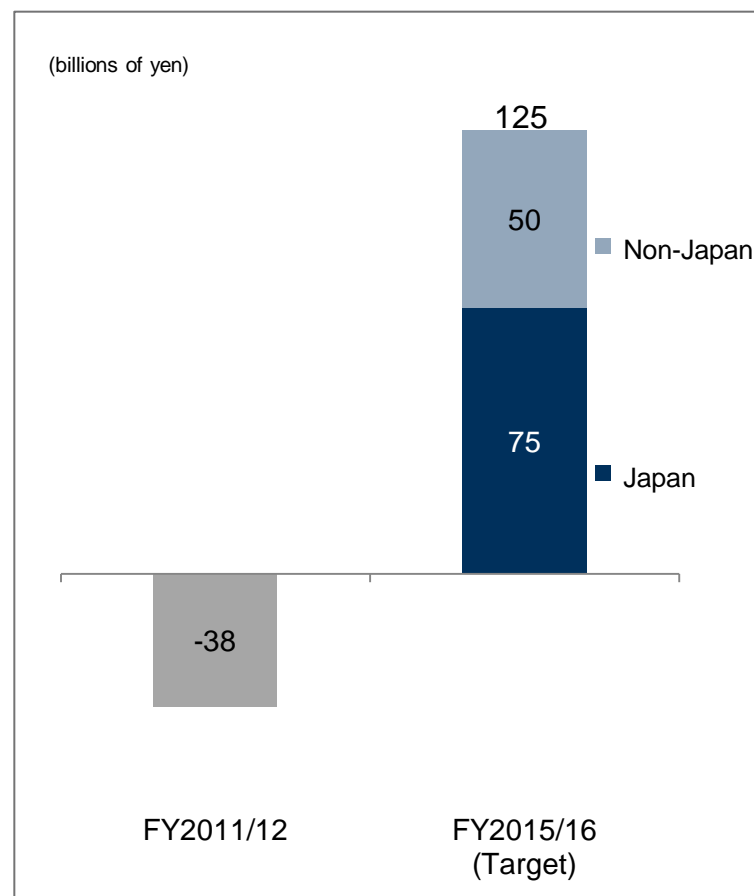
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- London has been international booking hub for derivative positions
- Allocate resources (capital) across regions in line with business needs



Wholesale: Return international operations to profit, improve profitability **NOMURA**

Targeting pretax income of Y125bn in FY2015/16



Strategic initiatives to reach target

Fixed Income

- All regions profitable for three straight quarters, driver of Wholesale earnings
 - ✓ In Americas, in addition to Securitized Products strengthen Rates business as second revenue pillar
 - ✓ Expand platform for local products in Asia (acquire licenses, etc.), increase transactions with corporates
 - ✓ Closer cross-divisional collaboration such as providing solutions together with Investment Banking and supplying products for distribution by Retail
 - ✓ Optimize resource allocation to improve profitability

Equities

- Migrate execution services in AeJ¹, EMEA, and the Americas to Instinet (to be completed by Mar 2013):
 - ✓ Reduce costs by eliminating duplication
 - ✓ Improve productivity
- Reorganization centered on Derivatives businesses: Consolidate into Investor and Corporate Solutions²

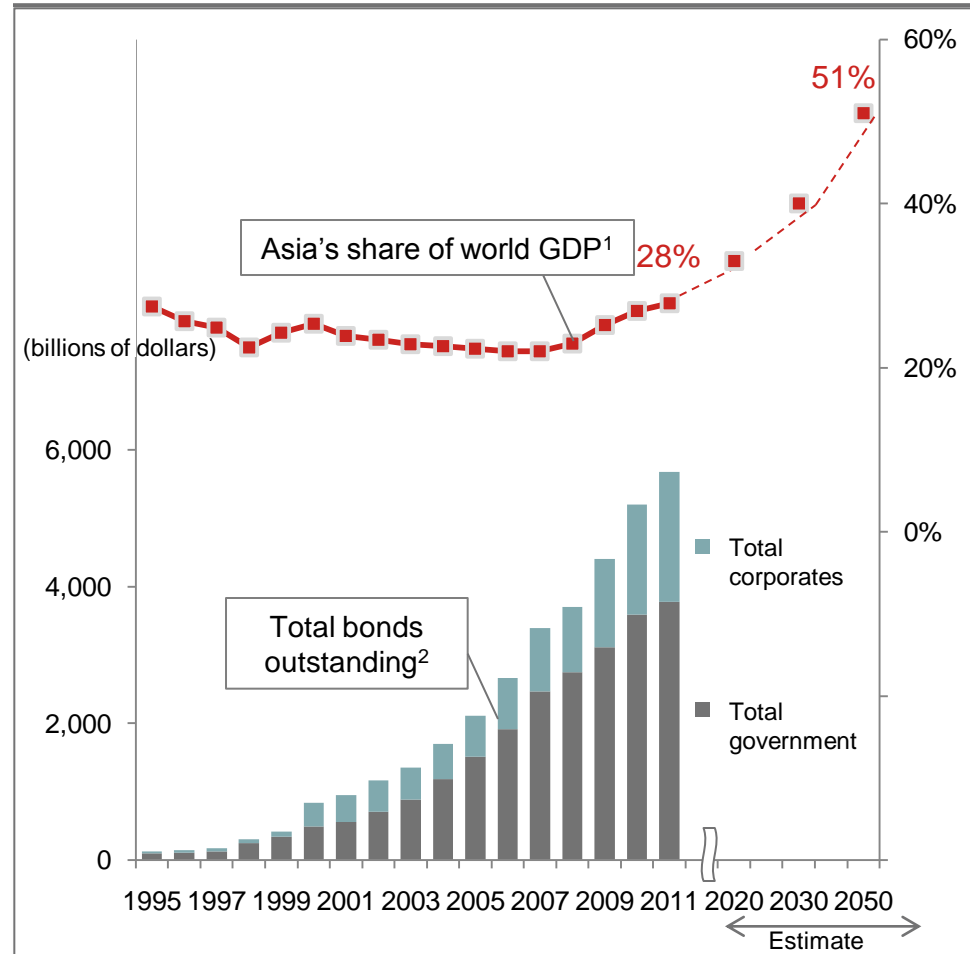
Investment Banking

- In international franchise, allocate resources to key sectors (FIG, Natural Resources, Financial Sponsors, Consumer/Retail)
- Enhance cross-divisional and cross-regional collaboration

1. Excluding Korea and Taiwan

2. Business operations related to Derivatives, Delta One, Convertible Bonds, Prime Services, Futures & Options, etc. other than execution will be consolidated into Investor and Corporate Solutions.

Continued growth of Asia's local currency bond markets²: GDP growth expected to drive further expansion



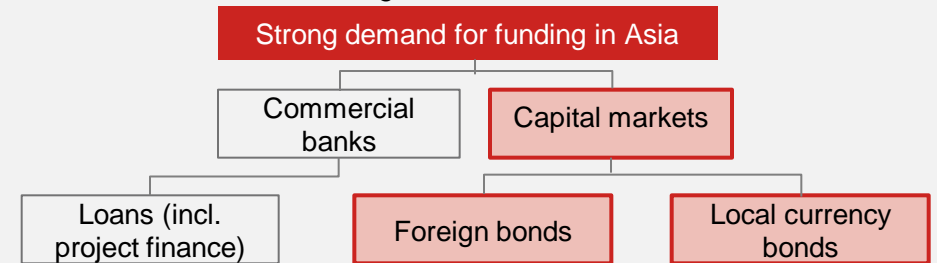
1. Source: Nomura, based on IMF (1995 – 2011) and ADB (2020 – 2050) data.

2. Source: Nomura, based on ADB AsianBondsOnline; Excludes Japan.

3. US dollar, euro, yen.

- Asia's share of world GDP is expected to rise from 28% in 2011 to 51% in 2050
 - Total local currency bonds outstanding in Asia² have increased by approx. \$4trn in the past 10 years, including private sector funding requirements
 - Potential infrastructure-related demand of about \$8trn by 2020, which coupled with private sector demand is expected to lead to accelerated growth

Stronger demand for investment banking services that combine fundraising, execution, and solutions



Nomura's track record in underwriting foreign bonds (joint lead manager and above)

	2005-2008	2009-2012
Samurai bonds (incl. JBIC guaranteed bonds)	1 transaction ¥48.0bn	20 transactions ¥459.4bn
G3 currency bonds ³	3 transactions \$3.25bn	18 transactions \$7.16bn

Local currency bonds

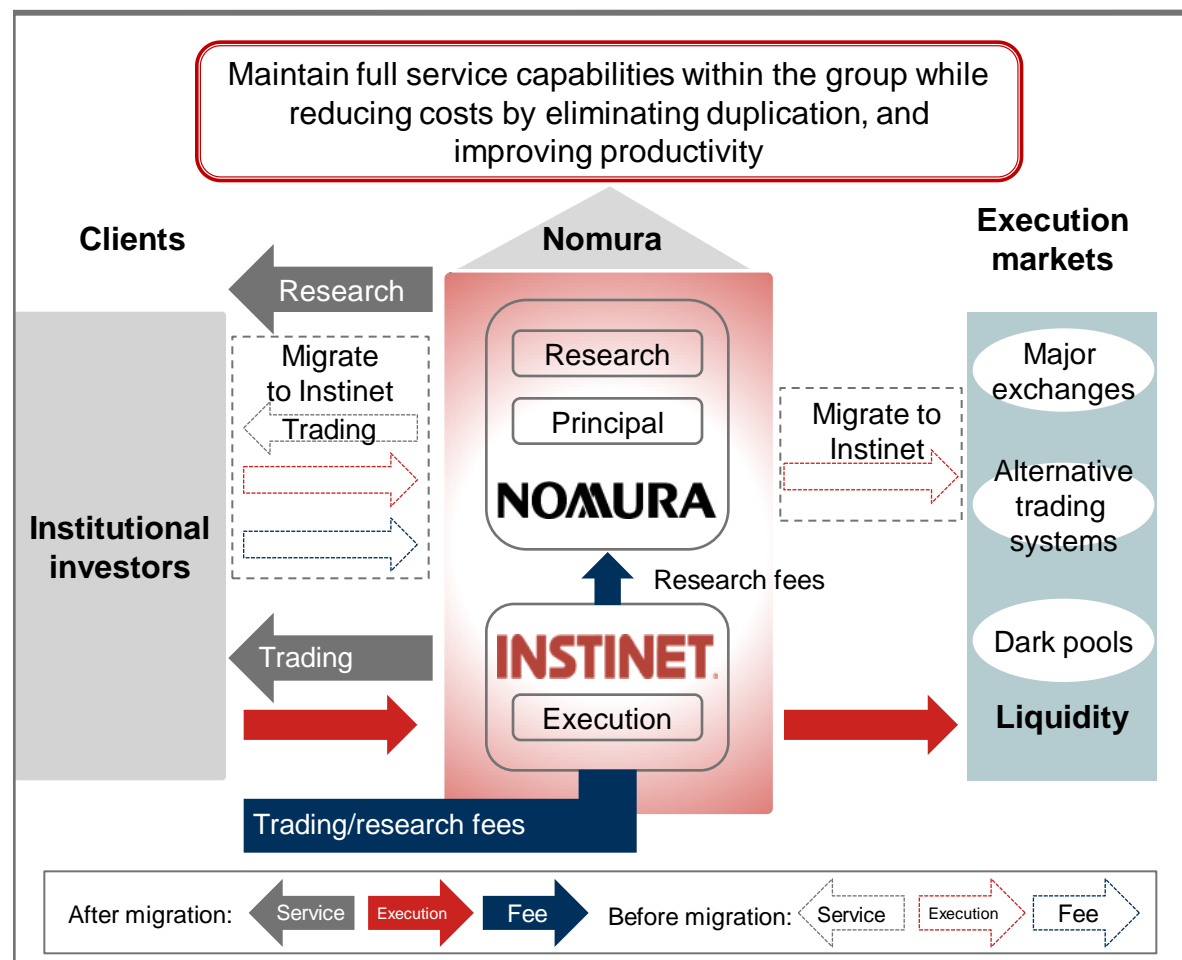
- ✓ Currently, FX business is mainly offshore
- ✓ Aiming to gain licenses in promising markets (China, etc.)

Equities: Consolidate international execution business

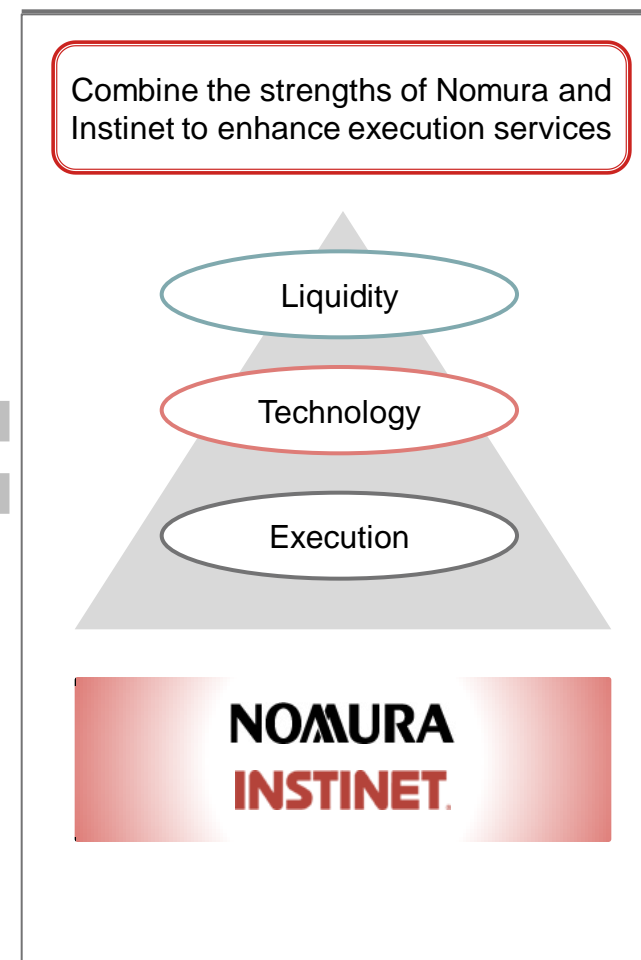
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- Acquired Instinet in Feb 2007 to respond to increasing investor demand for best execution
- Started migrating execution business to Instinet in Sep 2012 to reduce costs and improve execution services

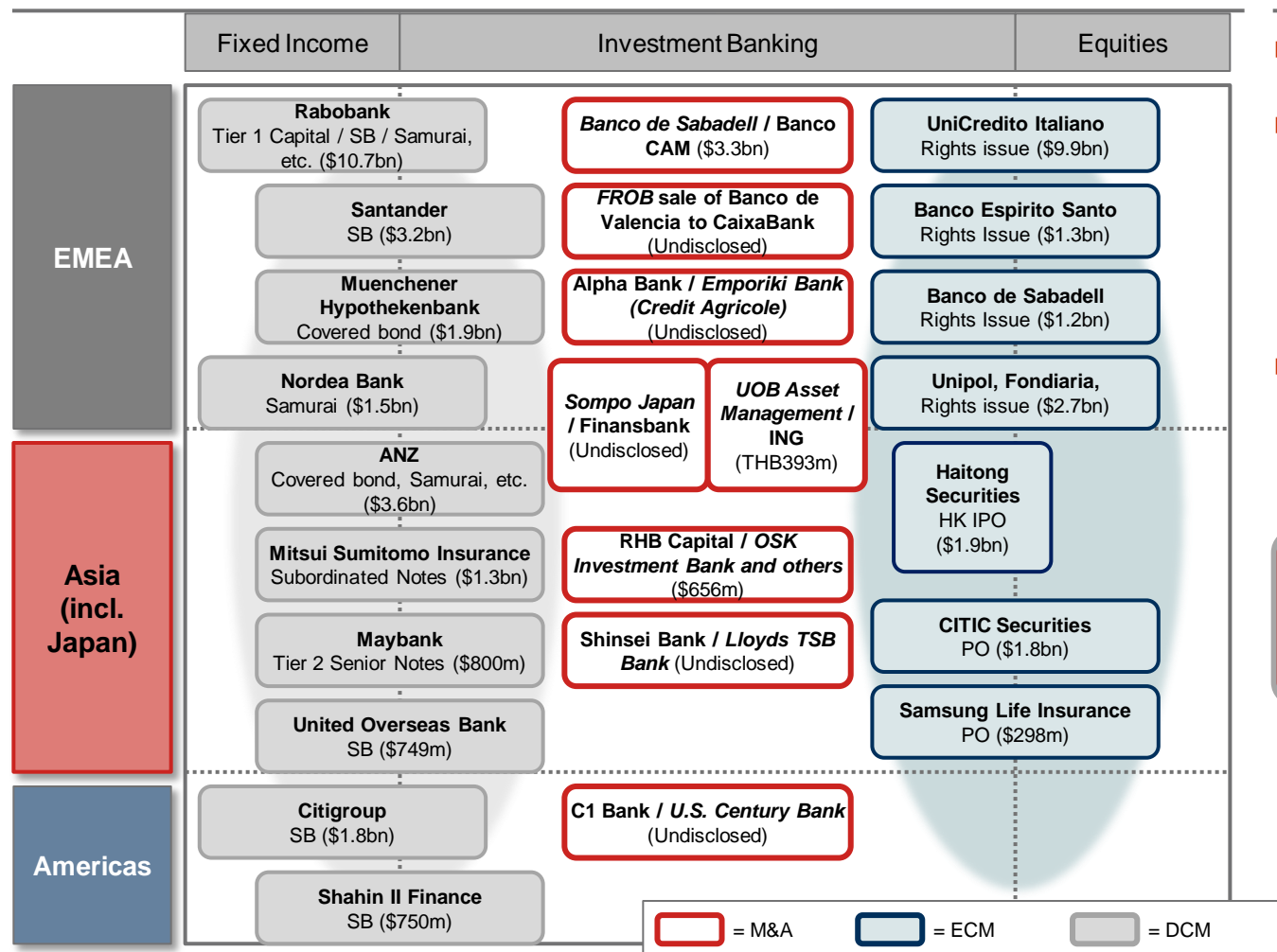
Migration of execution services to Instinet



Better execution services for investors



Collaborating across global distribution network



- Established dedicated FIG team in 2011 to collaborate across regions and products

- Won a number of mandates through enhanced collaboration within Wholesale and with Retail

FIG deals involved since Sep 2011¹

- ECM/DCM: 340 deals, \$103.4bn
- M&A: 72 deals, \$49.5bn

- Named Most Innovative Investment Bank for FIG Capital in The Banker's Investment banking Awards

Further enhancing cross-divisional and cross-regional collaboration to deliver the full capabilities of the firm to our clients

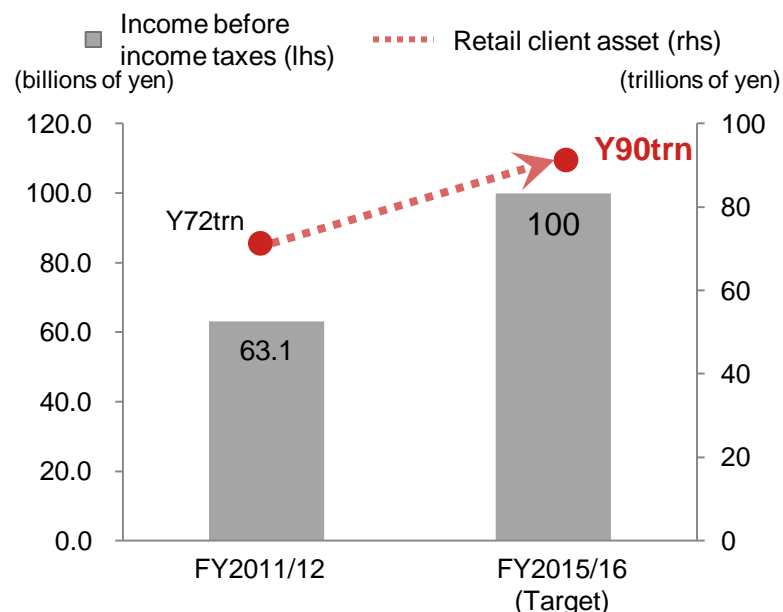
- ✓ Expanding into other key sectors (Natural Resources, Financial Sponsors, Consumer/Retail)
- ✓ Targeting transactions between the Americas and other regions as a growth area

1. Source: Thomson Reuters, excluding transactions in which Nomura acted as co-lead or co-manager.

Retail: Further develop consulting-based sales approach

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Targeting pretax income of Y100bn in FY2015/16



Increase recurring revenue (investment trust fees, etc.)

(billions of yen)

Current
(Aug 2012 annualized)

41.7

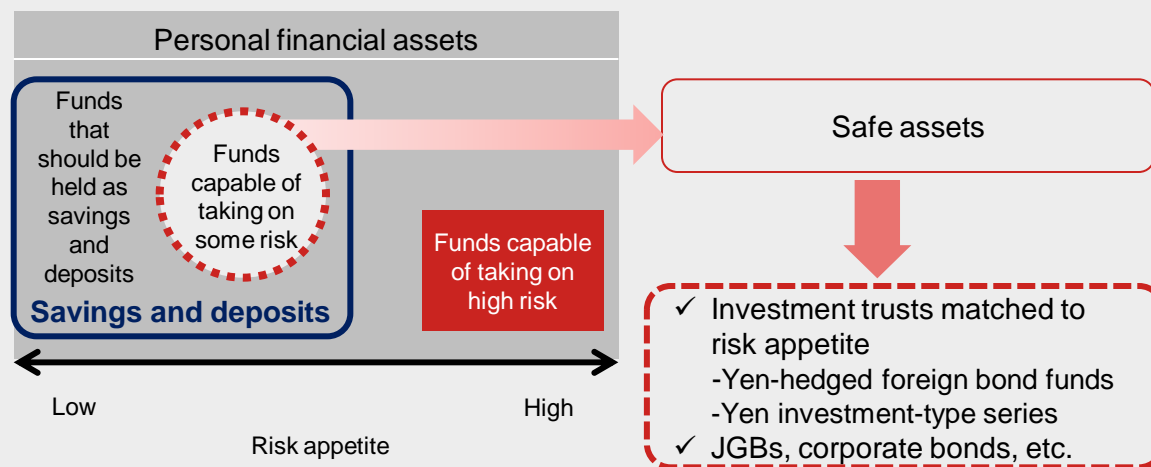
Target
(FY2015/16)

69.6

Strategic initiatives to reach target

- Establish solid earnings base: Emphasize targets for net asset inflows and recurring revenue in budget planning process
 - Target Y1trn in total sales per month as we work towards Y90trn in Retail client assets by FY2015/16

- Enhance product offering to meet demand for less risky assets



- Develop consulting sales: innovative marketing tools
 - Use tablet devices to provide high-quality products and services matched to client needs

Services to meet asset management needs

- Financial assets increase in 50s to 60s age groups
 - Children grown up, retirement benefits, inheritance
 1. More need to manage assets
 2. Seek advice from broker where they already have account

Initiatives to increase client base

- Salaried workers/Defined-contribution plans
 - 60% share of Japan ESOP market
 - Potential future clients
 - TSE ESOP participants¹: 2.19m people
 - Corporate pension plan participants²: 16.5m people (DC participants³: 4.22m people)

Marketing function in Nomura Net & Call

- Sep 2012: 1.1m accounts
(Up 71% since launch in Oct 2011)
- Offers online and call center services for client convenience

Face-to-face consulting

Net savings of household head by age group (savings minus debt)⁴



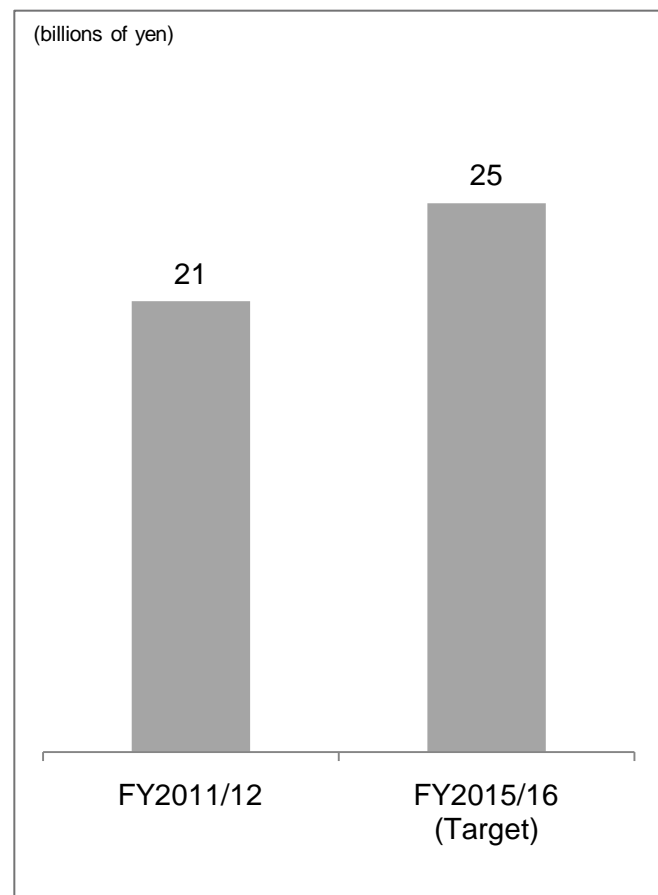
1. Source: Nomura, based on Tokyo Stock Exchange data. As of March 2012.

2. Source: Nomura, based on Pension Fund Association and Ministry of Health, Labour and Welfare websites (as of March 2011)

3. Source: Nomura, based on Ministry of Health, Labour and Welfare website (as of March 2012)

4. Source: Nomura, based on Statistic's Bureau's 2009 national survey of family income and expenditure

Targeting pretax income of Y25bn in FY2015/16



Strategic initiatives to reach target: Leverage track record to enter new businesses

Investment trust business	Investment advisory business	
<div>■ Increase product offering tailored to investor risk appetite and return targets</div> <div><div>➢ Maintain industry-leading market share</div><div><div>✓ Public investment trust share: 22% ¹</div><div>✓ DC plan investment trust share: 20% ² (#1 for 10 straight years since system introduced)</div></div><div>➢ Third-party recognition</div><div><div>✓ Morningstar Fund of the Year</div><div>Won every year since award introduced 13 years ago</div></div></div>	<div>■ Presence growing as Asia-based asset manager</div> <div><div>➢ Competitive performance</div><div>➢ Management of Asia, emerging market and Sharia-compliant stocks and bonds</div><div>➢ Winning more mandates from sovereign wealth funds</div><div><div>✓ AuM: \$11.3bn³</div><div>(#1 for Japanese asset managers)</div></div></div>	
■ Further enhancing cross-divisional collaboration		
Cross-divisional collaboration	Retail	Wholesale
Nimble product development and sales support in investment trust business	✓	
Strengthening approach to sovereign wealth funds, central banks, government agencies		✓
Pioneering new areas of asset management and financial businesses	✓	✓

(1) As of Sep 2012 (Nomura Asset Management); Source: The Investment Trusts Association, Japan.

(2) As of Sep 2012 (Nomura Asset Management); Source: Nomura Research Institute Fundmark.

(3) As of Dec 2011 (Nomura Asset Management); Source: Pensions&Investments.

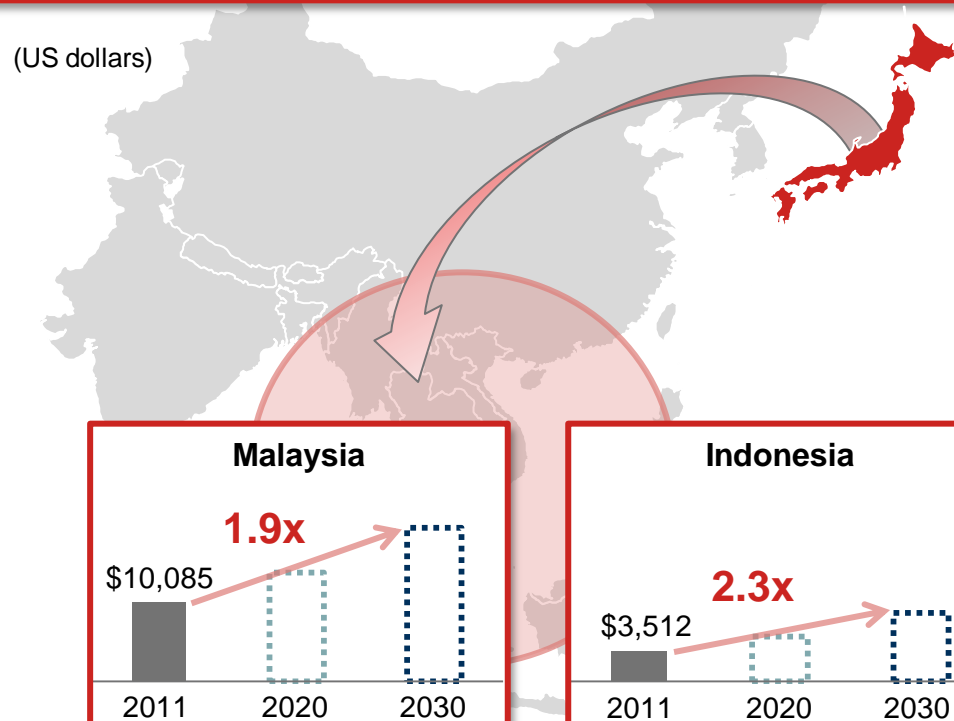
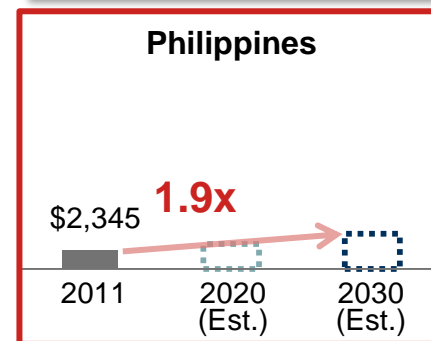
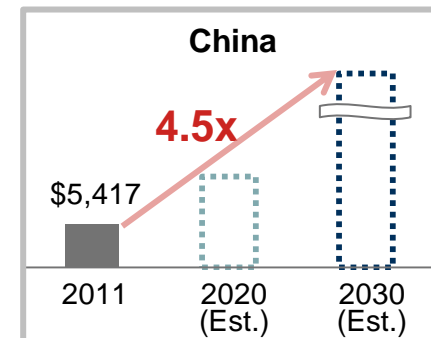
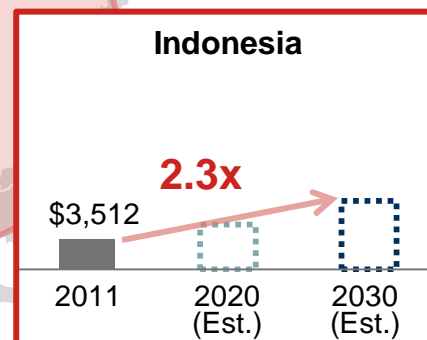
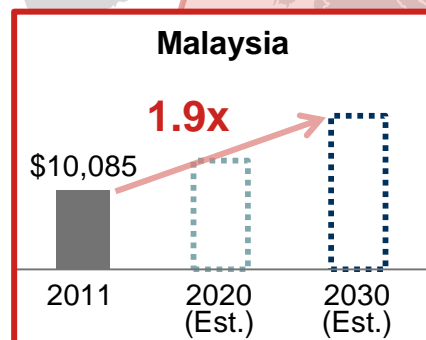
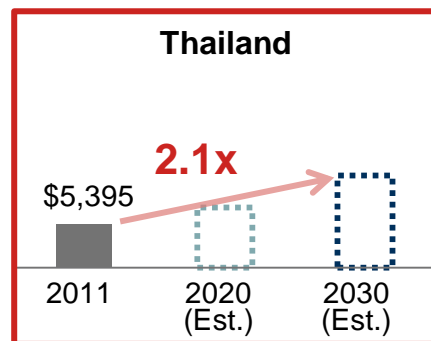
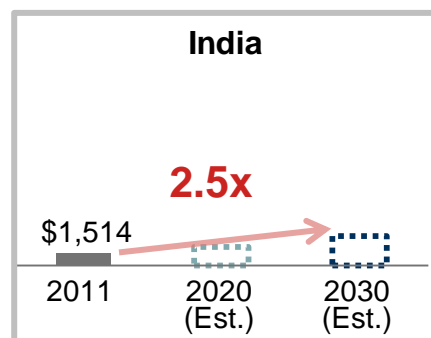
Medium to long term Asian strategy to be Asia's global investment bank

Faster growth in Asia over medium to long term

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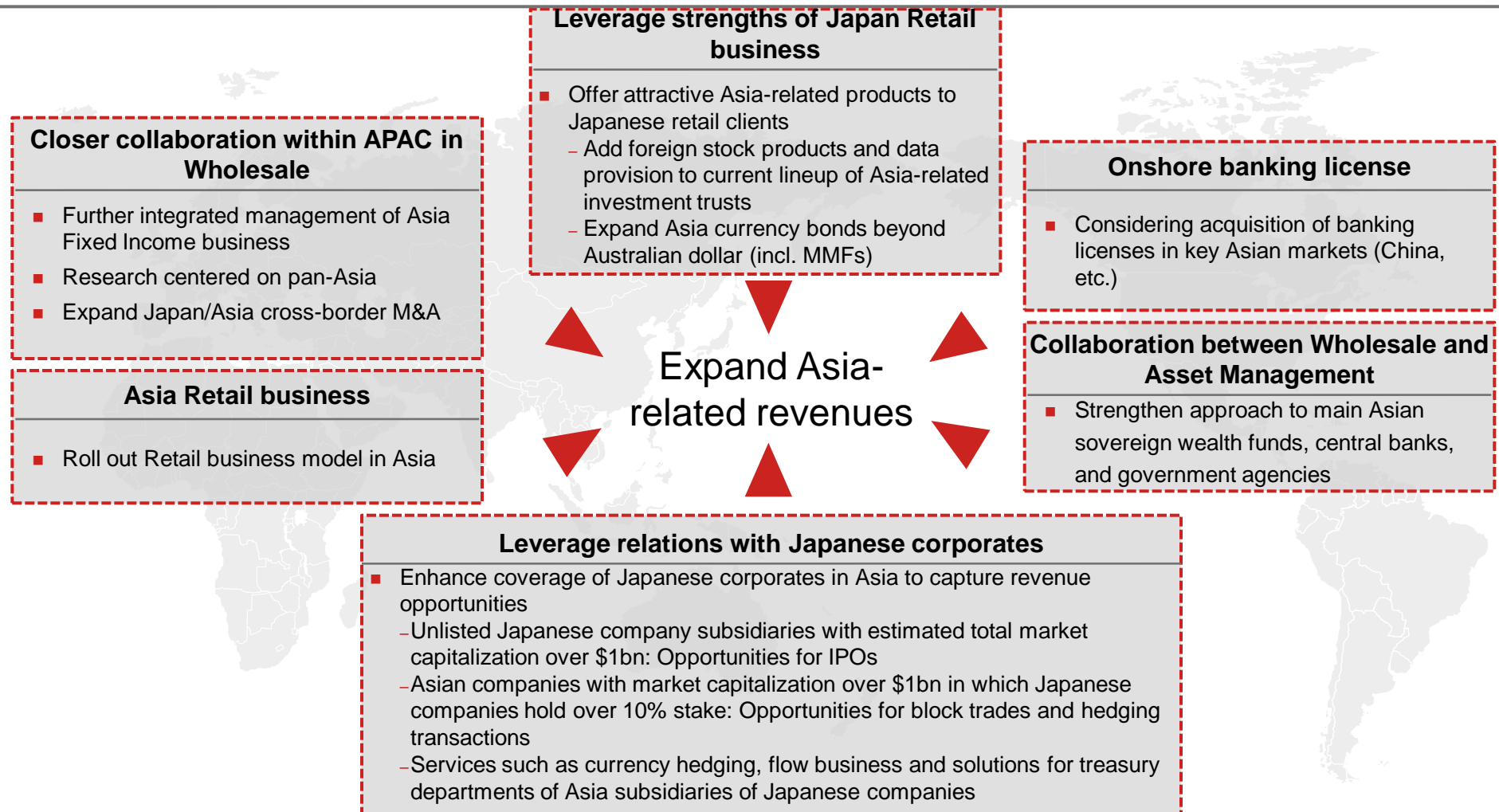
Expected nominal GDP per capita¹

- China, India and other Asian countries are expected to see a marked rise in nominal GDP per capita over the medium to long term
 - Social stability, growth of local currency economies, development of financial system through deregulation ⇒ Rise of middle class
- Roll out Japan business model across Asia
 - Retail, including Wealth Management, and Wholesale as two pillars creating synergies

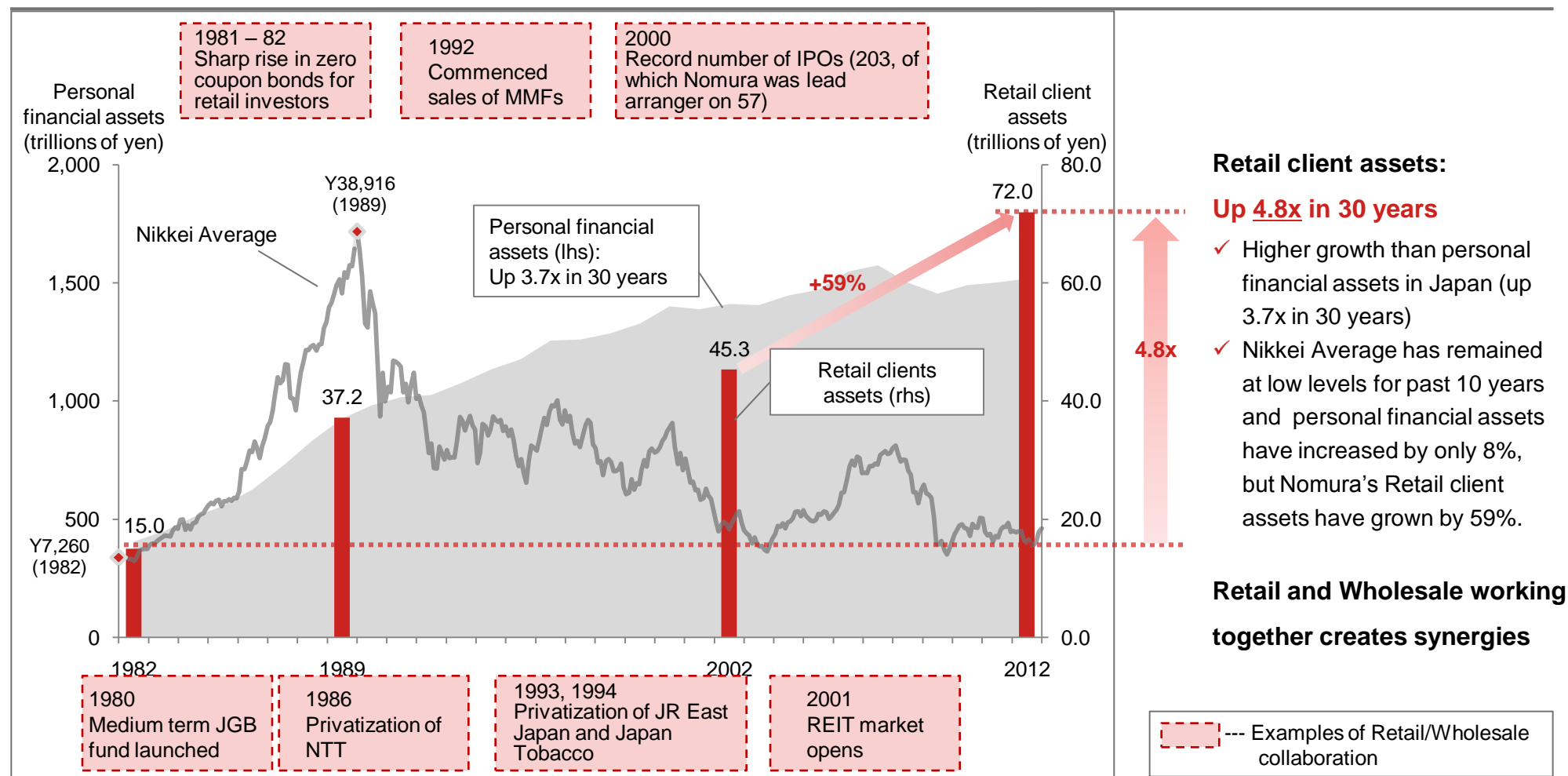


1. Source: Nomura, based on Cabinet Office estimate using 2011 actual figures. Inflation and exchange rate changes not taken into account.

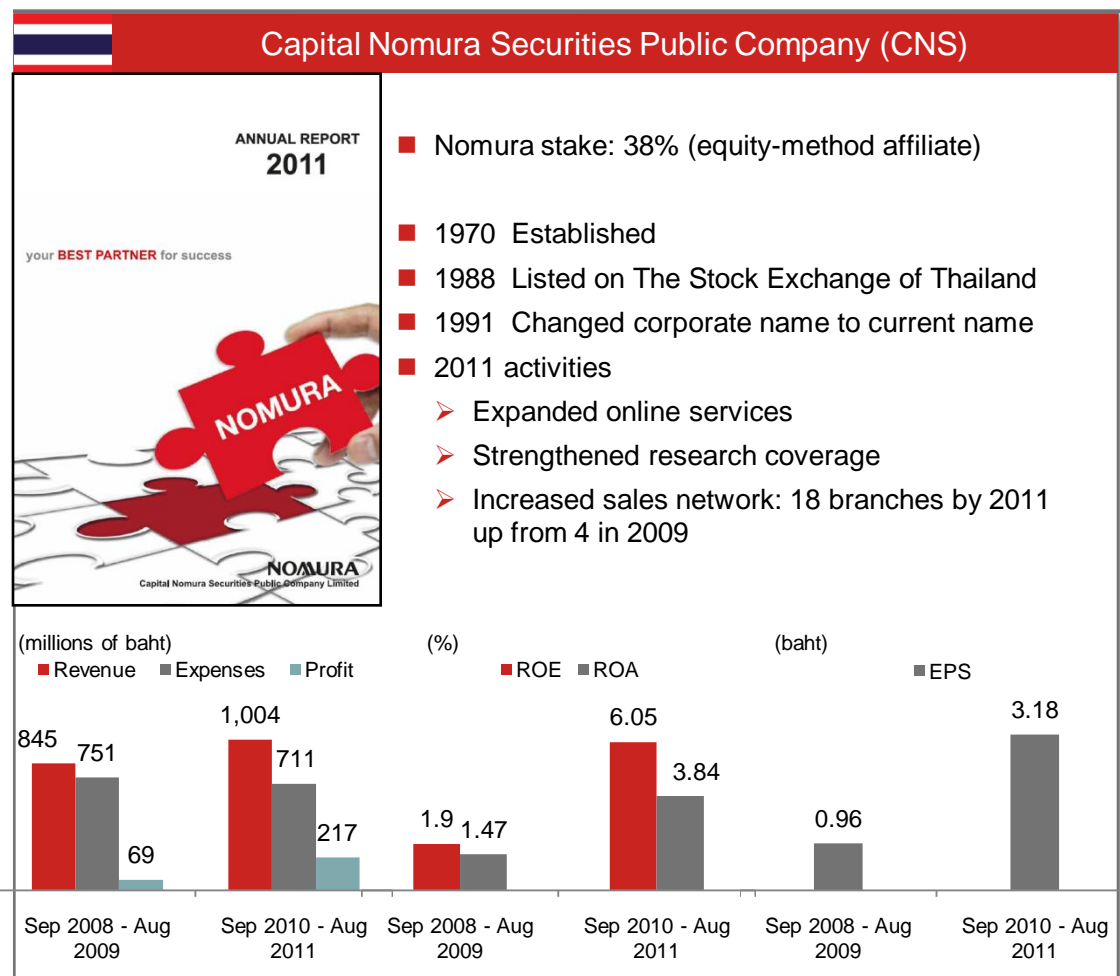
Identify opportunities to grow Asia-related revenues by collaborating across regions and divisions



Growth of Retail client assets outpacing growth of personal financial assets¹



1. Source: Nomura, based on Bank of Japan Flow of Funds Accounts.



Collaboration: Nomura/CNS joint transaction

Tesco Lotus (Transaction size: \$600m)

- Real estate fund for Tesco Lotus, a subsidiary of UK firm Tesco which has an 80% stake
- Listed on SET in Mar 2012 as largest ever real estate fund IPO
 - Nomura: Joint international bookrunner
 - CNS: Thailand domestic coordinator and sole selling agent for retail investors

In closing



We are adapting to the changing environment
“Fit for the Future”

We are putting clients at the heart of everything we do

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