

December 9, 2004

Investors' Day Presentation

Remarks by:
Nobuyuki Koga
President and Chief Executive Officer

Good afternoon ladies and gentlemen. Thank you for taking the time out of your busy schedule to be with us today.

During the short time we have this afternoon we will attempt to give you a better idea of where Nomura is at and what we have in store for the future.

First, I will outline our overall strategy. I will then ask the head of each business line to come up and present an overview of their operations. Following that, we will open the floor to questions.

Slide 2: Review of Operating Results

I would like to start by reviewing our operating results for the first half of the current fiscal year.

Under US GAAP, net revenue for the six months to September 30, 2004, declined 11% year-on-year to 370.8 billion yen, income before income taxes fell 44% to 88.7 billion yen and net income decreased 49% to 44 billion yen. As a result, ROE was off target at 4.9%.

By segment, income before income taxes for Domestic Retail increased 10% on year to 43.5 billion yen, Global Wholesale declined 55% on year to 42.7 billion yen and Asset Management booked 3 billion yen.

Slide 3: Review of Group Strategy (1)

Let's now turn to strategy.

There are no changes to our goal of making Nomura Group a globally competitive Japanese

financial institution.

To realize this goal, we are working to build a strong presence in the wider securities industry.

By “wider” securities market, I mean places that are governed by market principles and places where risk money flows into.

To build a strong presence in these markets you need the ability to understand the nature of the market and respond flexibly while maintaining a solid platform to deal with risk money. The essential qualities of this ability can not be gained from working with companies in other industries or other financial institutions.

That is why we are not planning to form an alliance with another company at the moment.

In the securities intermediary business, however, we believe that tie-ups with regional banks will play an important role in helping both Nomura and the regional banks achieve our respective goals.

The basics of handling risk money are to fully understand your own products and services and then communicate closely with your customers, ensuring the company is compliant in everything it does.

In other words, you need to understand the risk tolerance of your customers and provide the right products and services at the right time.

This is easier said than done. Putting the needed infrastructure and business processes in place does not happen overnight.

One of the ultimate strengths of Nomura Group is that we are well positioned to address these issues.

Slide 4: Review of Group strategy (2)

Our business is founded on a model that incorporates two factors: a solid platform to deal with risk money and a flexible organizational structure.

In our Domestic Retail operations, we are working to build a customer base that will set us apart from the competition.

One example of how we are doing this is by promoting special accounts for stocks. As a result of our efforts here, the number of Cash Management Services accounts has risen by more than 280,000 since this time last year.

Client assets stood at 41 trillion yen as of the end of September. This is growing by around 300 billion yen a month, thanks partly to our efforts in setting up the special accounts for stocks.

Our customer base is steadily growing stronger as more customers participate in the securities market for the long-term, after fully understanding the risks associated with investing in securities.

We have also established a value chain for developing products and offering services. In this process, customer needs are first ascertained by staff experienced in dealing with risk money. These needs are reflected into product development at Asset Management and Global Wholesale and we then offer the products and services that best suit a certain customer's needs.

This flexible structure that allows us to offer products and services that match the prevailing market environment and risk profile of each customer is built into our organization...it is the foundation of our business model.

Without losing sight of the basics of our business model, we are now strengthening the capabilities of our product and service development and increasing communication with customers through our customer service sections.

Some examples of strengthening our development capabilities can be seen in Investment Banking.

Here, we have opened up new avenues for corporate financing and pioneered a number of tailor-made financing schemes such as multiple private offerings (MPOs) and hybrid private offerings (HPOs).

Global Markets brings together Equity and Fixed Income. Since it was established in April, we have been working to build a global organization so as to maintain our strong position in cash trades and improve our derivatives products to keep our innovative edge.

Close communications with customers is a tradition at Nomura.

That is why the key to the Group's business lies in increasing customer order flow through closer communications. To ensure this goes smoothly, we are dedicated to building up and improving our organization on an ongoing basis.

In the second quarter of the current fiscal year, we saw a drop in customer order flow due to a decrease in market volatility. We recognize that now is the perfect time to take another look at our interfaces for communicating with customers and to implement a Group-wide effort to maximize order flow.

We are also planning to expand into financial products that were not traditionally the territory of the securities industry.

A prime example of this is financing backed by real-estate.

We are confident that we will be able to respond to the diverse customer needs in this area by working together with Nomura Real Estate to gain access to their expertise and by putting our own financial technologies to use.

The revisions to Japan's Trust Business Law have already passed the Diet. As the only Japanese group in the securities industry to have a trust bank, Nomura is well positioned to take advantage of this.

As you can see, we are working to improve each function of our operations.

Going forward, we will continue to seek synergies between our retail and wholesale operations, capitalizing on our position as the only Japanese securities firm able to provide comprehensive risk money services within the one group.

We believe this strategy will serve us well as we continue to grow with the industry and take on new challenges.

Slide 5: Expand Access Point Functions/Build Service Network

Considering the rapid expansion of securities-related markets, we believe there will be many situations where we are unable to respond sufficiently using only the existing resources of the Group.

To overcome this, we need to create a service network.

Our online trading service plays a key role in diversifying customer access points such as branch offices and the Hotto Direct Service Department.

Around 1.6 million customers are currently signed up to our online trading services and about half of all trades are done online. This service is also an important tool to help us expand our operations. We will continue upgrading it to ensure a better online experience for our customers.

Another key move to building a service network is the securities intermediary business.

Many regional financial institutions are commenting on the challenges associated with creating a system for compliance. We are working together with these institutions to provide total support for their efforts in this area.

Our past experiences, such as tying up with Japan Post in ATM services, have given us a firsthand look at the strength of the networks of financial institutions with close links to local communities.

Nomura Securities has at least one branch in each prefecture outside urban areas. Building on this by creating a service network together with regional financial institutions will prove to be a big plus for access to local communities.

Naturally, we also need to ensure that Nomura Securities branch offices are fully functioning to cover any gaps in this network.

Slide 6: Concluding Remarks

Our business model is by no means obsolete. I am confident that, as we move forward, we will see its true value come into play.

To bring out its true value, however, we will need to make necessary changes in line with changing market conditions.

We need to be flexible. And we need to cut across the business lines, creating an environment for cross-functional work as seen in our Global Markets operations.

Effective internal controls are a must to ensure customer confidence in Nomura. Improving on our corporate governance system to make it more effective is an ongoing issue for us.

As competition among financial institutions intensifies, we will maintain our steadfast governance system and ensure strong compliance and sound business practices are carried out through the whole organization to allow us to grow in step with our customers.

In the mid- to long-term, we are aiming to maintain an average ROE of 10-15% and forge a stable foundation for sustainable growth.

Thank you.

###

This document is produced by Nomura Holdings, Inc. ("Nomura"). Copyright 2004 Nomura Holdings, Inc. All rights reserved.

Nothing in this document shall be considered as an offer to sell or solicitation of an offer to buy any security, commodity or other instrument, including securities issued by Nomura or any affiliate thereof. Offers to sell, sales, solicitations to buy, or purchases of any securities issued by Nomura or any affiliate thereof may only be made or entered into pursuant to appropriate offering materials or a prospectus prepared and distributed according to the laws, regulations, rules and market practices of the jurisdictions in which such offers or sales may be made.

No part of this document shall be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior written permission of Nomura.

This document contains statements that may constitute, and from time to time our management may make "forward-looking statements" within the meaning of the safe harbor provisions of The Private Securities Litigation Reform Act of 1995. Any such statements must be read in the context of the offering materials pursuant to which any securities may be offered or sold in the United States. These forward-looking statements are not historical facts but instead represent only our belief regarding future events, many of which, by their nature, are inherently uncertain and outside our control. Important factors that could cause actual results to differ from those in specific forward-looking statements include, without limitation, economic and market conditions, political events and investor sentiments, liquidity of secondary markets, level and volatility of interest rates, currency exchange rates, security valuations, competitive conditions and size, and the number and timing of transactions.