

Presentation at Nomura Investment Forum 2013

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1. The Japanese economy and Abenomics

2. Progress toward management target

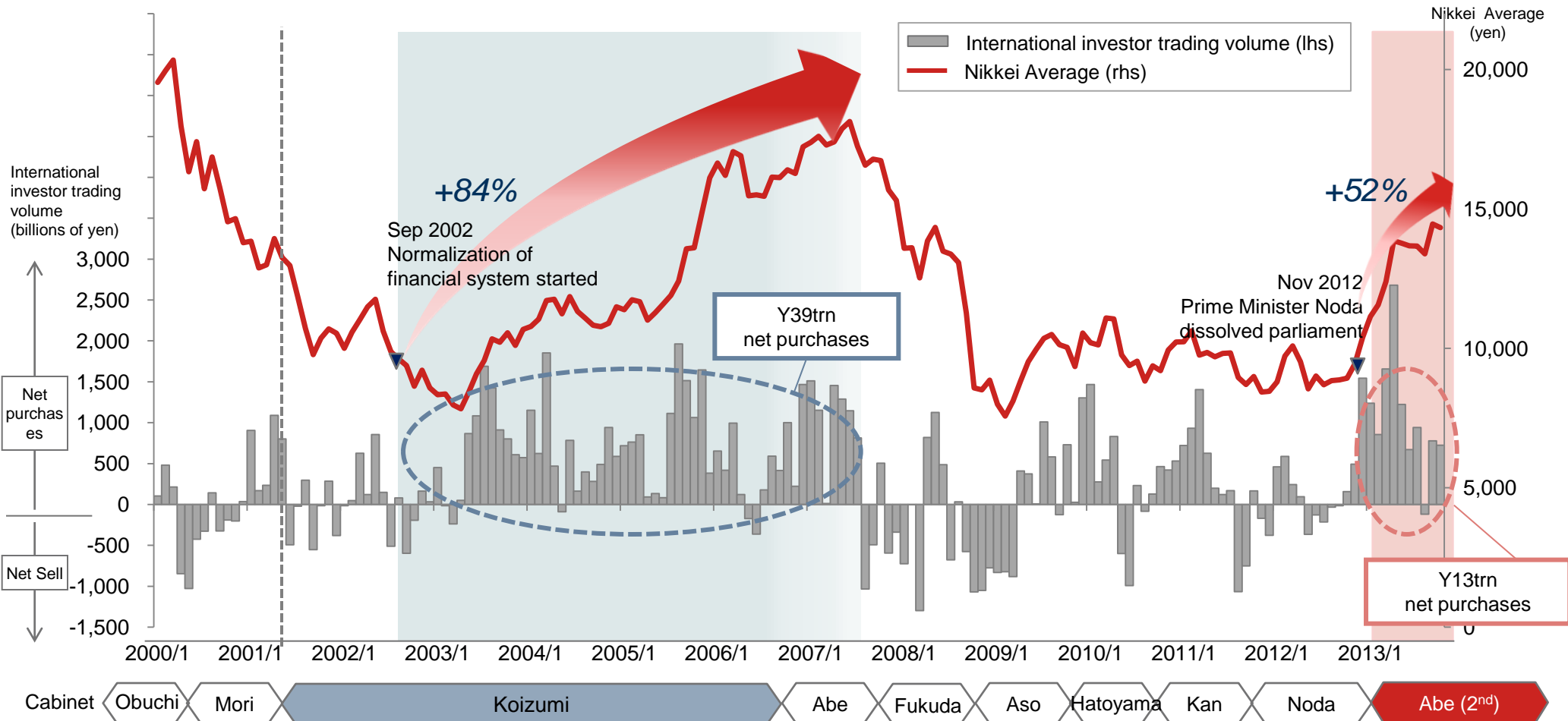
3. The evolving operating environment

4. Looking ahead

1. The Japanese economy and Abenomics

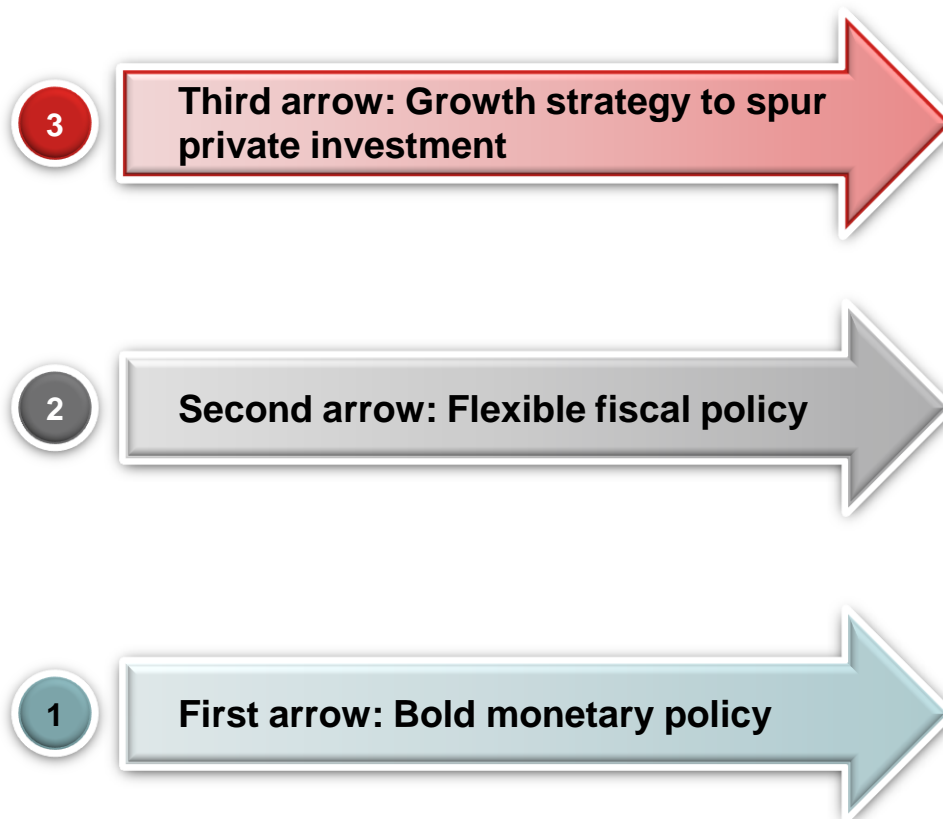
International investor trading and the Nikkei Average

International investors turned net purchases on Abenomics monetary easing and fiscal stimulus; Nikkei Average surged over 50% from Nov 2012



The three arrows of Abenomics

Three arrows aimed at overcoming deflation and reviving the economy

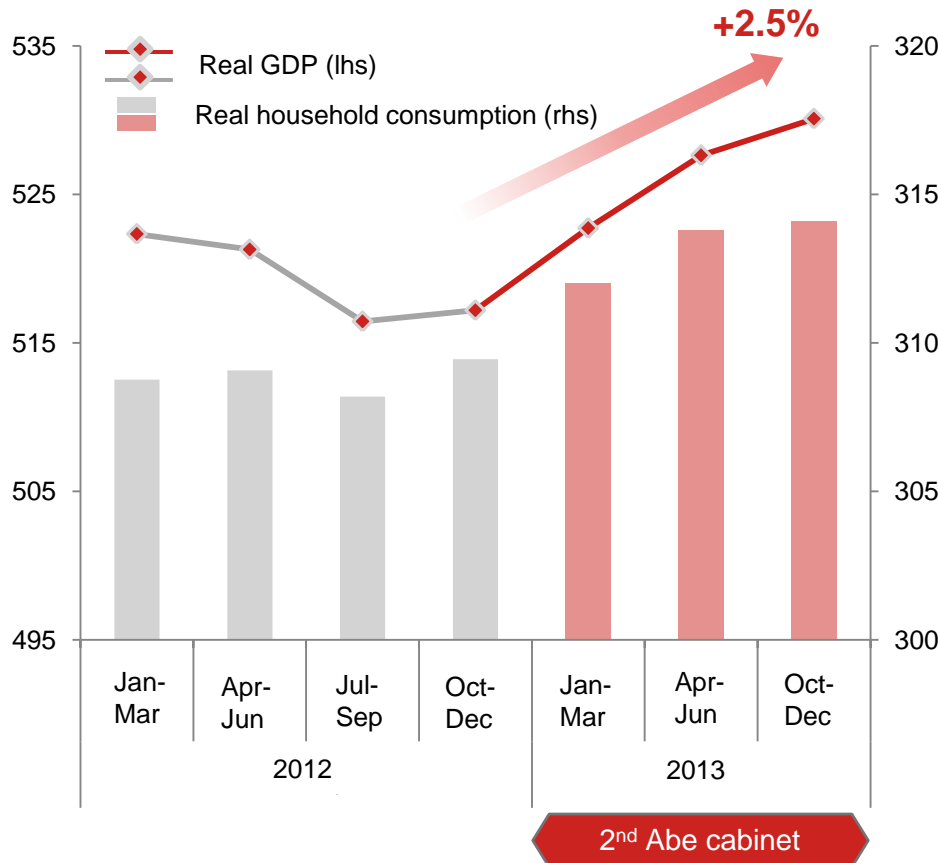


Flow through of Abenomics to the real economy

- Private consumption contributed to three quarters of real GDP growth since Abe administration took office
- Corporate earnings are recovering and FY2014/15 EPS is expected to jump 81% compared to FY2012/13

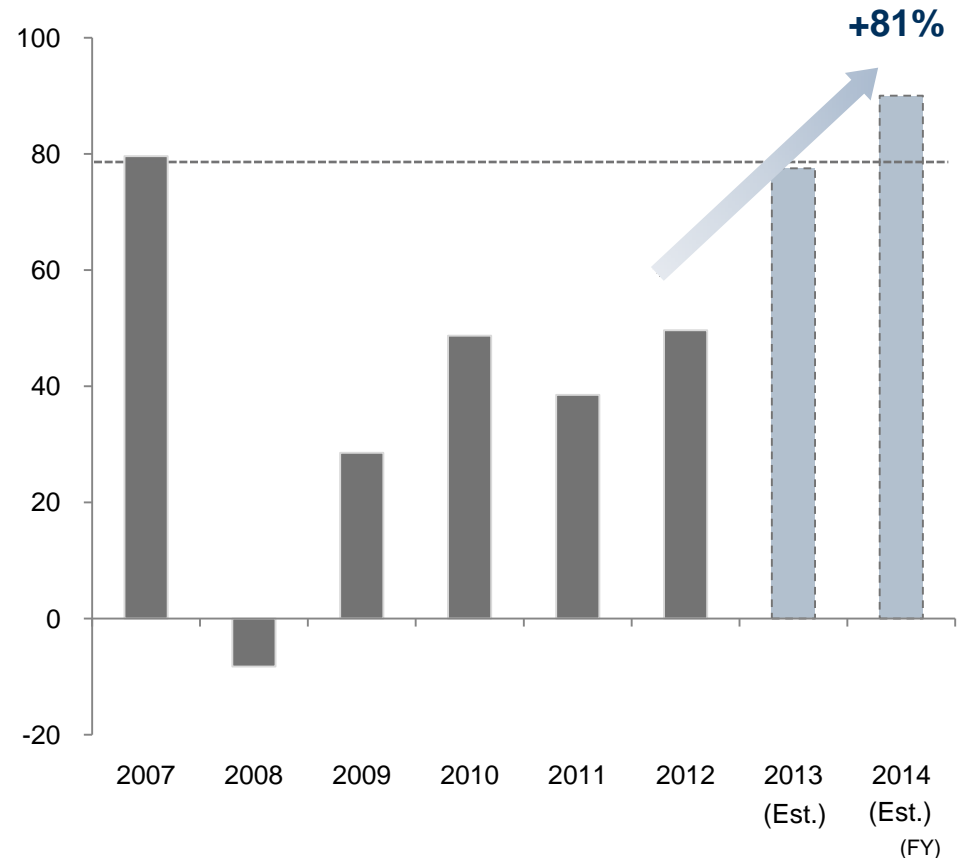
Real GDP and real household consumption¹

(trillions of yen)



Average EPS² of Topix components

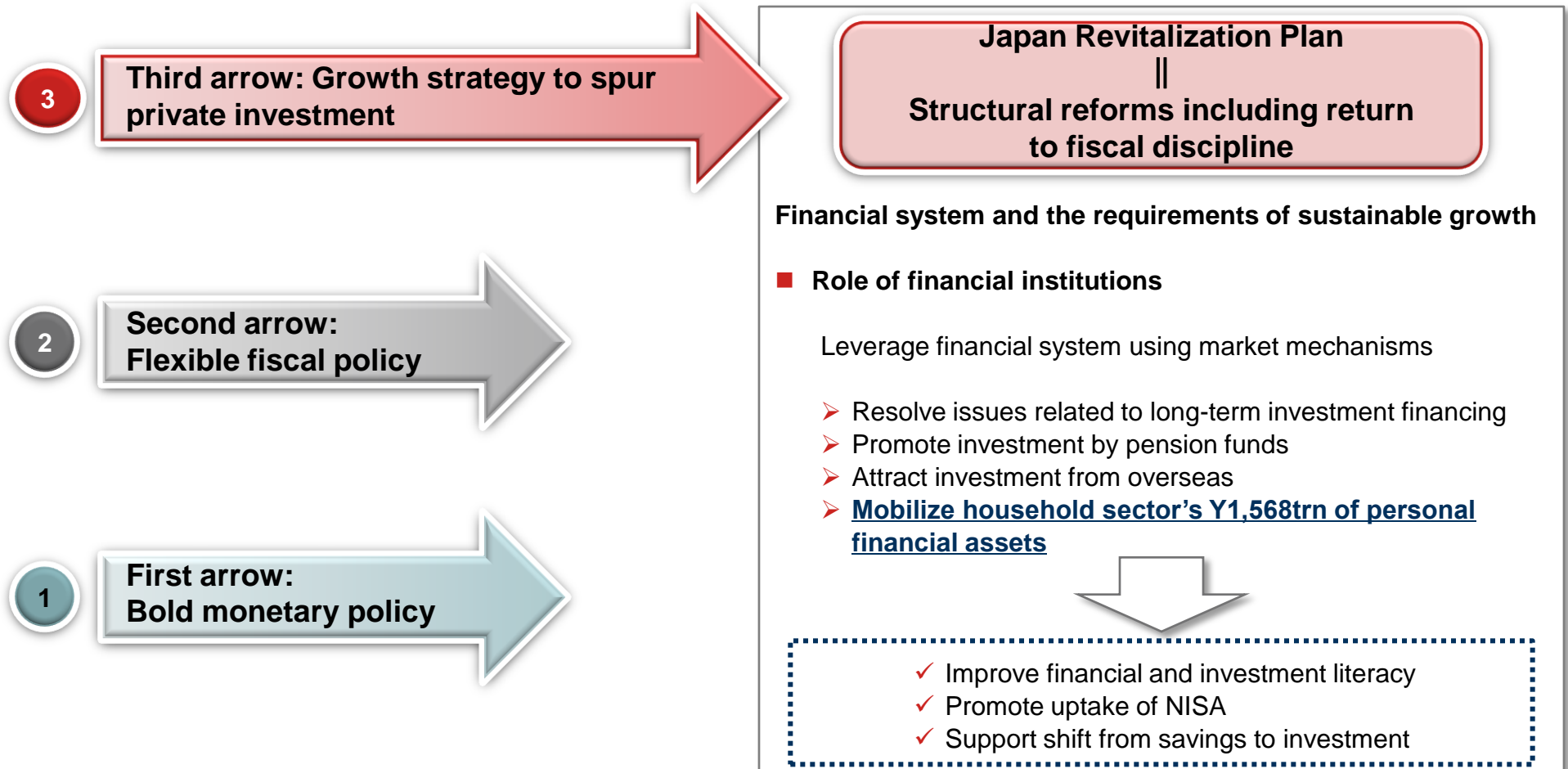
(yen)



1. Source: Nomura, based on Cabinet Office data. Real household consumption based on private-sector final consumption expenditure.
 2. Source: FY07 – FY12: Nomura, based on company disclosures; FY13 – FY14: Nomura forecasts.

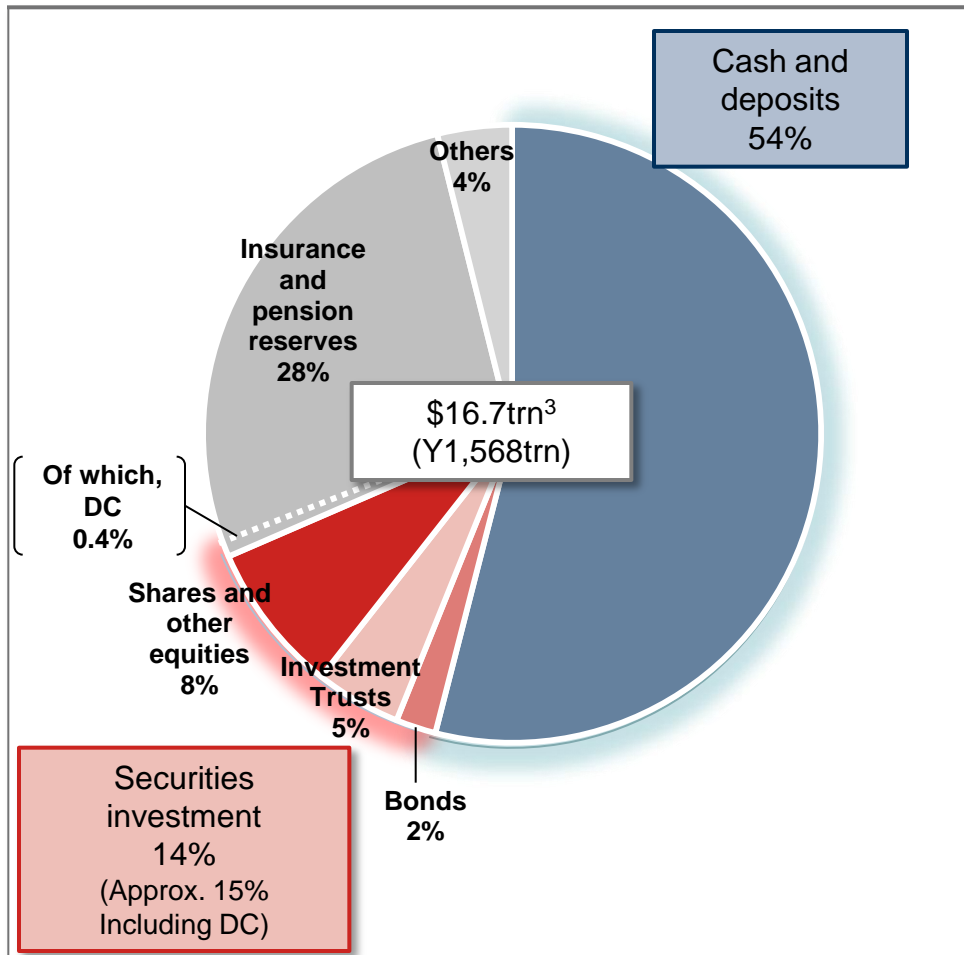
The third arrow: Japan Revitalization Plan

Third arrow aimed at overcoming deflation and reviving the economy

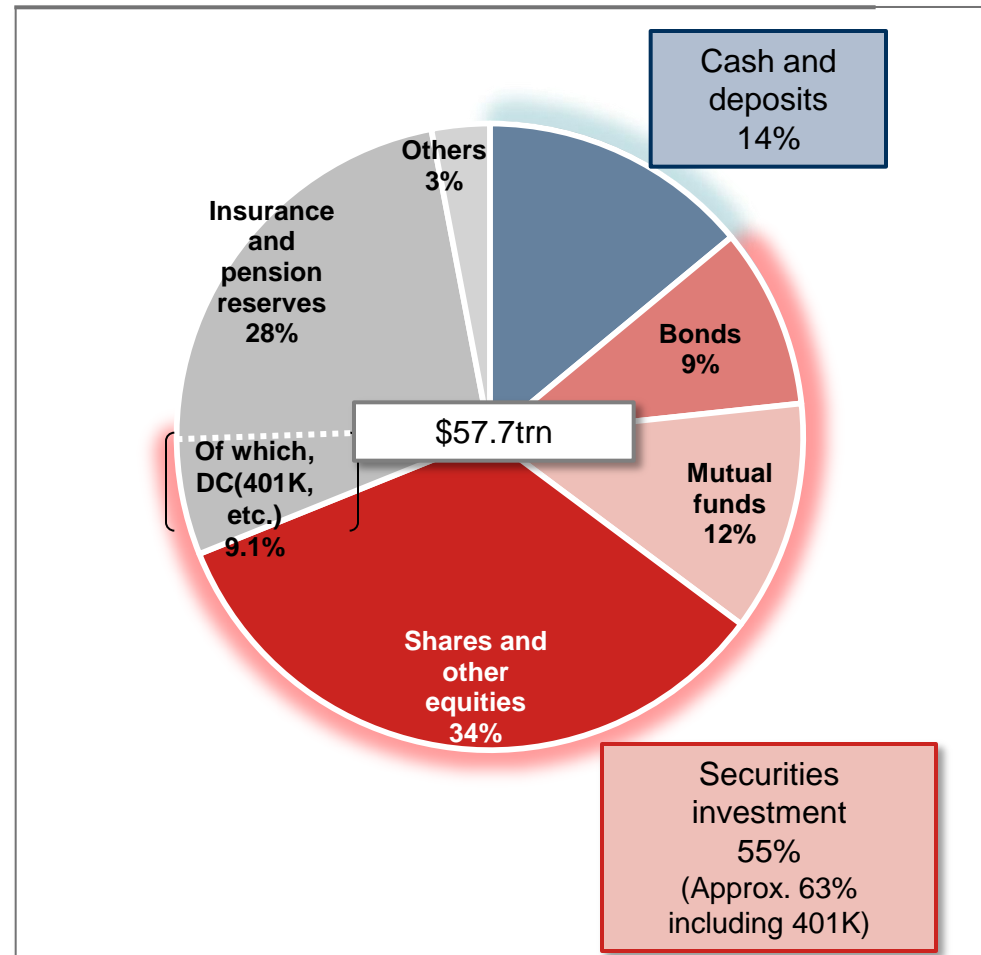


Personal financial assets in Japan and US

Japanese personal financial assets (Mar 2013)¹



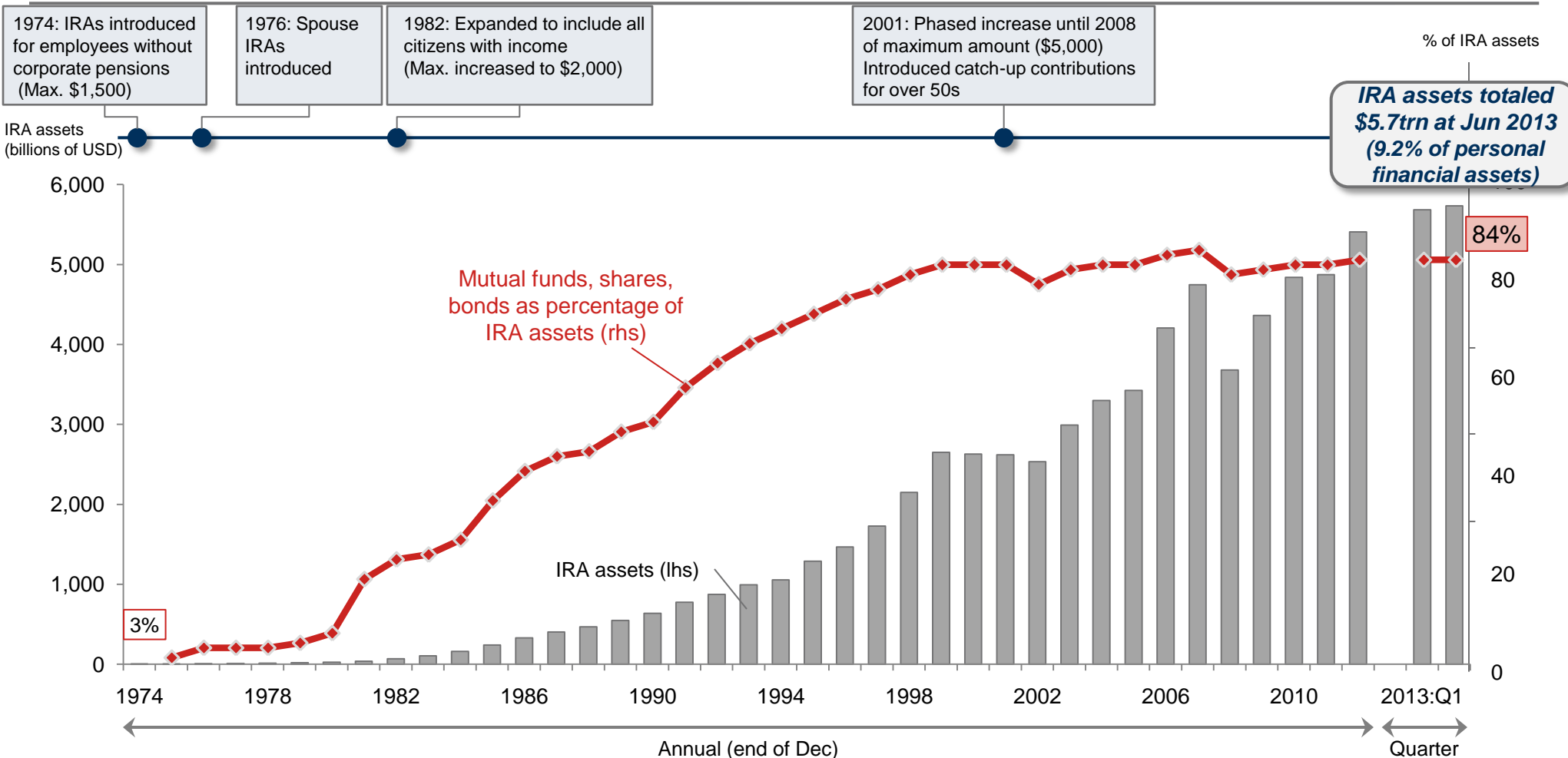
US personal financial assets (Mar 2013)²



1. Source: Bank of Japan Flow of Funds Accounts.
 2. Source: FRB, Financial Accounts of the United States, First Quarter 2013.
 3. \$1=¥94.07

Securities investment in US expanded through IRAs

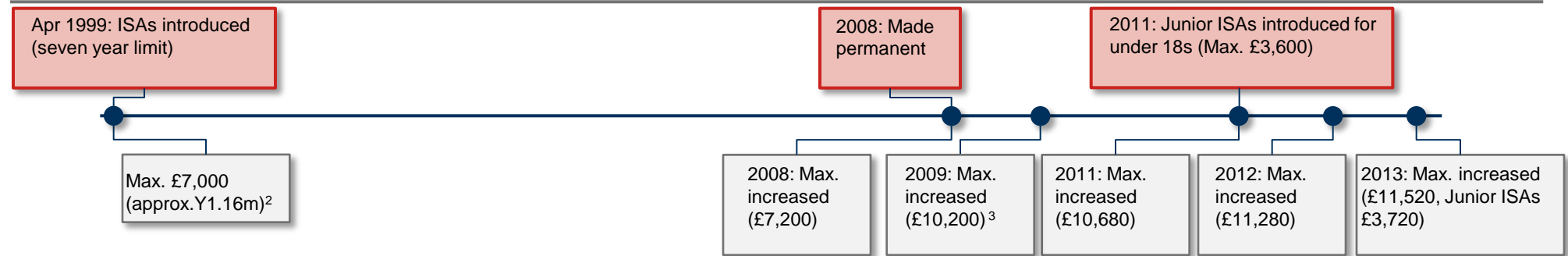
In forty years since IRAs were introduced in 1974 assets have grown to \$5.7trn



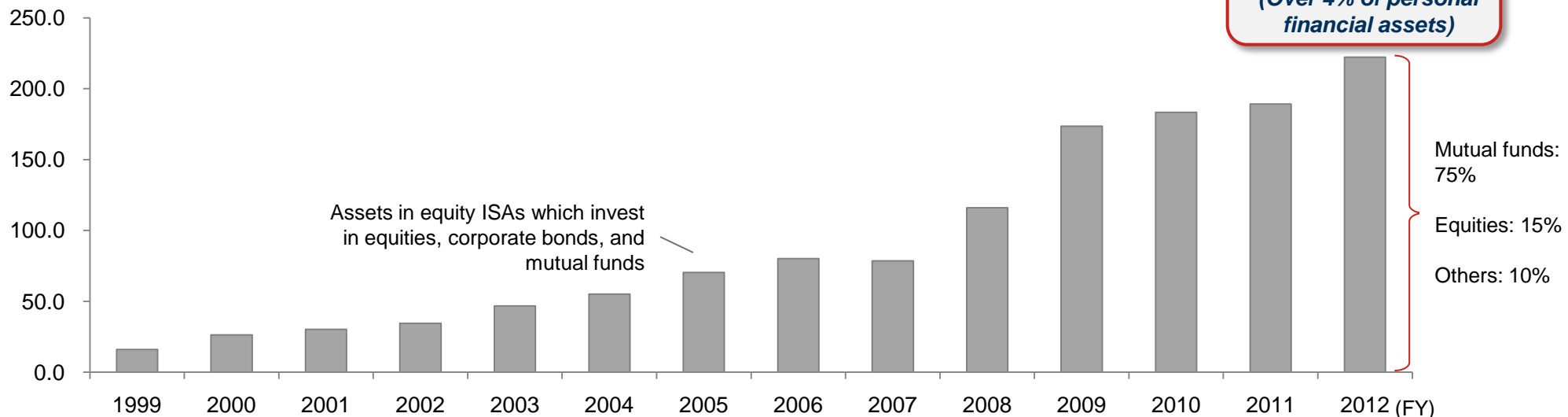
1. Source: Investment Company Institute, Federal Reserve Board, American Council of Life Insurers, and Internal Revenue Service Statistics of Income Division.

UK ISAs well established for long-term asset formation

Assets in UK ISAs (equity) introduced in 1999 have grown to £222.2bn in 13 years



(billions of GBP)



1. Source: HM Revenue & Customs.
 2. £1=¥179.8 in 1999; £1=¥142.89 in March 2013.
 3. For ISA account holders over 50; Maximum annual contributions for ISA account holders under 50 was raised to £10,200 in 2010.

Promoting shift from savings to investment through NISA

Nippon Individual Savings Accounts (NISA)

5-yr potential investments¹: Y61trn
(3.9% of personal financial assets²)



Y61trn in assets equates to investment trust administration fees of approx. Y300bn per year³

Retail

Support asset formation for clients through NISA

- Seminars in 2013
 - ✓ 1H: 1,100 times, 30,000 applicants
 - ✓ 700 seminars including on how to use NISA to be held from October
- Products
 - ✓ Wonderful Series: Investment trusts recommended for NISA
 - ✓ NISA Fund Ruito and Triple Campaign launched
- Account applications (end Nov): 1.06m

Asset Management

Establish Nomura's NISA

- Select/originate products suited to NISA
- Many distributors choosing Nomura Asset Management funds as NISA products
 - ✓ Nomura Securities channel: 70% share (asset basis)
Nomura Wonderful Series: 8 funds selected
Fund Ruito: 174 funds selected
 - ✓ Bank and Japan Post Bank channel: Expand distributors
Next Core: 28 distributors (as of Nov 2013)
Funds-i: 25 distributors (as of Nov 2013)

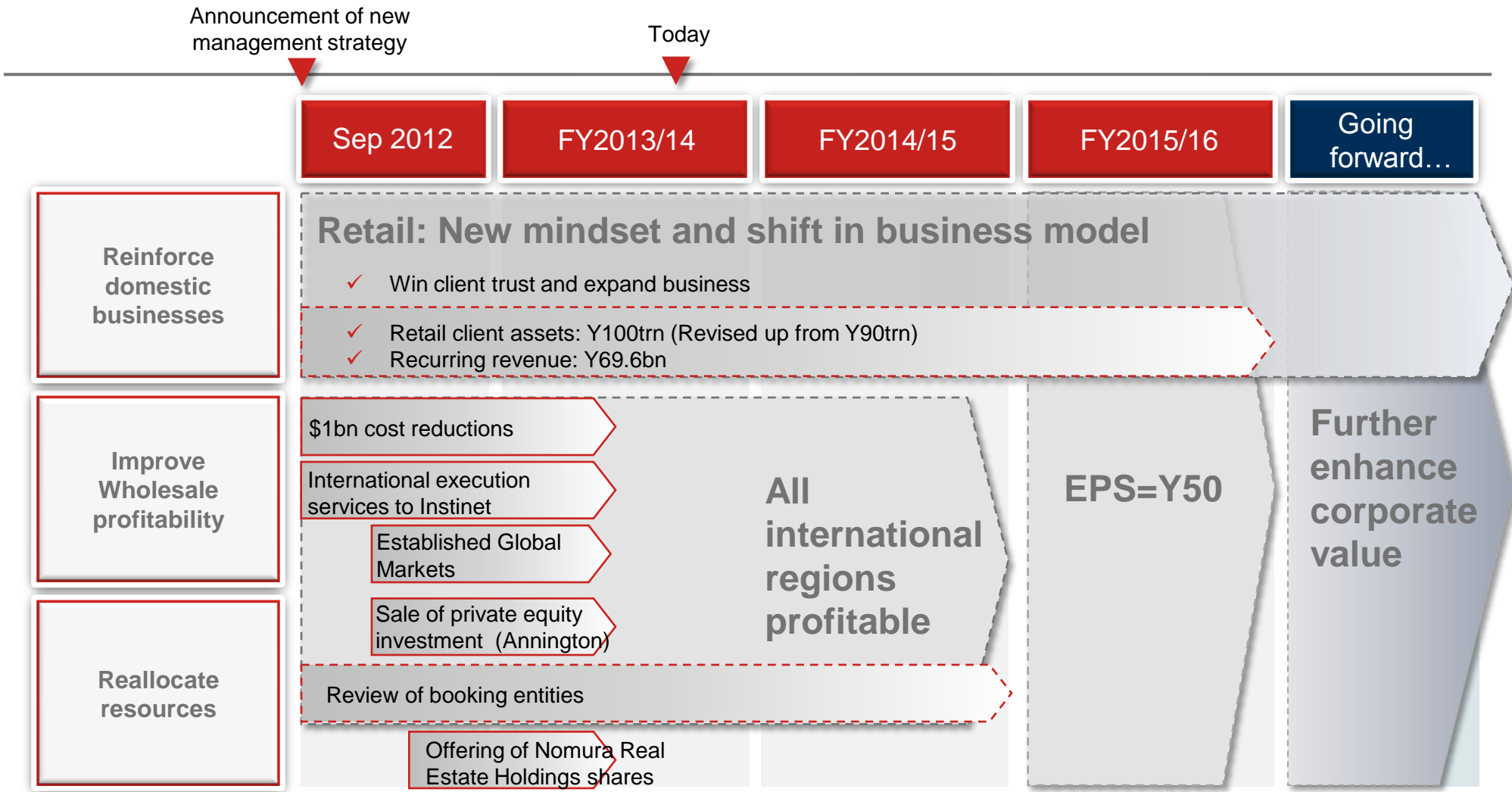
1. Based on Nomura Asset Management research showing 19.31m potential users and 5-yr accumulated assets of Y3.182m by users who intend to use NISA.

2. As of Mar 2013.

3. Based on 50% allocation to investment trusts, investment trust fees of 100bps, and excluding commissions for distribution of investment trusts, market valuation changes and redemptions.

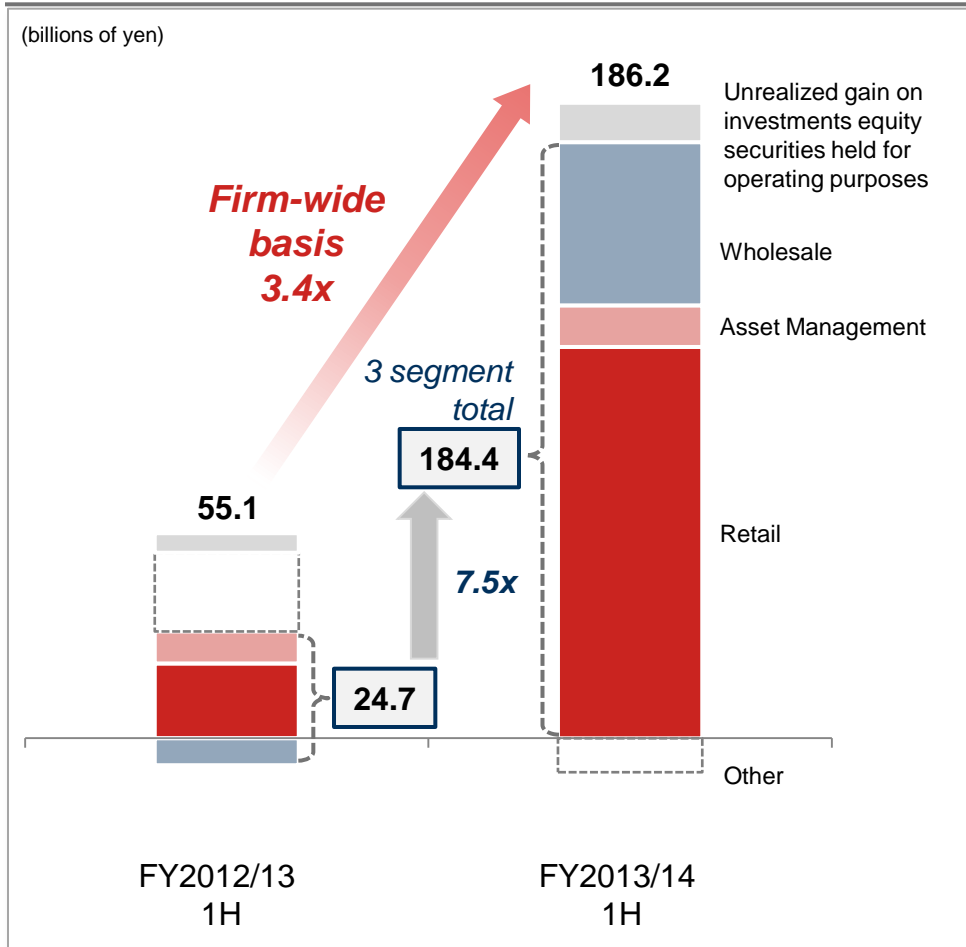
2. Progress toward management target

Key initiatives and future milestones



FY2013/14 1H financial results

Significantly stronger pretax income across all business segments and on firm-wide basis



✓ **Net income¹ at highest level since 1H FY2002/03**

- Income before income taxes: Y186.2bn (3.4x YoY)
- Net income: Y104.0bn (22.1x YoY)
- EPS: Y27.2
- ROE: 8.9%
- Dividend: Y8 per share

✓ **Three segment income before income taxes of Y184.4bn (7.5x YoY)**

- All businesses up YoY
- Retail reported best income before income taxes since FY2001/02

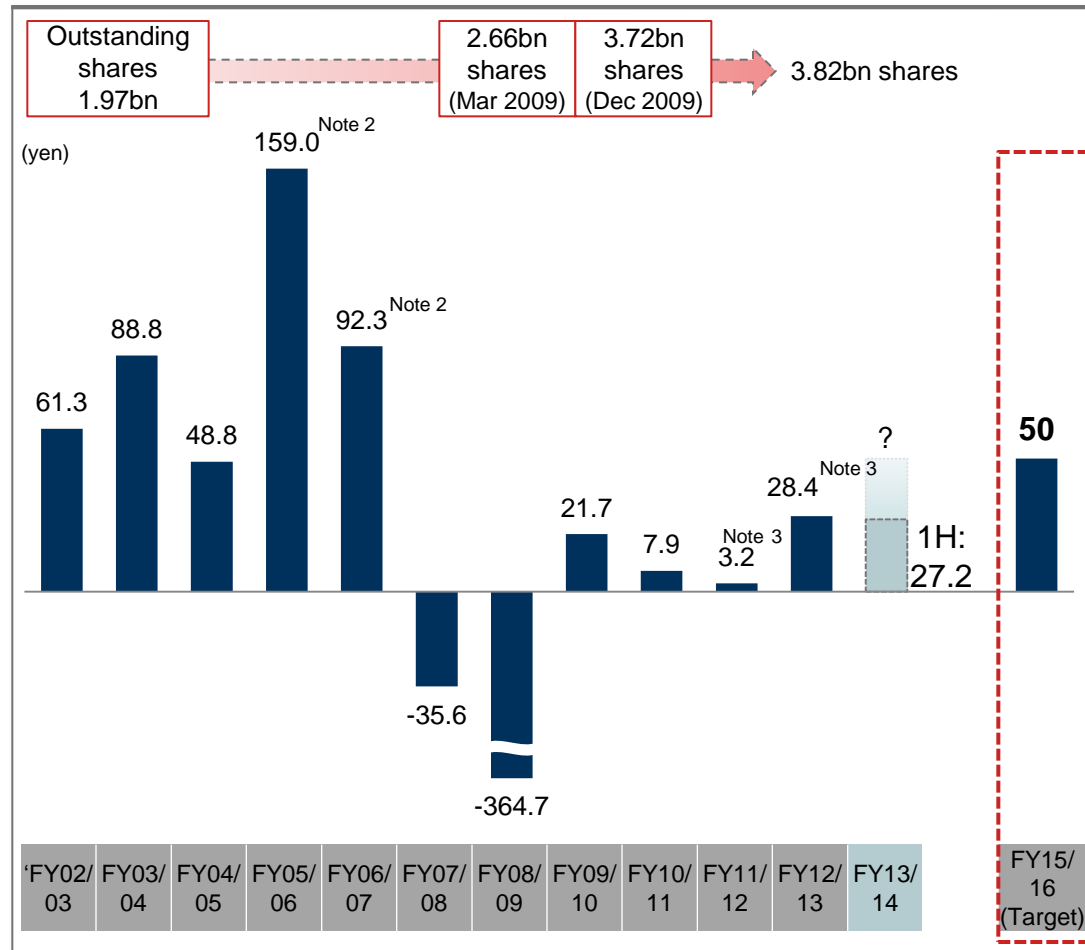
✓ **Tier 1 common ratio (Basel 3): 12.2%**

- Fully loaded 2019: 10.7%

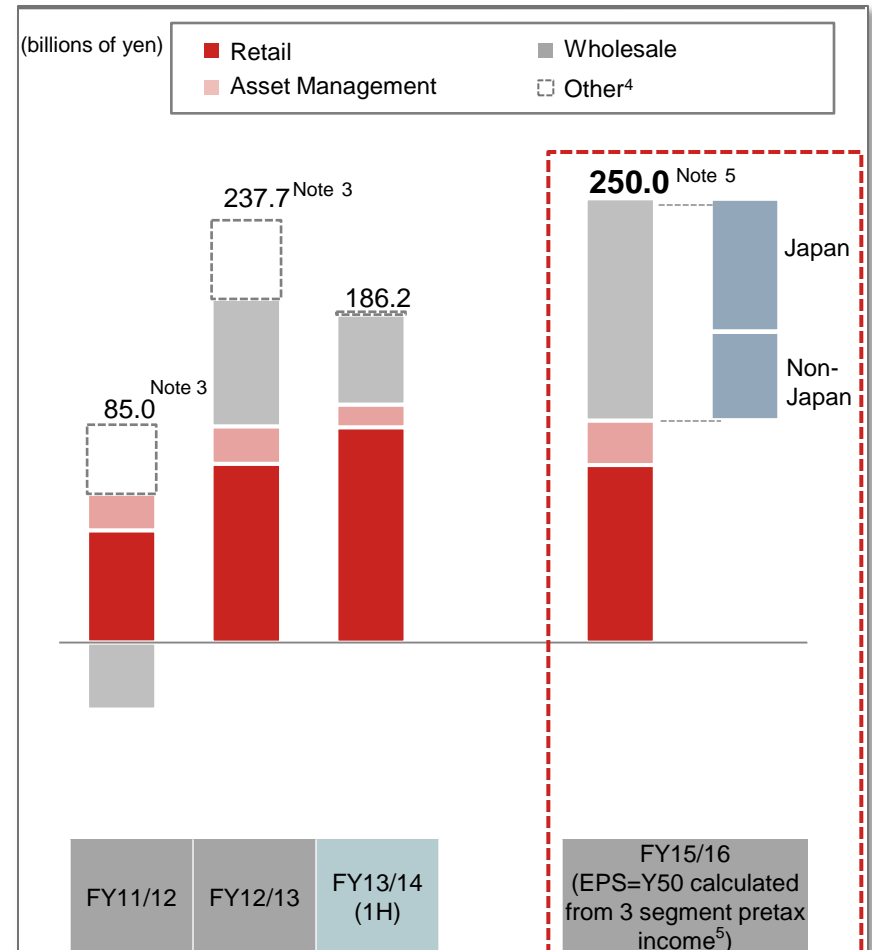
(1) Net income attributable to Nomura Holdings shareholders.

FY2015/16 management target

Earnings (loss) per share¹



Income before income taxes by business segment



1. Net income (loss) per share attributable to Nomura Holdings Shareholders.

2. Includes Merchant Banking income before income taxes of ¥55.4bn for FY2005/06 and ¥52.8bn for FY2006/07

3. Includes Nomura Real Estate Holdings as a consolidated entity.

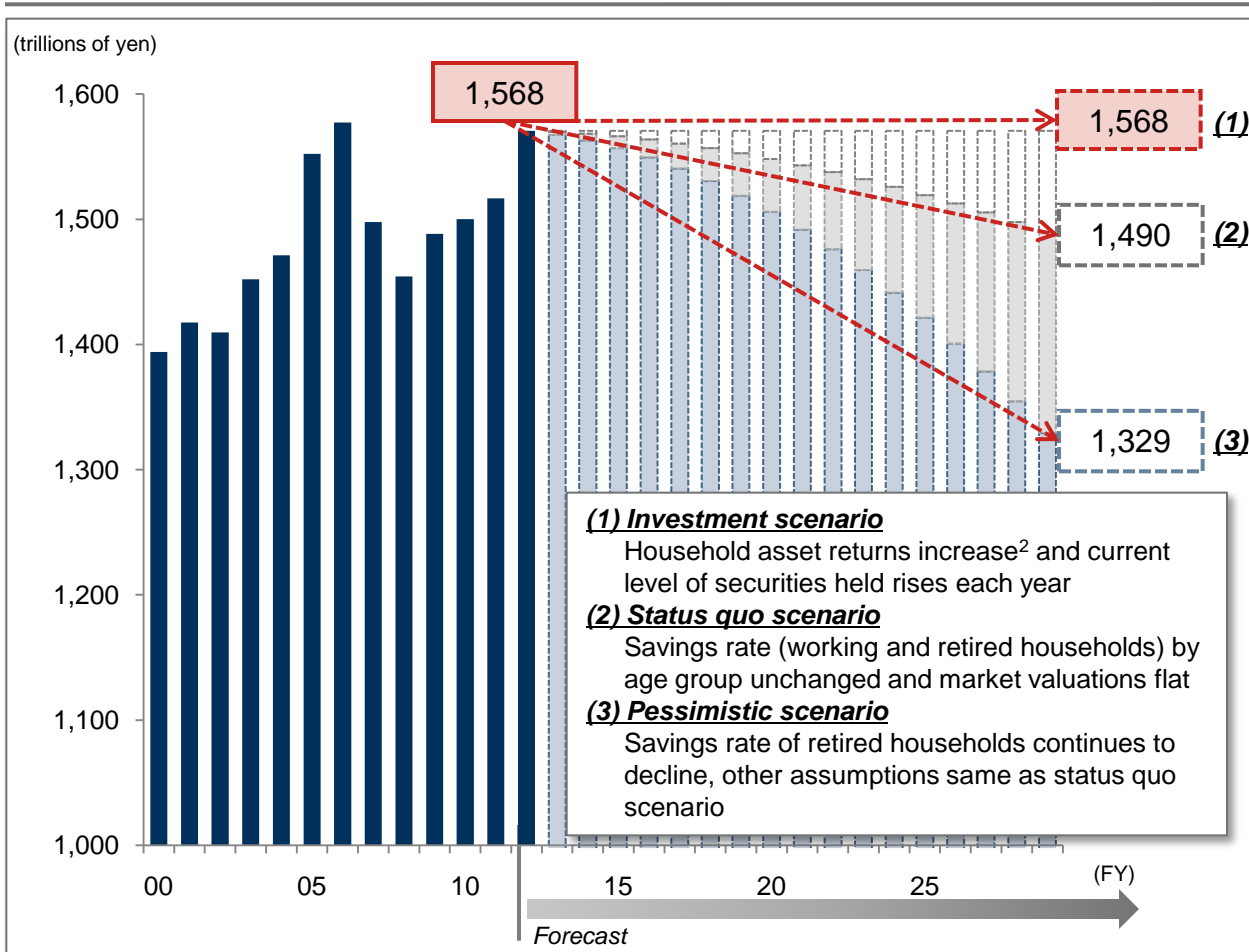
4. Other includes unrealized gain (loss) on investments equity securities held for operating purposes. FY2015/16 pretax income (target) excludes Other.

5. Effective tax rate differs by country so pretax income required to achieve EPS of ¥50 may fluctuate depending on the regional breakdown of earnings.

Retail sales: The need for a long-term view

- Long-term view to retail sales needed in light of 2030 forecast for personal financial assets ongoing growth of inheritance assets

Three scenarios for personal financial assets¹ in 2030



- ✓ Unless something is done, personal financial assets are expected to decline with the aging population/declining birthrate
- ✓ Inheritance market (over Y50trn a year)³ is expected to continue growing
- ✓ Instability of social security system is driving demand for asset formation

Changing Retail division mindset

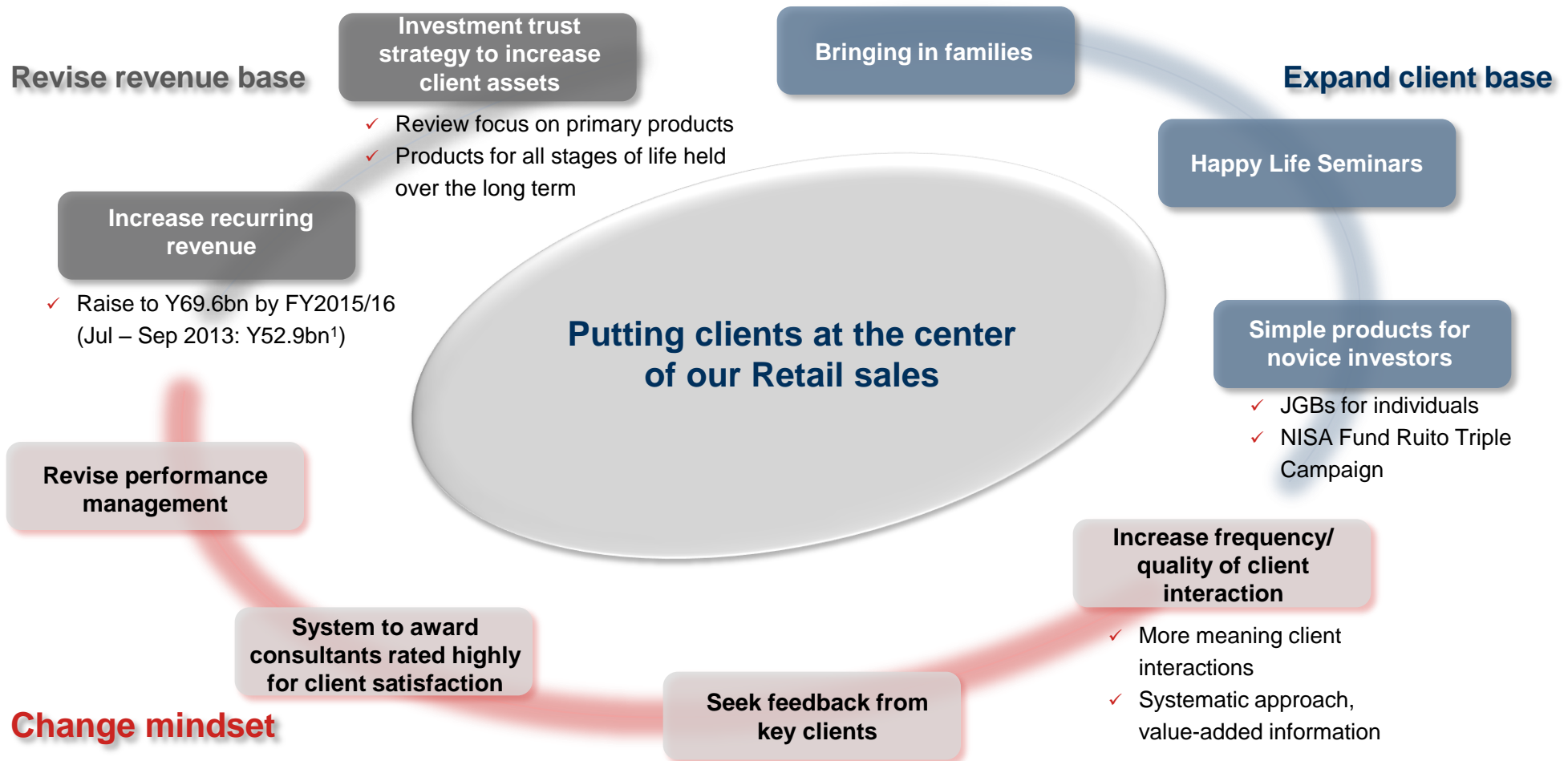
Take a long-term approach to provide products aligned to the needs of clients at each stage of their life

Encourage higher returns for household assets through shift from savings to investment

More meaningful contact with clients

1. Source: Data to 2012 based on Bank of Japan Flow of Funds Accounts Statistics; Forecasts by Nomura Institute of Capital Markets Research.
 2. Expected to increase by 2.3% per year.
 3. Source: Nomura Institute of Capital Markets Research; Includes real estate.

Realigning our Retail business model

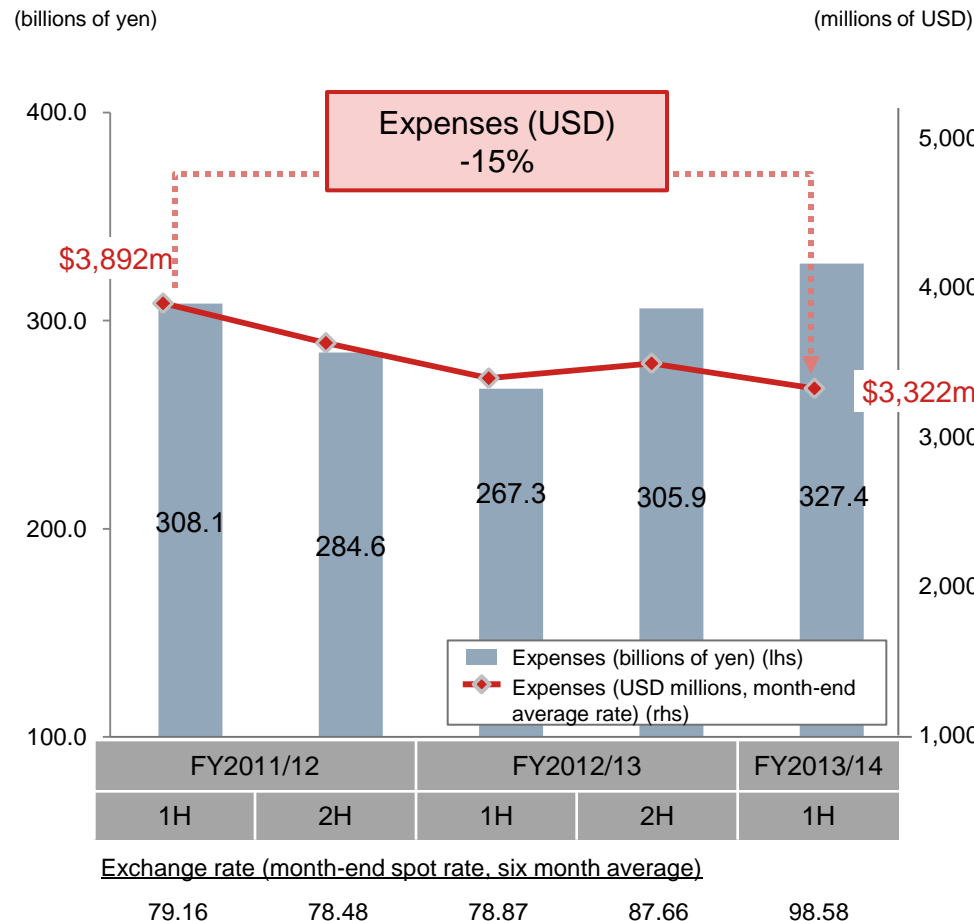


1. Jul – Sep 2013 recurring revenue (Y13.2bn), annualized.

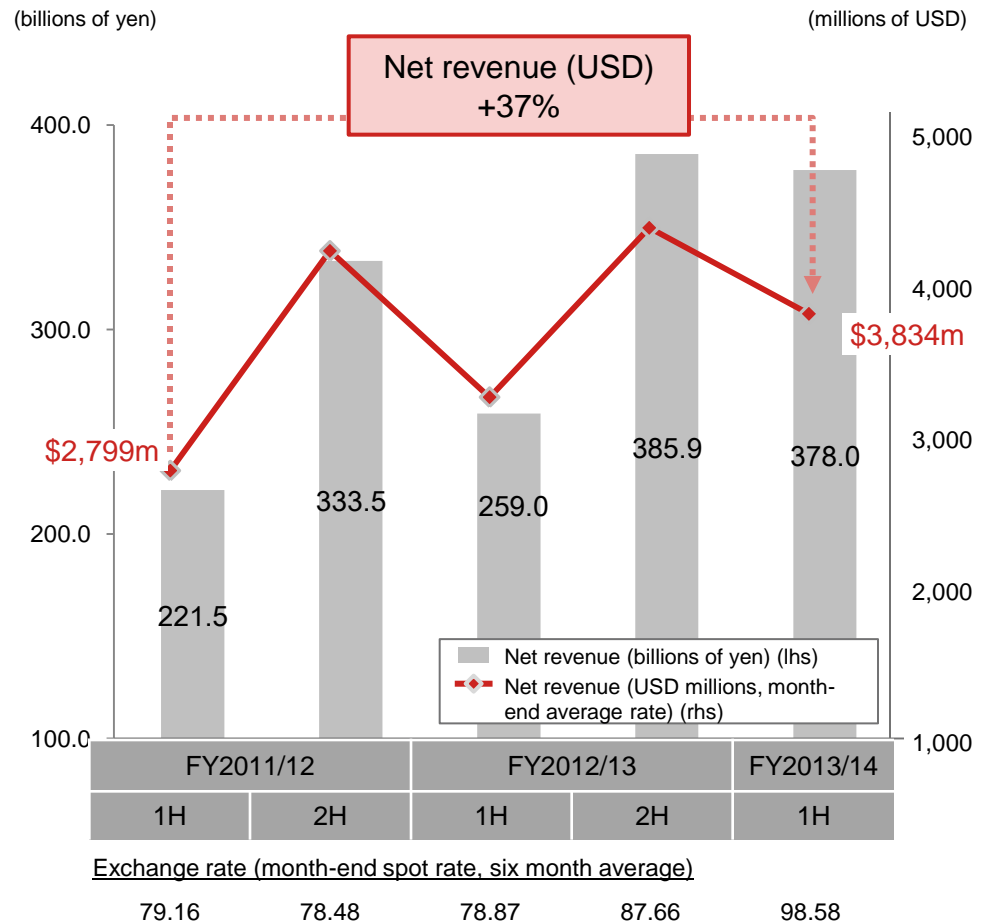
Lowering breakeven point in Wholesale

- Implemented \$2bn of cost reduction initiatives since July 2011
- Costs down 15% on and revenues up 37% on USD basis

Non-interest expenses

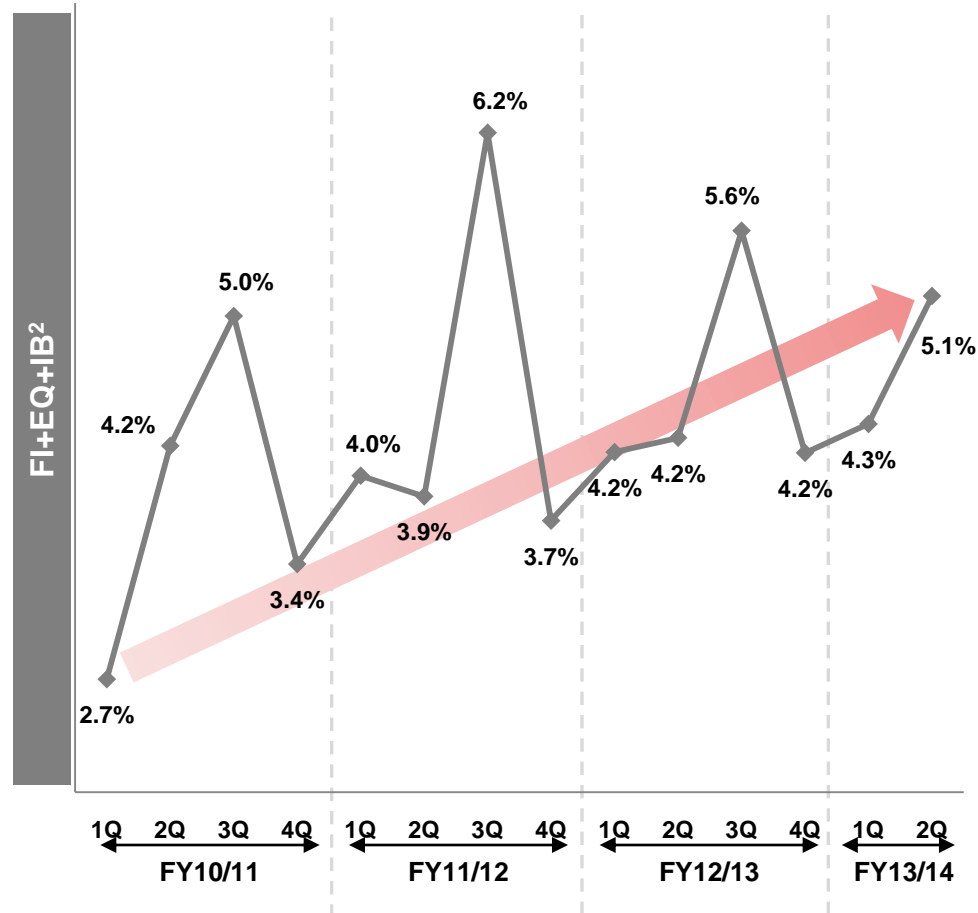


Net revenue

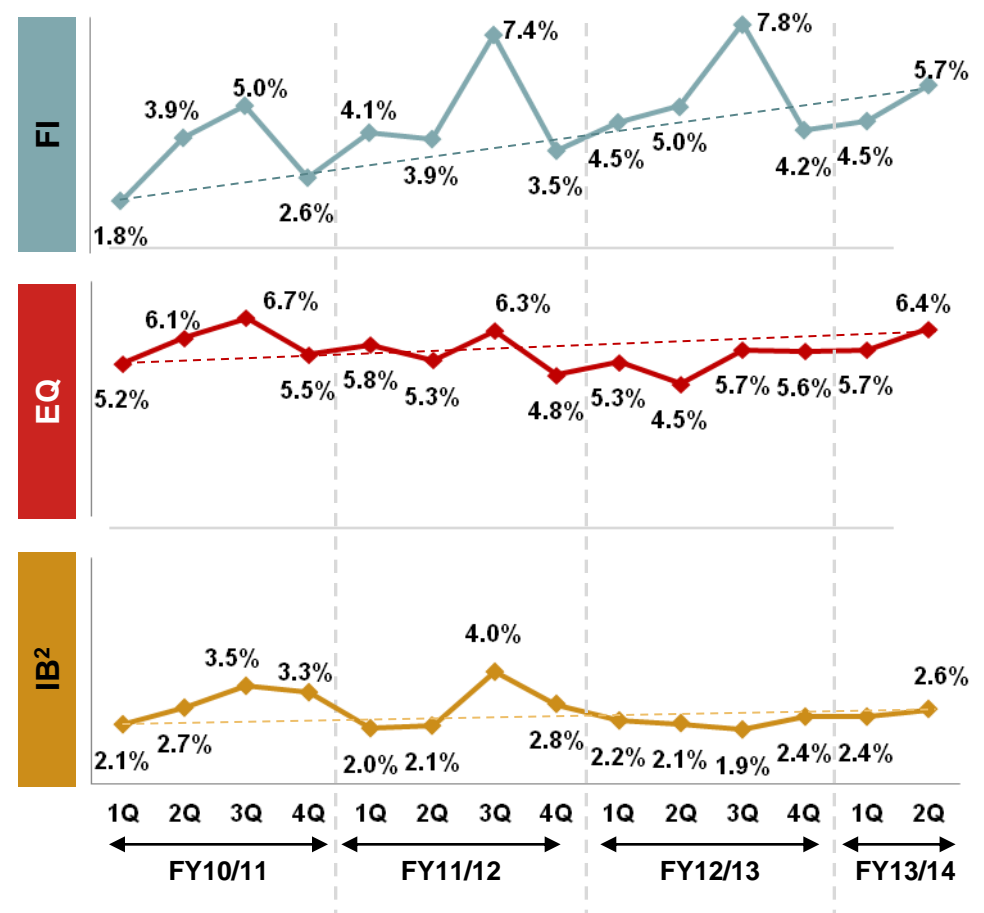


Share of fee pool among 10 firms is trending up

Wholesale net revenue share¹



Business line net revenue share¹

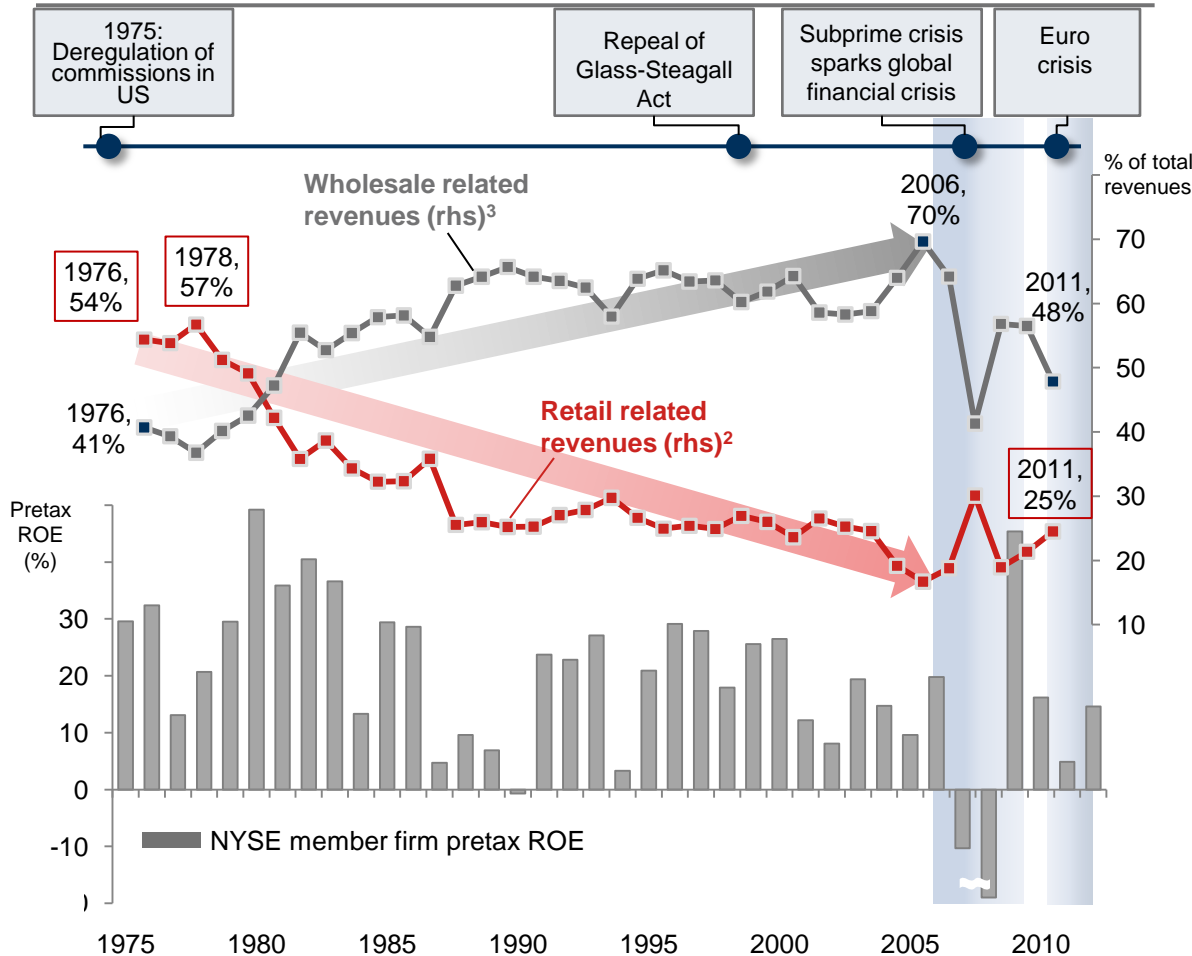


1. Nomura's share of combined revenues of nine global banks (Goldman Sachs, Morgan Stanley, Bank of America Merrill Lynch, Citi, JPMorgan, Credit Suisse, Deutsche Bank, UBS, and Barclays) and Nomura.
 2. Based on Investment Banking (net) revenue for Nomura.

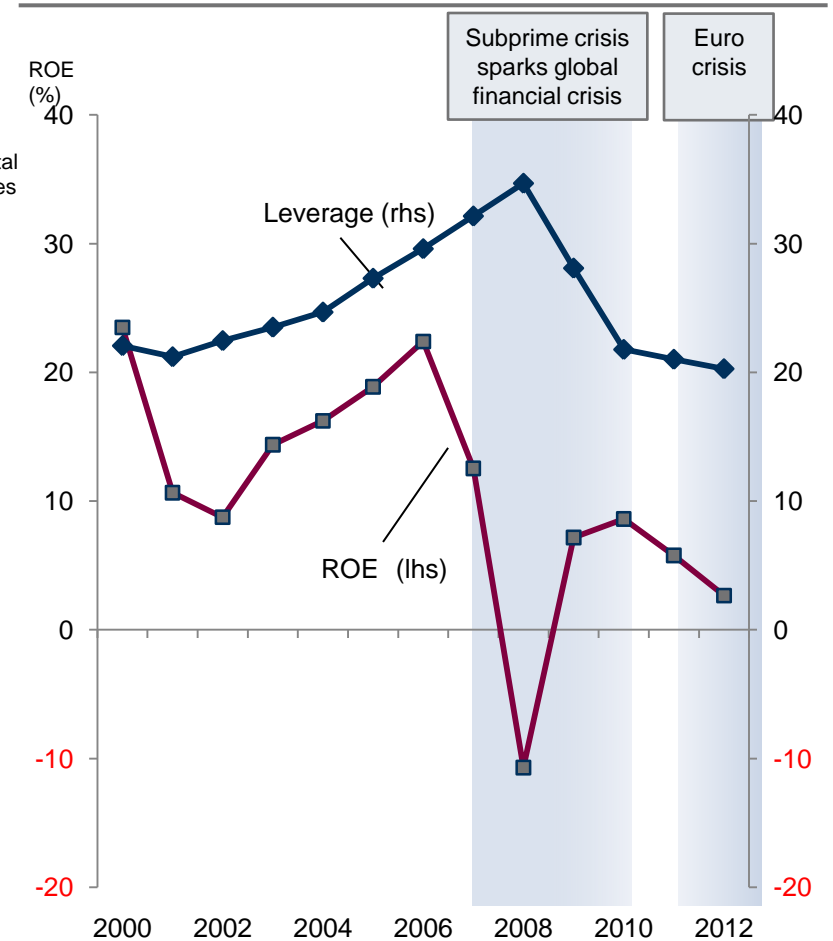
3. Evolving operating environment

Transformation of revenues in global financial services

Revenue base and pretax ROE of NYSE member firms¹



Leverage and ROE of global banks⁴ since 2000



1. Source: SIFMA Factbook 2012 for NYSE member firms.

2. Retail related revenues: Brokerage commissions, margin trading interest, mutual fund sales.

3. Wholesale related revenues: trading, underwriting fees, commodities, other securities related.

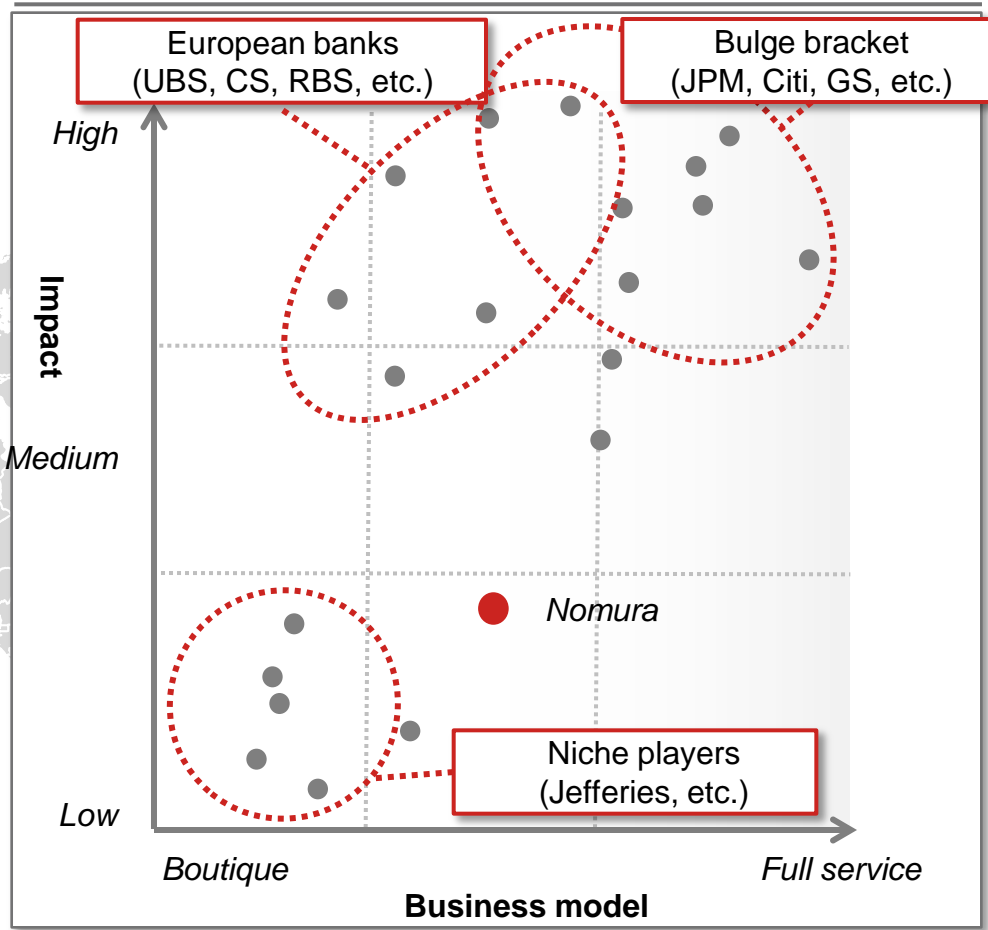
4. Nine competitors: Goldman Sachs, Morgan Stanley, Bank of America Merrill Lynch, Citi, JPMorgan, Credit Suisse, Deutsche Bank, UBS, and Barclays.

Comparison of global regulatory reforms

Global regulatory reforms

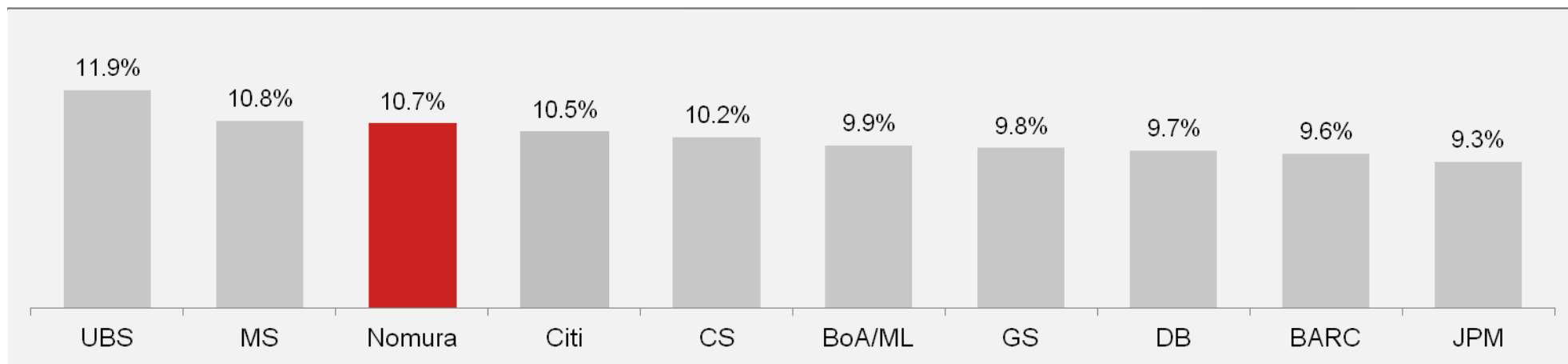
<p>Improve soundness of financial institutions</p>	<ul style="list-style-type: none"> ■ Basel III ■ Capital requirements ■ Liquidity standards ■ Leverage ratio ■ Enhanced risk management ■ Compensation regulations
<p>Too-Big-To-Fail</p>	<ul style="list-style-type: none"> ■ Regulation of SIFIs ■ Living wills ■ Business regulations (Volcker Rule, etc.) ■ Extended SIFI regulations (insurers, non-banks, financial infrastructure, domestic SIFIS)
<p>Stabilize financial markets</p>	<ul style="list-style-type: none"> ■ OTC derivative market reforms ■ Shadow banking regulations ■ Credit rating agency reforms ■ Reforms of financial indices ■ Convergence of accounting standards, more stringent disclosure requirements

Impact of reforms

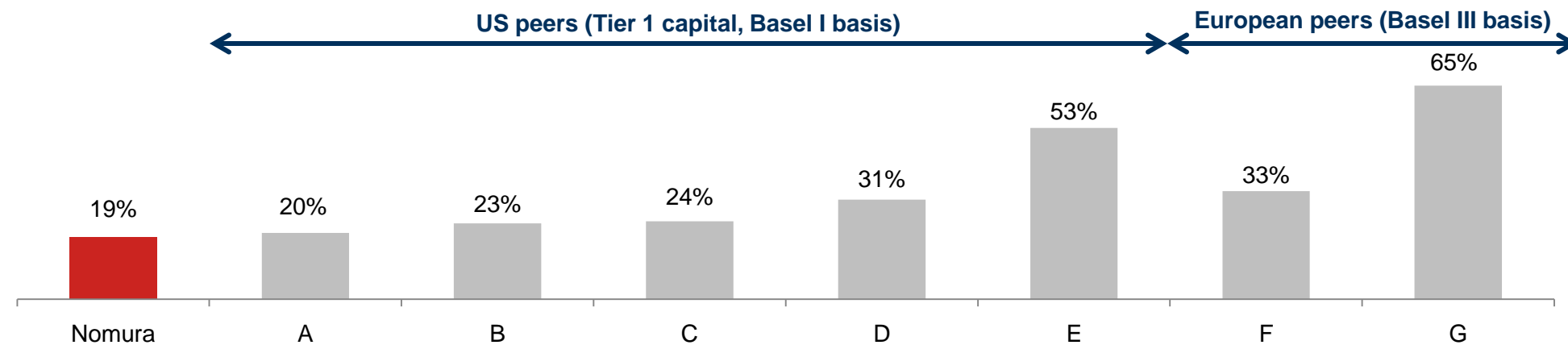


Balance sheet positioning

Tier 1 common ratio (Basel III, full loaded 2019) as of Sep 2013¹



Level 3 assets/Tier 1 capital as of Sep 2013²



1. Deutsche Bank and Barclays shown on CRD IV basis; Barclays rights issue factored in.
 2. Competitors where data available. Net level 3 assets.

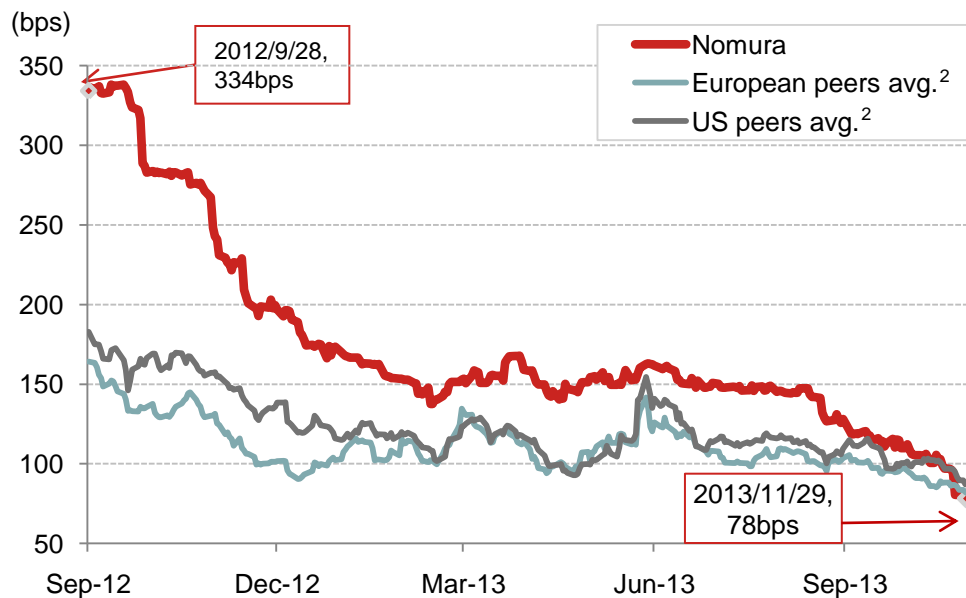
Rating upgrade will lower funding costs and increase business opportunities

- Fitch upgraded Nomura Holdings and Nomura Securities to A- on Sep 25
- Lower funding costs, reduced counterparty risk position us to grow businesses such as derivatives

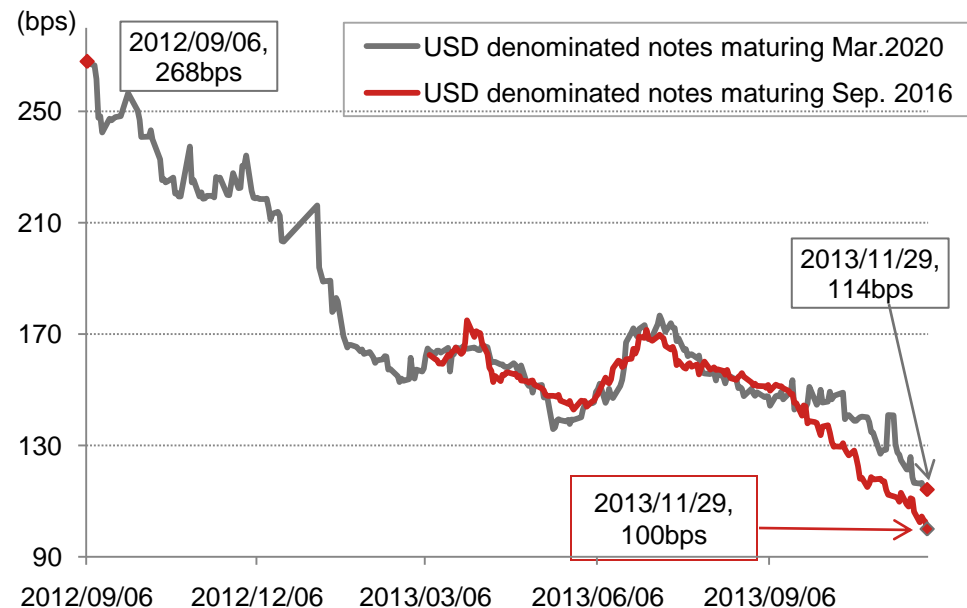
Credit ratings

	Moody's		Standard & Poor's		Fitch		R&I		JCR
	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term
Nomura Holdings	Baa3		BBB+	A-2	A-	F1	A +	a-1	AA -
Nomura Securities	Baa2	P-2	A -	A-2	A-	F1	A +	a-1	AA -
Outlook	Stable		Stable		Stable		Stable		Stable

CDS spread¹



Nomura USD-denominated bond spread³



1. 5-yr USD CDS.

2. European peers: Credit Suisse, Deutsche bank, UBS, and Barclays. US peers: Goldman Sachs, Morgan Stanley, Bank of America Merrill Lynch, Citi, and JPMorgan

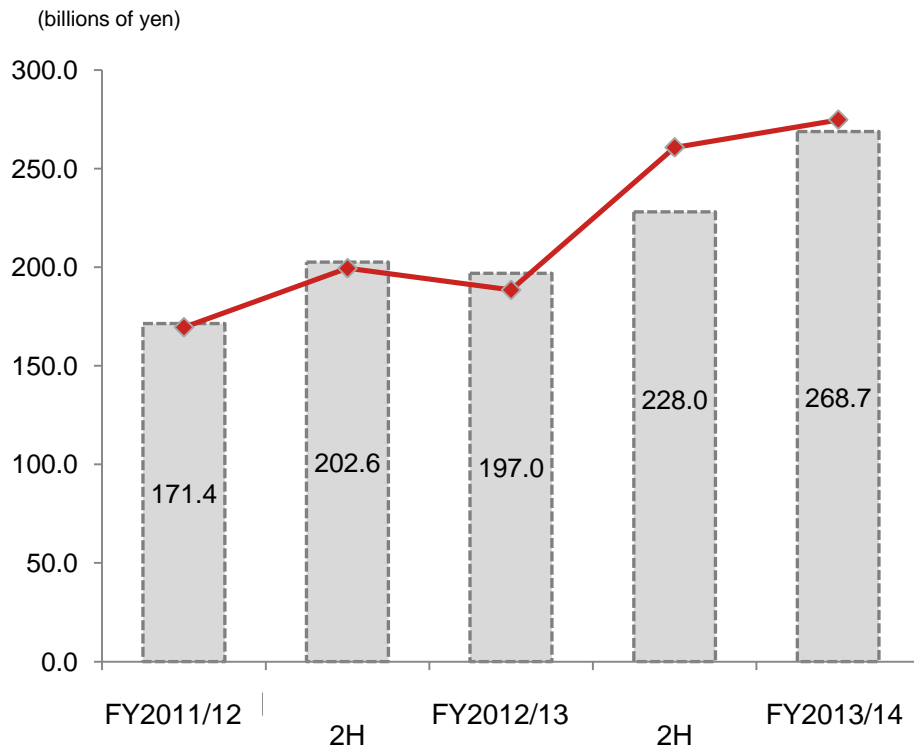
3. 10-yr USD-denominated senior notes due to be redeemed on Mar 4, 2020: Coupon 6.7%; USD-denominated (3.5-yr senior notes) due to be redeemed on Sep 13, 2016: Coupon 2%.

4. Looking ahead

Profitability of international operations is improving

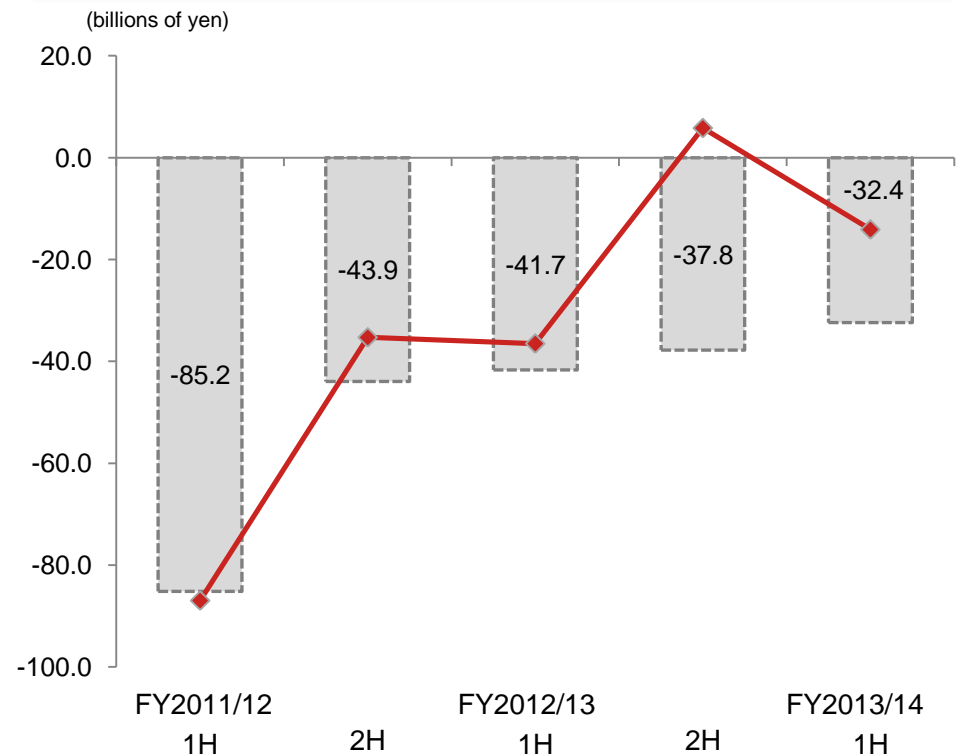
Net revenue from international operations¹

◆ Net revenue (excluding gains (losses) from own and counterparty credit spreads, and realized gain on sale of Annington)



Income (loss) before income taxes from international operations¹

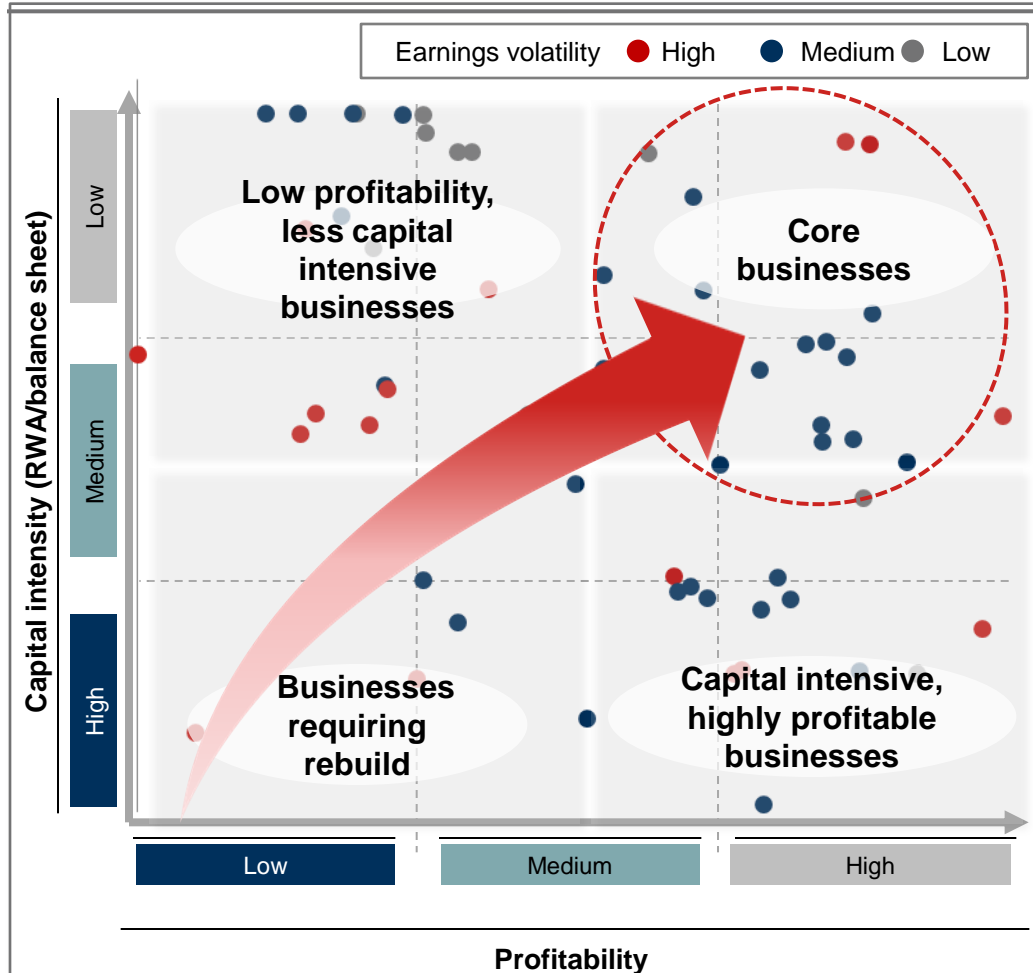
◆ Income (loss) before income taxes (excluding gains (losses) from own and counterparty credit spreads, realized gain on sale of Annington, one-off expenses related to cost reductions, goodwill impairment charges, and FCR-related expenses)



1. Group-wide on financial accounting basis. Geographic information is based on U.S. GAAP. Nomura's revenues and expenses are allocated based on the country of domicile of the legal entity providing the service. This information is not used for business management purposes. Net revenue has been allocated based on transactions with external customers while loss before income taxes has been allocated based on the inclusion of intersegment transactions.

Optimizing our business portfolio

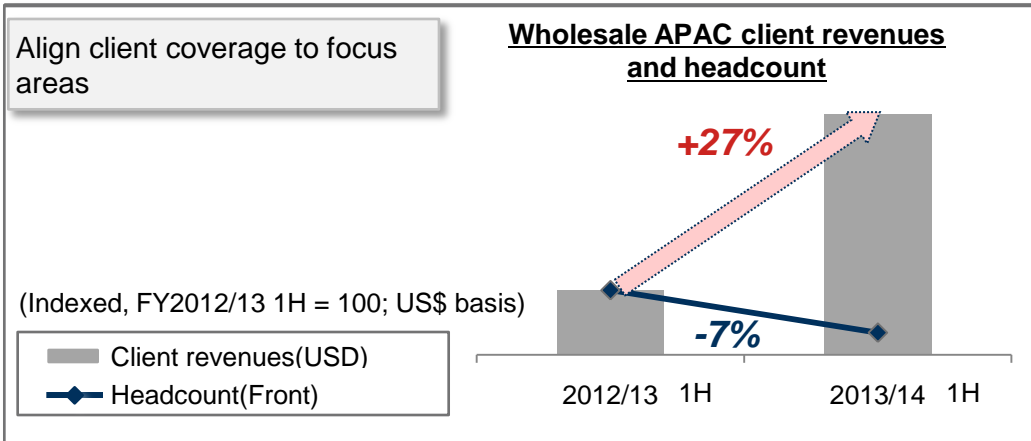
Global Markets: Review profitability and resources by strategy and evaluate external environment



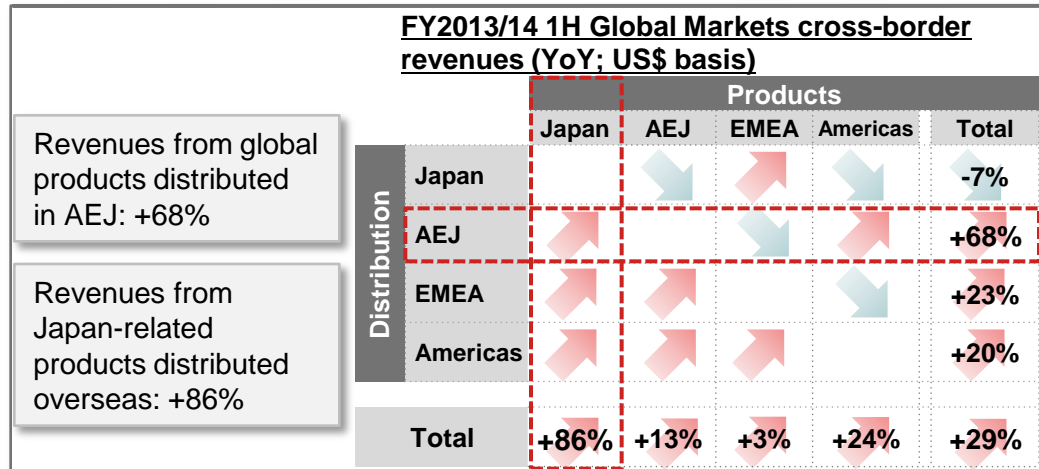
				External environment and internal positioning	Action plan
Core businesses with stable earnings	Fee pool outlook?	Necessary for franchise?	Market share, competitive strengths?		<ul style="list-style-type: none"> Disciplined investment to enhance market position
Capital intensive, highly profitable businesses					<ul style="list-style-type: none"> Rightsize areas where margins and fee pools are expected to shrink
Low profitability/less capital intensive businesses					<ul style="list-style-type: none"> Focus on areas of competitive strengths to improve profitability
Businesses requiring rebuild					<ul style="list-style-type: none"> Reduce costs, close certain businesses Shift resources to growth areas

Asia incl. Japan as home market, strengthen businesses

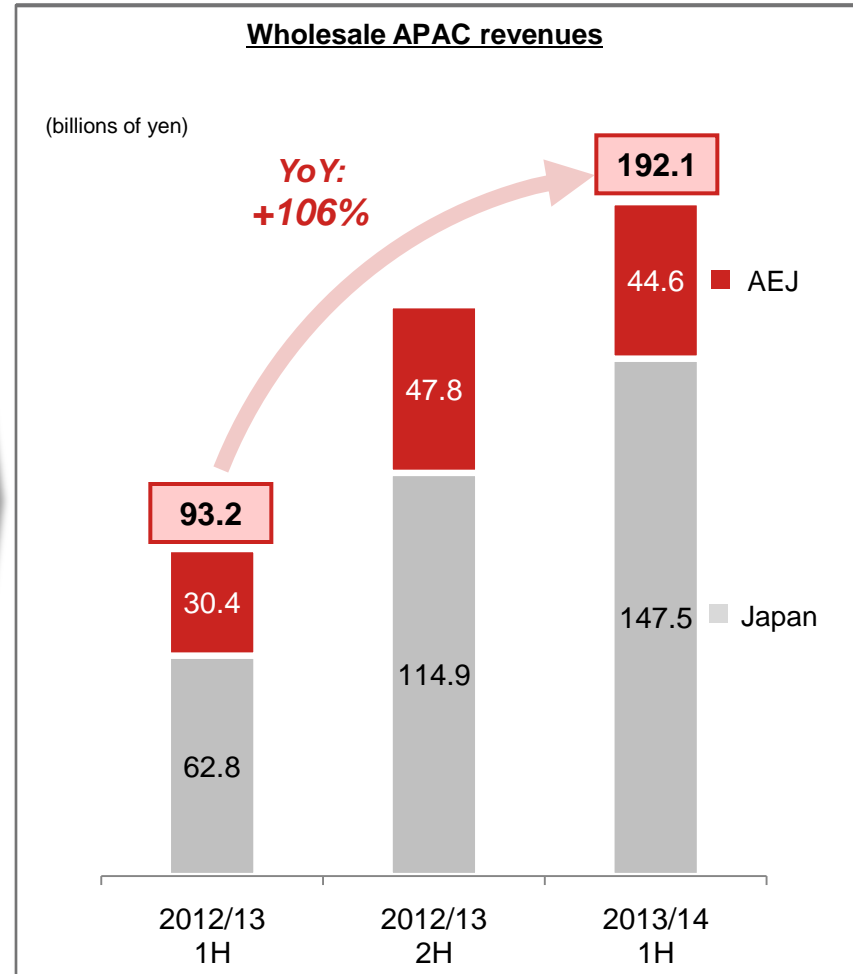
Improved productivity: Headcount down as client businesses grow



Global Markets international cross-border revenues are increasing

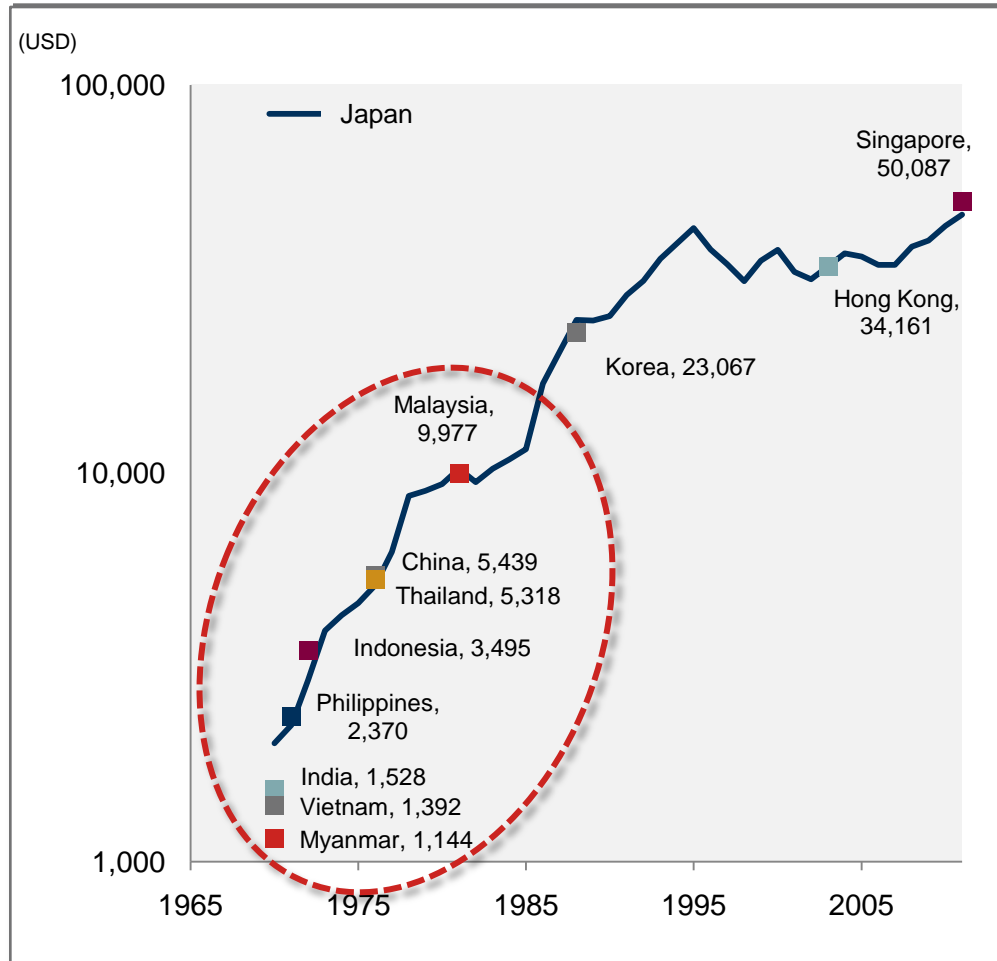


Wholesale: AEJ revenue growth, solid results in Japan

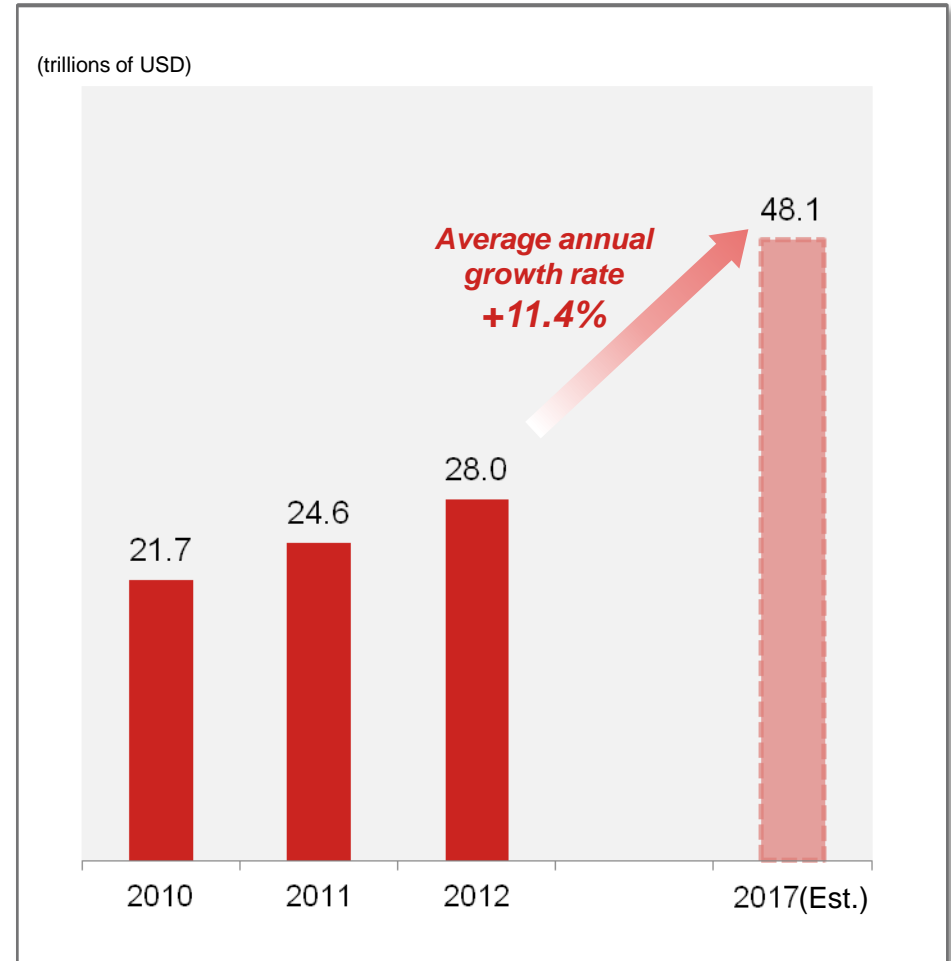


Economic growth in Asia

2011 GDP per capita in Asia vs. Japan GDP per capita trend¹



Personal financial assets² in Asia ex-Japan

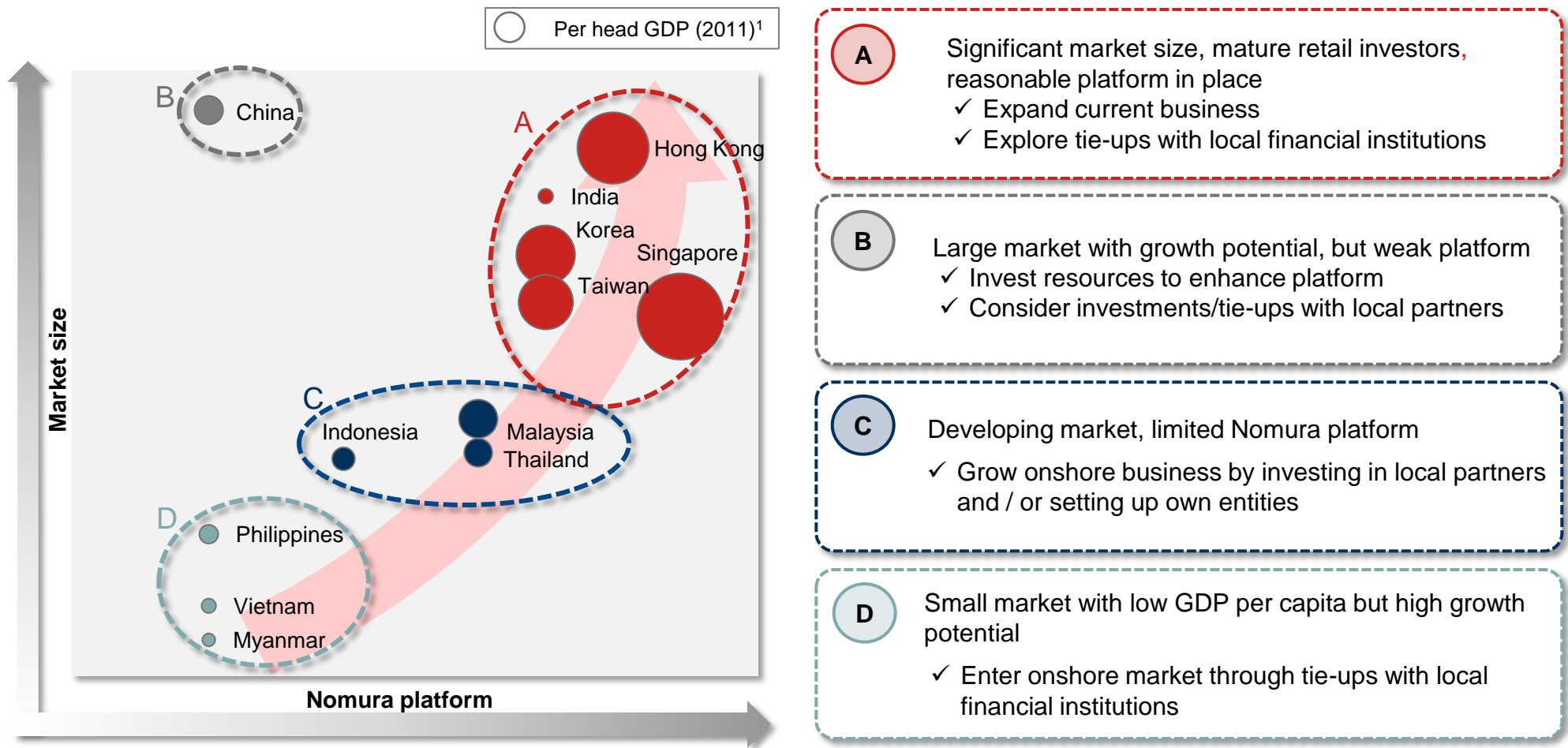


1. Source: Nomura, based on United Nations data..

2. Source: Boston Consulting Group.

Medium to long term strategy in Asia

Four categories based on market size, current platform, GDP per capita¹ and growth potential



1. Source: United Nations; IMF data used for Taiwan.

5. In closing

Put clients at the center of everything we do

Revive the Japanese economy through financial services

Lay foundations for sustainable growth over the next 10 to 20 years

Establish solid position as Asia's global investment bank

Nomura Holdings, Inc.
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