

Presentation at Nomura Investment Forum 2014

Koji Nagai
Group CEO
Nomura Holdings, Inc.

December 2, 2014

1. Introduction

Update on progress of FY2015/16 management targets

Strategic initiatives

Progress (as of Dec 2014)

| FY2015/16 Management target | | | | | |
|---------------------------------|---|---|--|---|---|
| Reinforce domestic business | Retail | <ul style="list-style-type: none"> ✓ Pretax income: Y100bn ✓ Retail client assets: Y100trn (raised from Y90trn) ✓ Recurring revenue: Y69.6bn | | <ul style="list-style-type: none"> ✓ Achieved FY13/14 ✓ Achieved FY13/14 ✓ Y100.2trn (Oct 2014) ✓ Y60.4bn (Jul-Sep 2014 annualized) | |
| | | Asset Management | <ul style="list-style-type: none"> ✓ Pretax income: Y25bn | | <ul style="list-style-type: none"> ✓ Achieved FY13/14 |
| | | Wholesale | <ul style="list-style-type: none"> ✓ Pretax income: Y125bn Of which, international: Y50bn ✓ Additional \$1bn cost reduction (total \$2bn) | | <ul style="list-style-type: none"> ✓ Y111.8bn (FY13/14) ✓ Ongoing |
| Optimal allocation of resources | <ul style="list-style-type: none"> ✓ Sale of non-core assets (Annington, Fortress shares, etc.) ✓ Offering of Nomura Real Estate Holdings shares ✓ Established Nomura Financial Products & Services, Inc. (NFPS), optimal allocation of resources across regions | | | <ul style="list-style-type: none"> ✓ Completed Dec 2012, Feb 2014 ✓ Completed Mar 2013 ✓ Started transferring booking in Oct 2013 | |

2020 long-term management vision

| | | FY2013/14 | FY2019/20 (Target) | |
|-----------------------------|------------------|---------------------|-----------------------|-------------------------------|
| EPS | | Y55.81 ¹ | Y100 | |
| Three segment pretax income | | Y330.9bn | Y450bn – Y470bn | |
| Division | Retail | Y192.0bn | Y195bn – Y205bn | Retail client assets: Y150trn |
| | Asset Management | Y27.1bn | Y45bn – Y50bn | AuM: Y50trn |
| | Wholesale | Y111.8bn | Y210bn – Y230bn | Market share: 3.7% |

FY2019/20 environment assumptions
 Nikkei 225: Y25,000; USD/JPY rate: Y110; Effective tax rate for Japanese companies: below 30%; Global fee pool growth rate: 3% (annualized).

1. Diluted net income per share attributable to Nomura Holdings shareholders.

Two challenges to achieve management targets

1

Transformation of business model in Japan

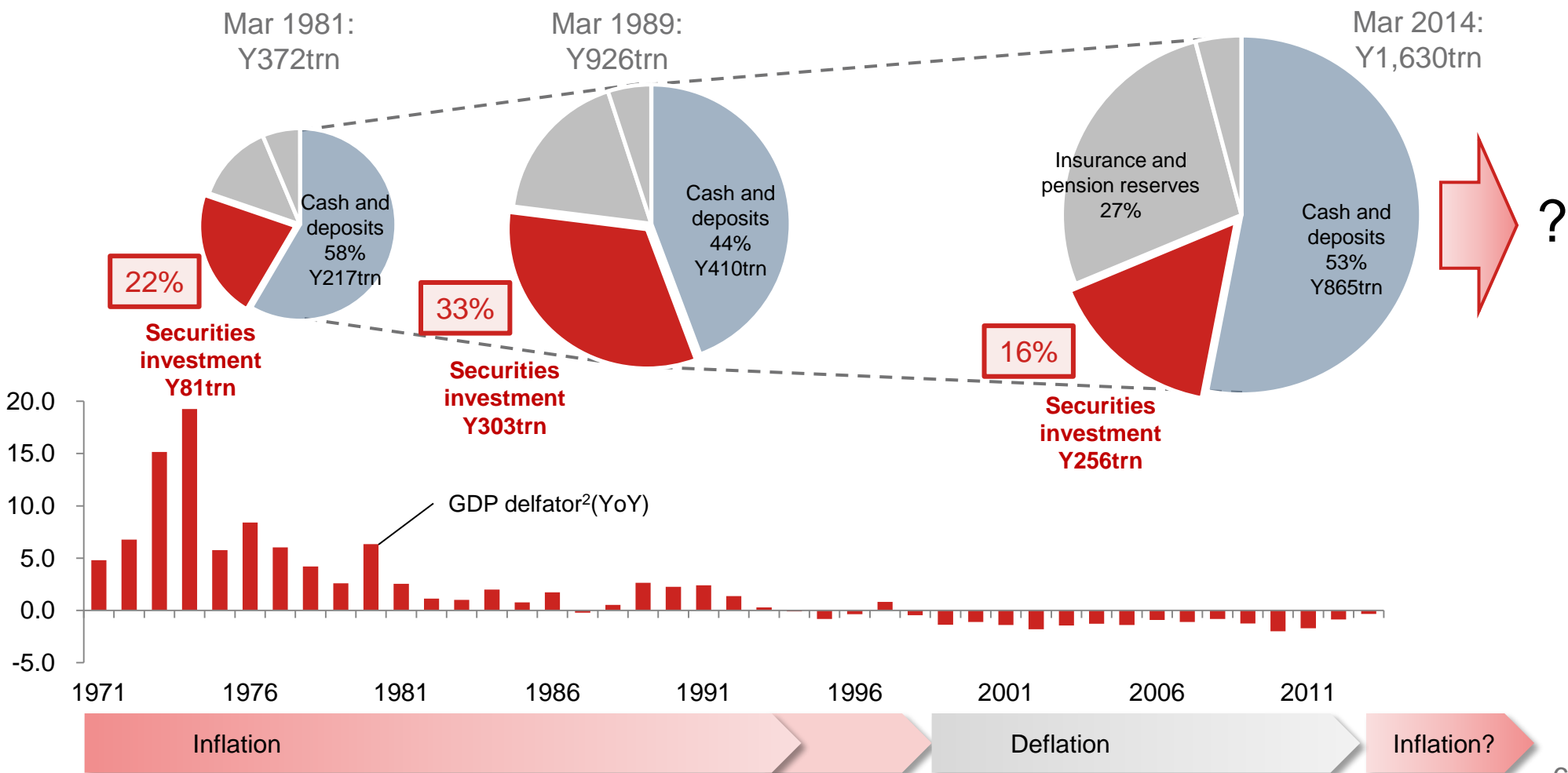
2

Improving profitability of international business

2. Transformation of business model in Japan

Japan's personal financial assets

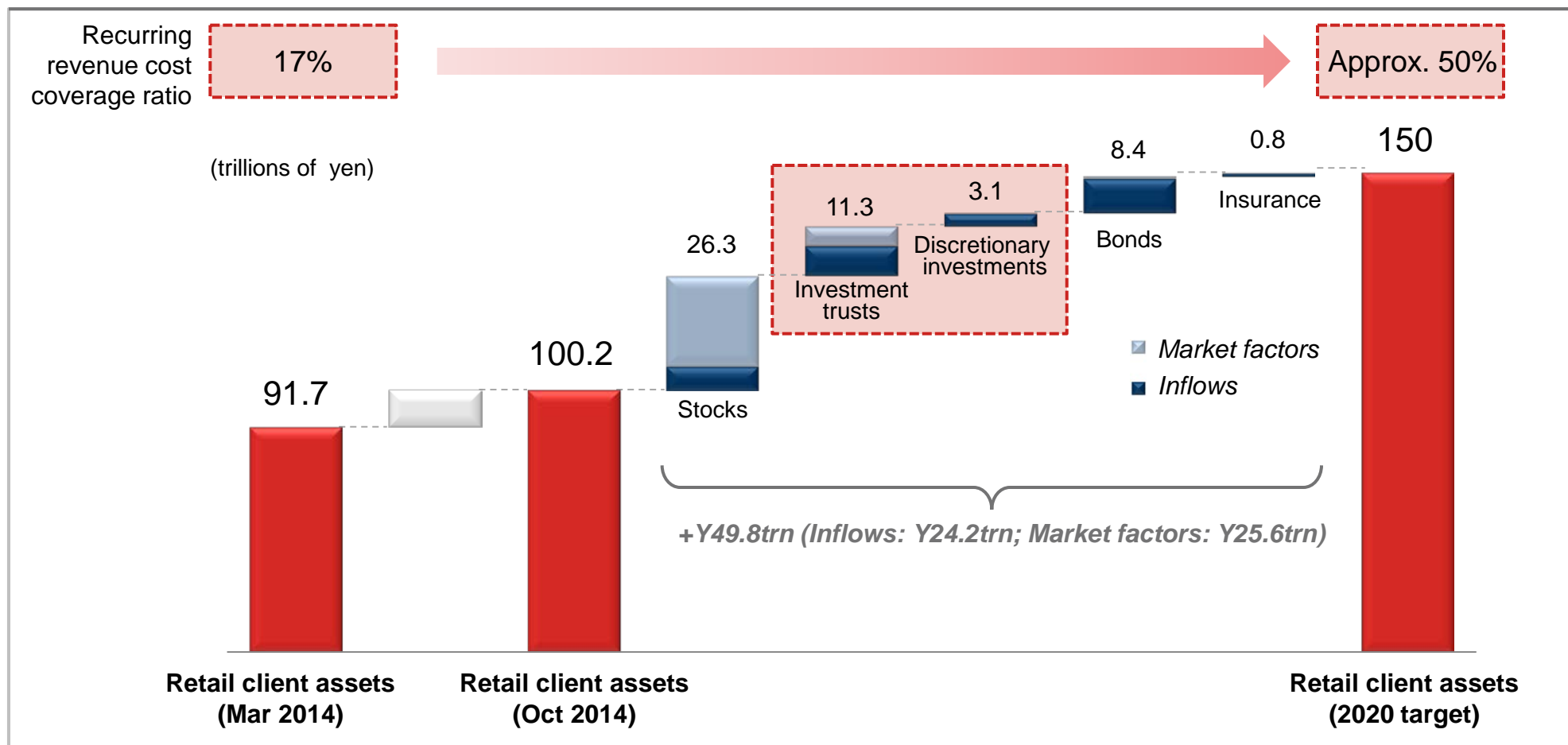
Ratio of securities peaked in 1989 and has declined since; Cash and deposits increased along with deflation¹



1. Source: Nomura, based on Bank of Japan "Flow of Funds Accounts"
 2. Source: Nomura, based on Cabinet Office and Ministry of Internal Affairs and Communications data.

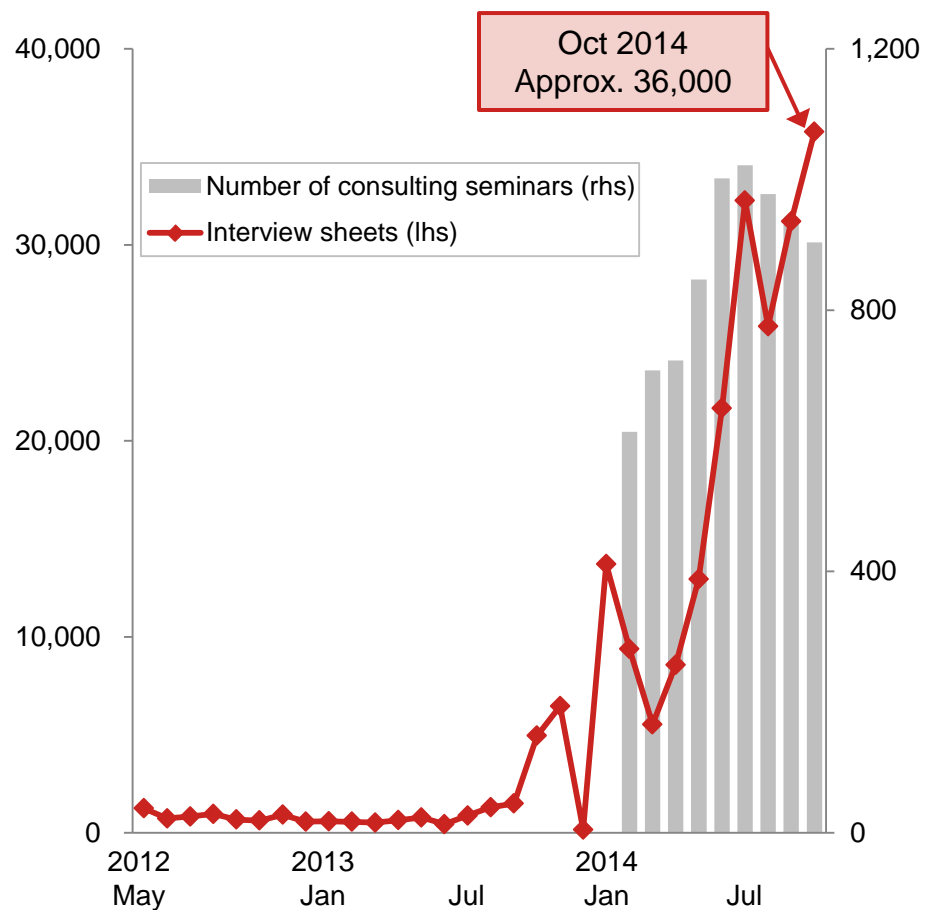
Expanding Retail client assets for consistent revenues

Retail client assets and recurring revenue cost coverage ratio

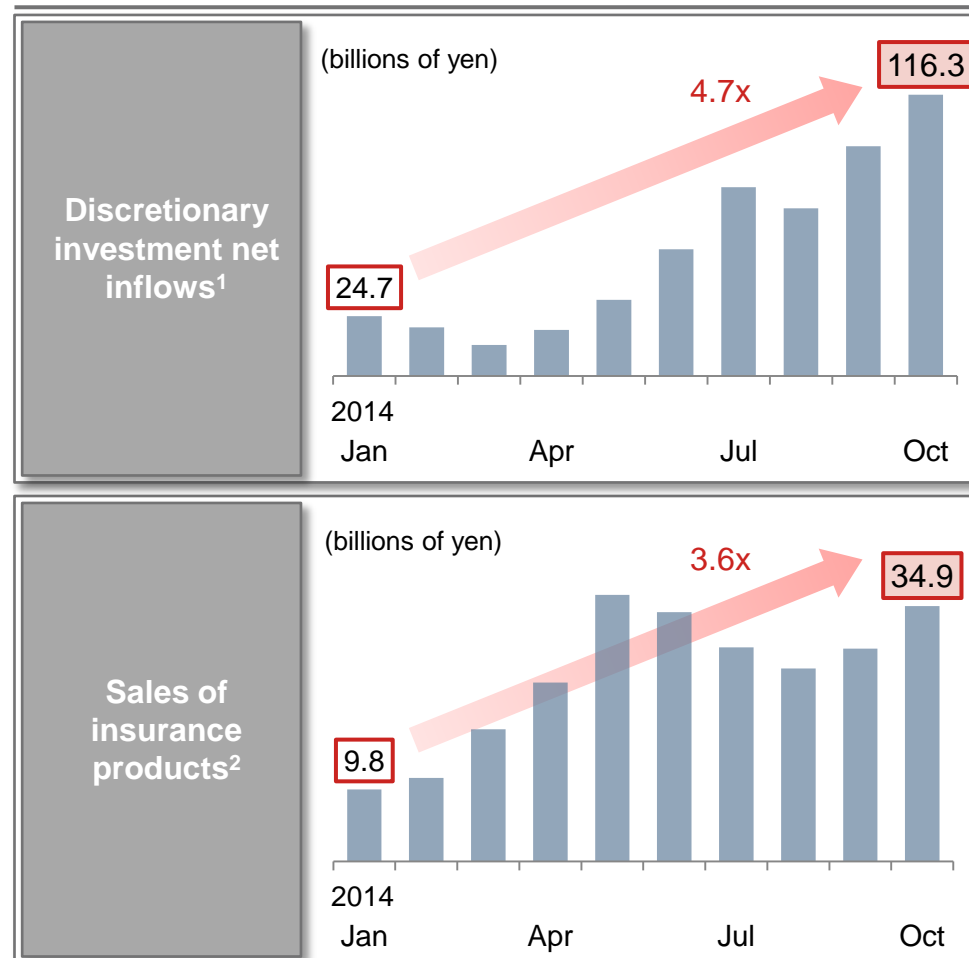


Enhancing consulting approach through client interviews

Interview sheets for discretionary investments (# per month)



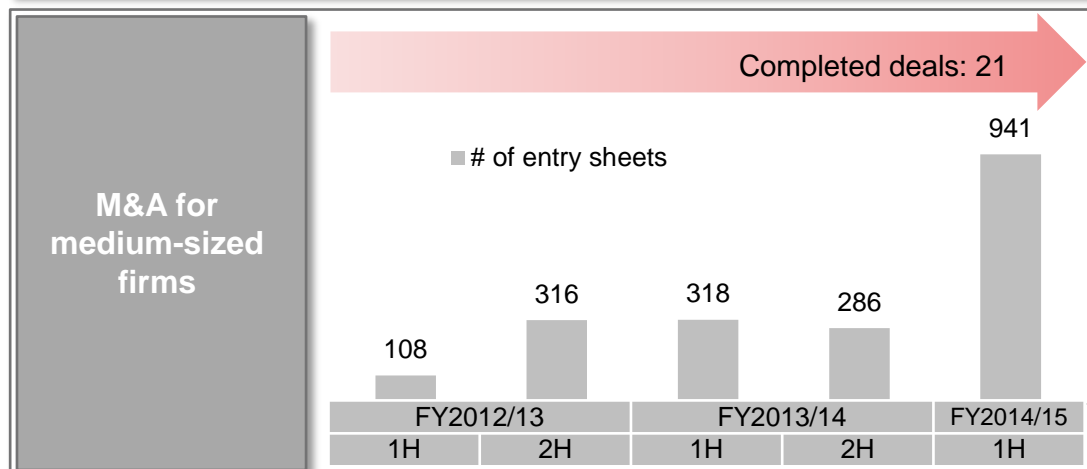
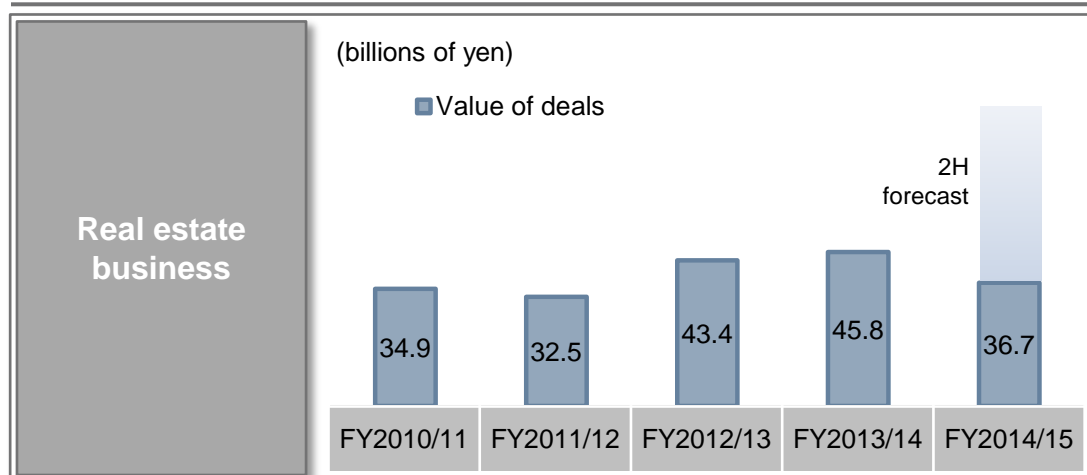
Client interviews help boost discretionary investment net inflows and sales of insurance products



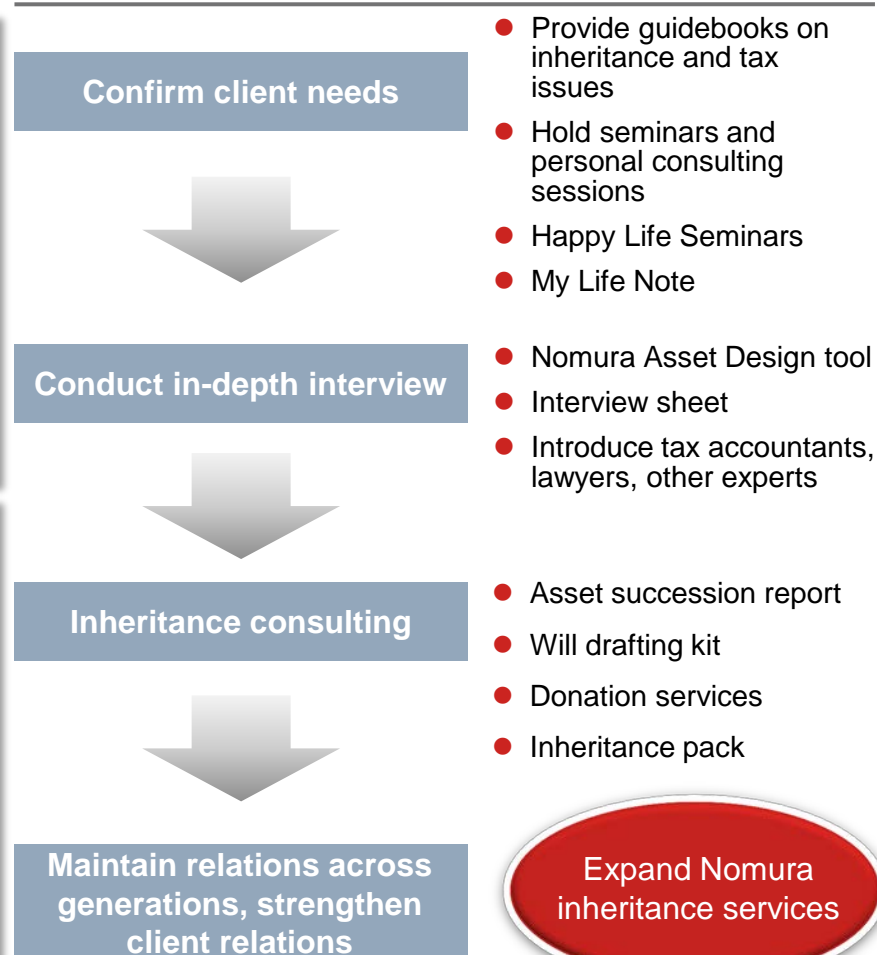
1. Retail channels and Japan Wealth Management group.
2. Retail channels only.

Expanding business through client interviews

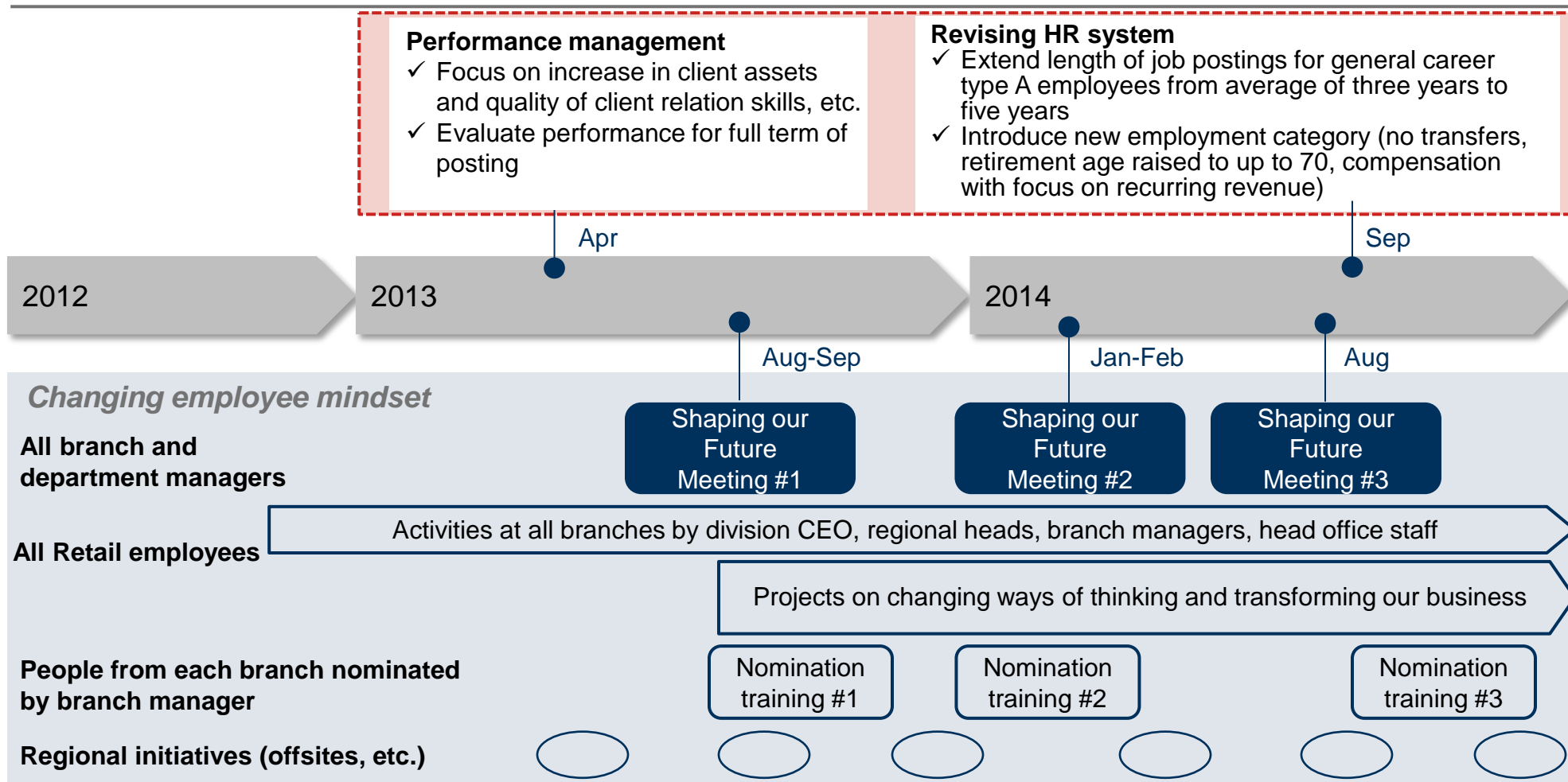
Increase in real estate business and M&A for medium-sized firms



Expanding inheritance related services



Initiatives to transform business model



Asset Management: Growing assets under management

Toward 2020

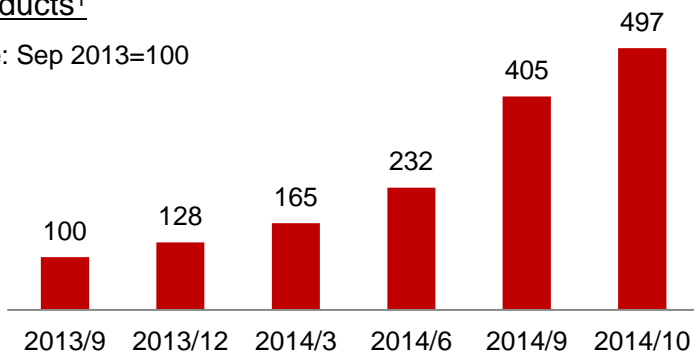


Collaborating with Retail to strengthen investment trust business

- Supporting consulting-based business model
- Providing investment trusts for discretionary investment products (Fund Wrap and SMA)
- Advising regional banks together with Retail

AuM in investment trusts for discretionary investment products¹

Note: Sep 2013=100

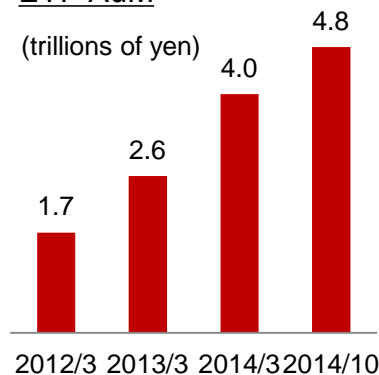


Developing new revenue drivers

- Strengthening and expanding ETF business: Tapping into demand for smart beta products
- Global distribution of UCITS² funds: Europe, Asia, South America
- Development and increased distribution of alternative investment products: AuM growing on back of consistent performance

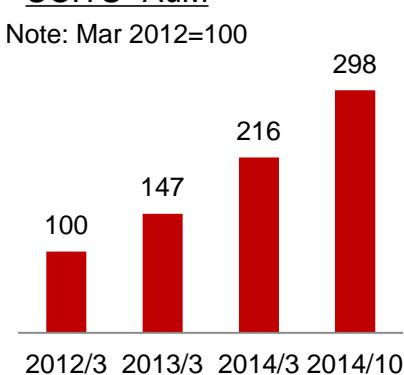
ETF AuM

(trillions of yen)



UCITS² AuM

Note: Mar 2012=100



1. Nomura Asset Management only.

2. Undertakings for Collective Investment in Transferable Securities (UCITS) is the main European framework covering collective investment schemes investing in transferable securities.

Stepping up approach to high-net-worth investors

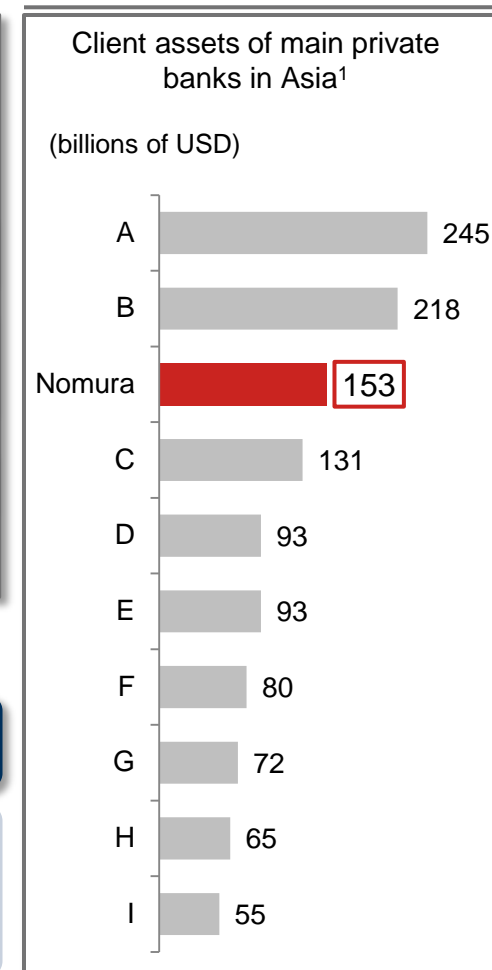
Established Wealth Management business division



Solutions tailored to client needs

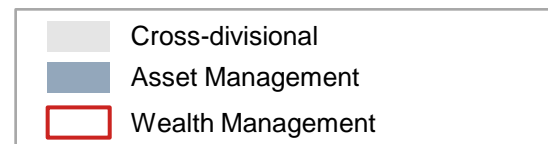


Nomura's Wealth Management business is ranked in top 3 in Asia



1. Source: Nomura Wealth Management client assets (translated at the rate of 105.37 yen / US dollar, the rate prevailing on December 31, 2013) added to data from Asian Private Banker ; As of December 2013.

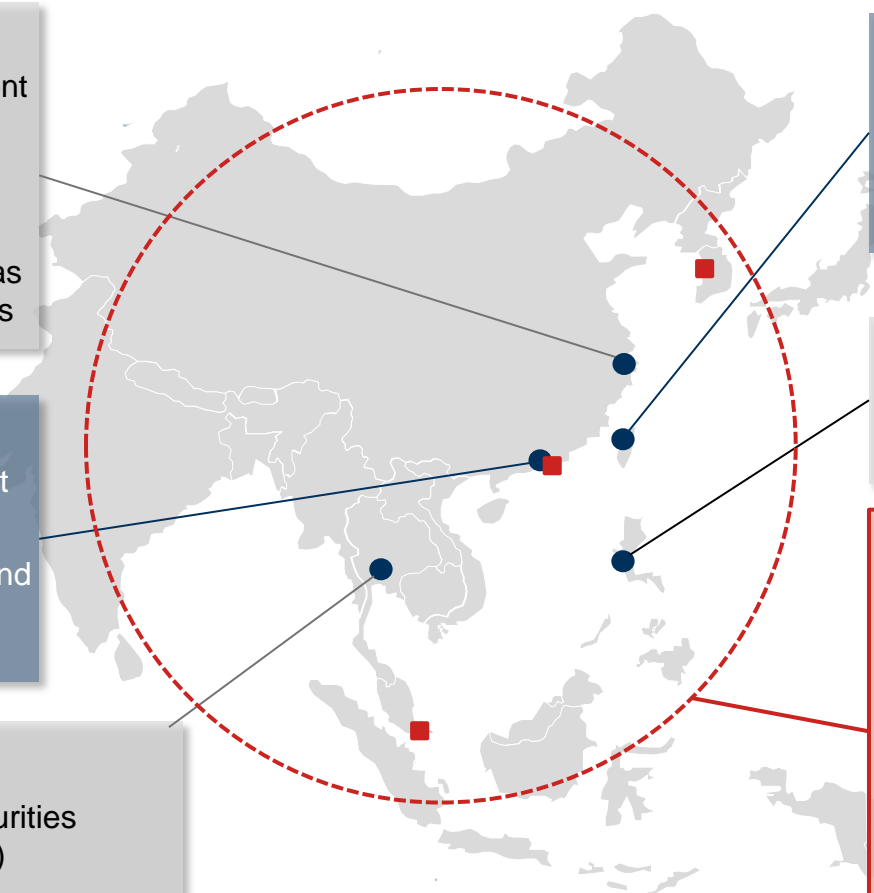
Retail and Asset Management in AEJ



China
 Shanghai Nomura Lujiazui Investment Management
 (Wealth Management)
 ✓ Provide information to high-net-worth Chinese investors and act as a gatekeeper for offshore products

China
 Nomura China Asset Management
 (Asset Management)
 ✓ Provide Chinese private equity fund products to high-net-worth and institutional investors

Thailand
 Capital Nomura Securities
 (Retail business)
 ✓ Conducting retail business in Thailand and neighboring countries



Taiwan
 Nomura Asset Management Taiwan
 ✓ Providing diverse range of solutions through powerful marketing platform

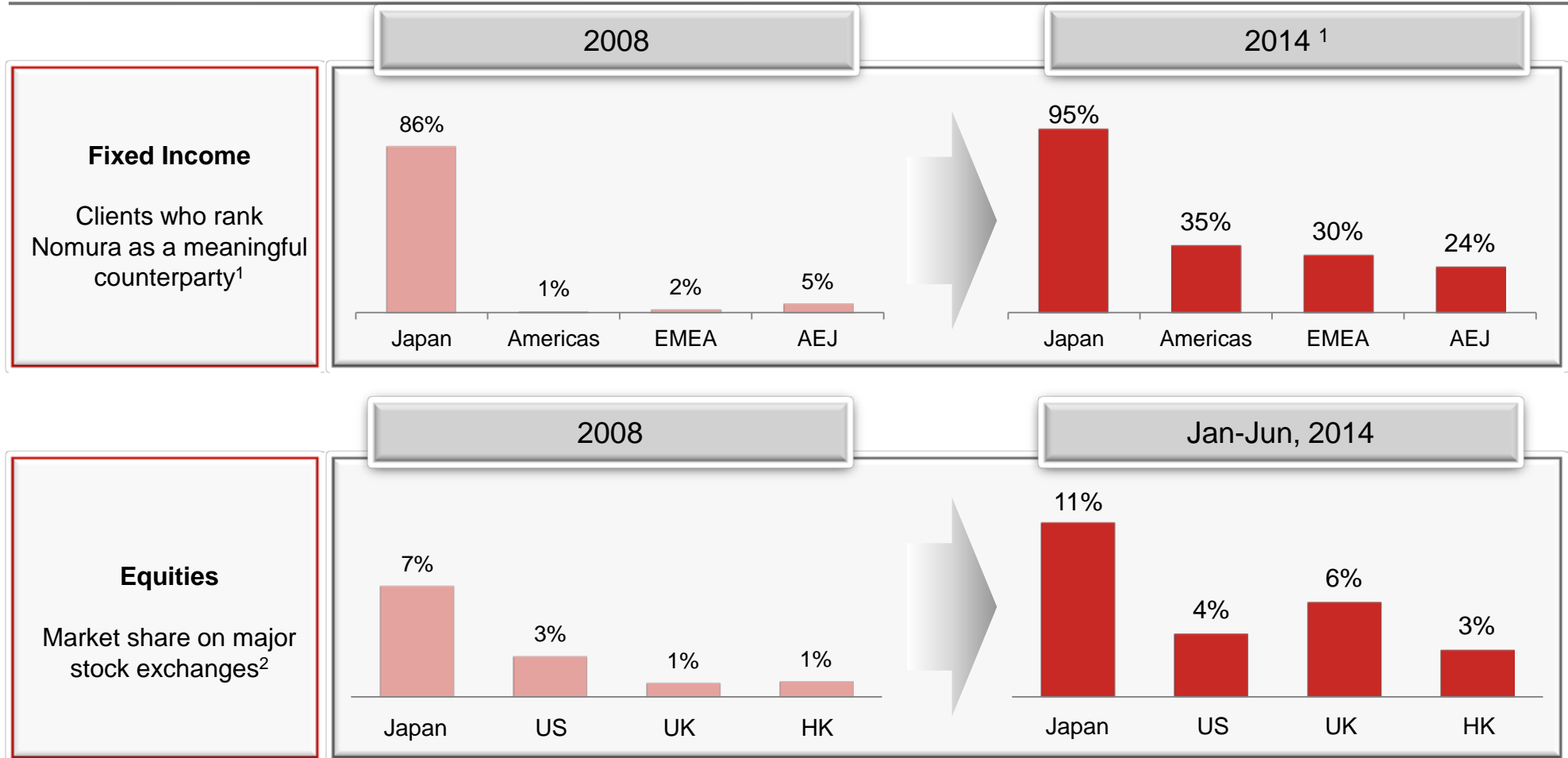
Philippines
 BDO Unibank
 ✓ Discussing broad alliance

Asia
 ■ Wealth Management business division
 ✓ Tap into two-way investment needs between Japan and AEJ
 • Demand for Japanese real estate
 • Joint venture support
 • M&A support
 ✓ Cover all of Asia from Hong Kong, Singapore, and South Korea

3. Improving profitability of international business

Global Markets: Growth of client franchise

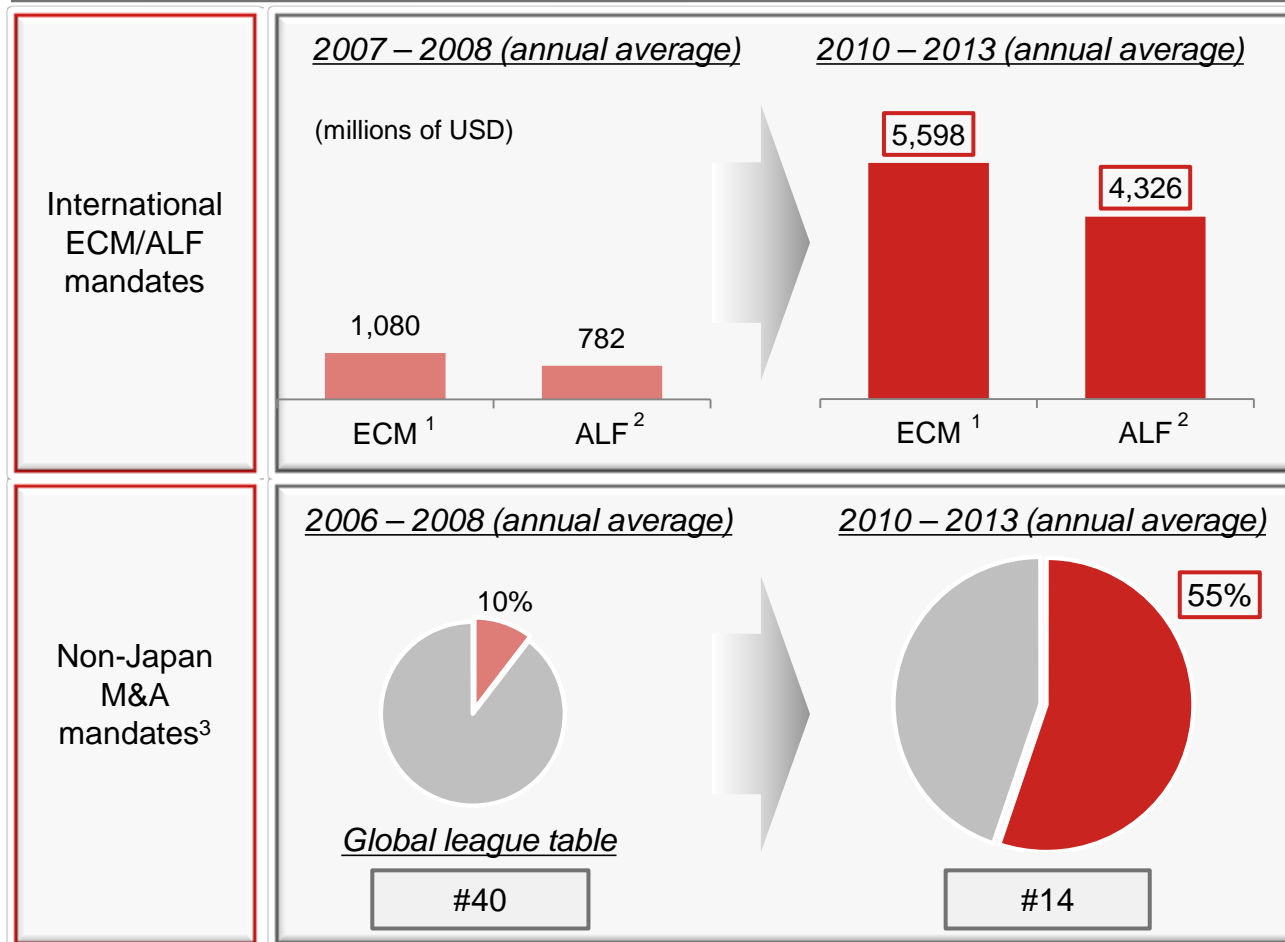
Client business growth driven by expansion of business platform



1. Source: 2008 – 2014 Greenwich Associates Fixed-Income Studies for North America, Asia and Europe. Japan figures are for 2008 - 2013 yen products.
 2. Japan: Tokyo Stock Exchange; US: New York Stock Exchange, NASDAQ others; UK: London Stock Exchange; Hong Kong: Hong Kong Stock Exchange.

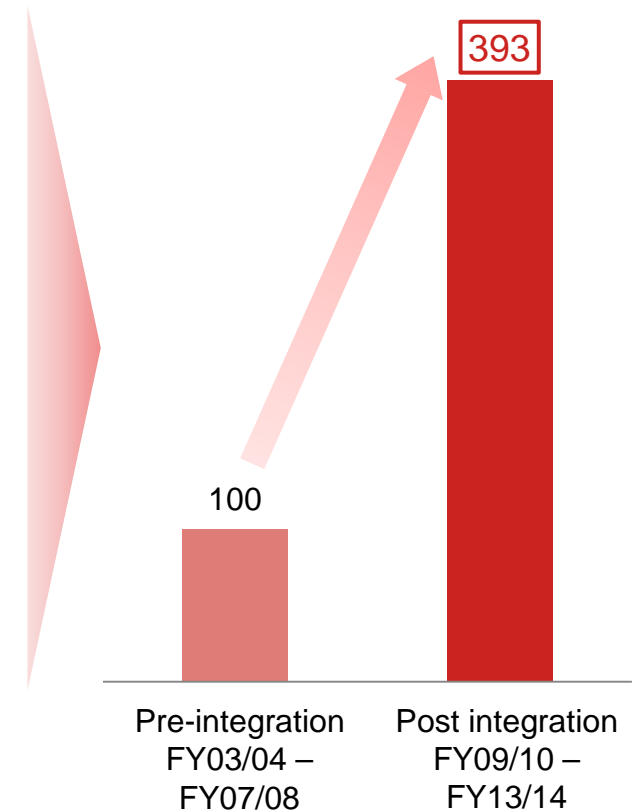
Investment Banking: Stronger international franchise

Marked improvement in international service and product capabilities



Jump in international revenues

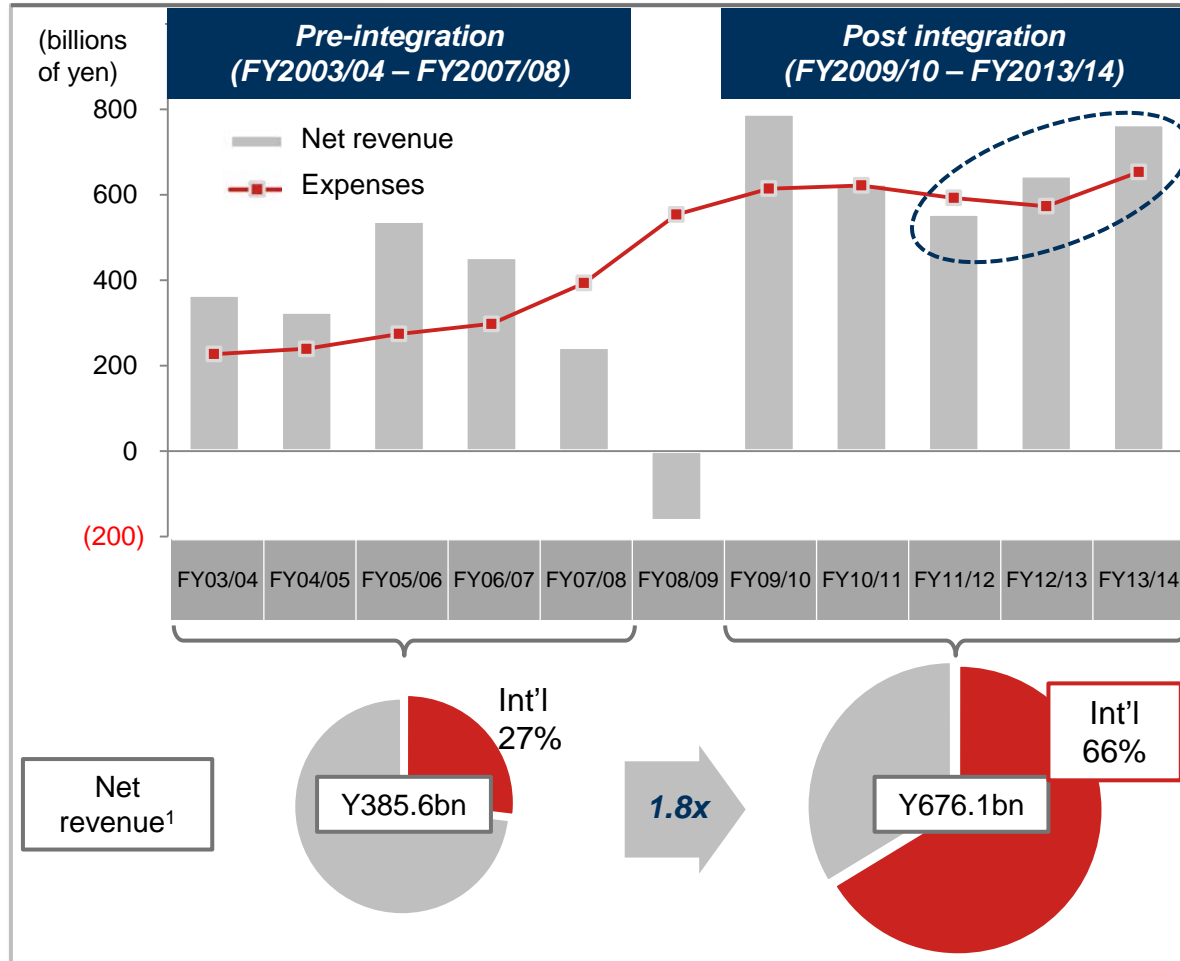
International Investment Banking revenues
(Rebased, pre-integration=100)



1. Source: Nomura, based on data from Thomson Reuters; Deals in which Nomura was involved as Co-Manager or higher role .
 2. Source: Nomura, based on data from Bloomberg.
 3. Source: Nomura, based on data from Thomson Reuters; Percentage on transaction value basis of M&A deals not involving Japanese companies in which Nomura played a role.

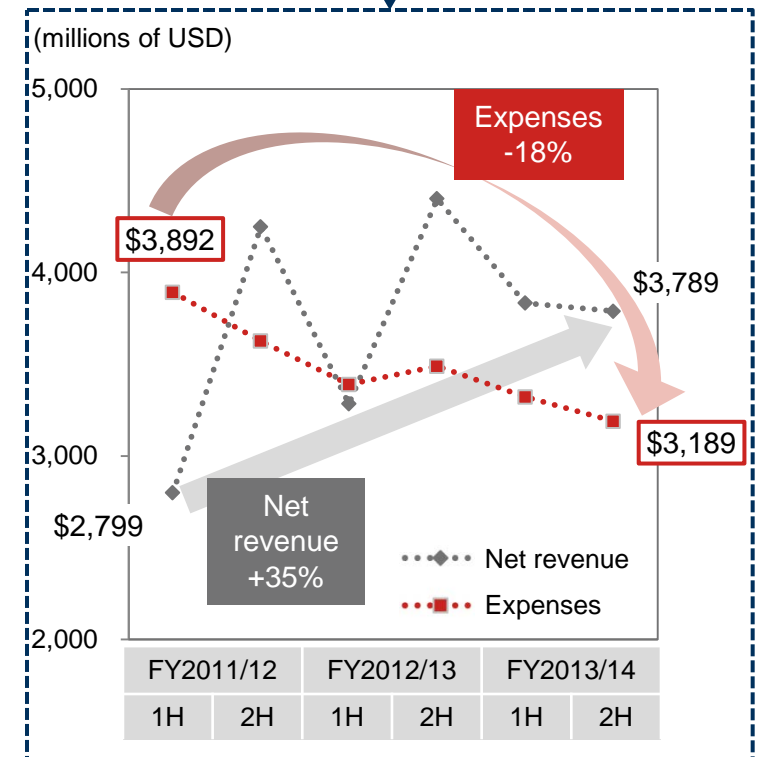
Wholesale revenues and expenses

Wholesale revenues and expenses rose sharply after integration



Aligned costs to environment: “Fit for the Future”

Revenues and expenses on USD basis²



1. Five year annual average.

2. Exchange rate is six month average of month-end spot rate. FY2011/12 : 1H=Y79.16, 2H=Y78.48; FY2012/13: 1H=Y78.87, 2H=Y87.66; FY2013/14: 1H=Y98.58, 2H=Y102.18.

Underlying approach to international business

Focus on core businesses

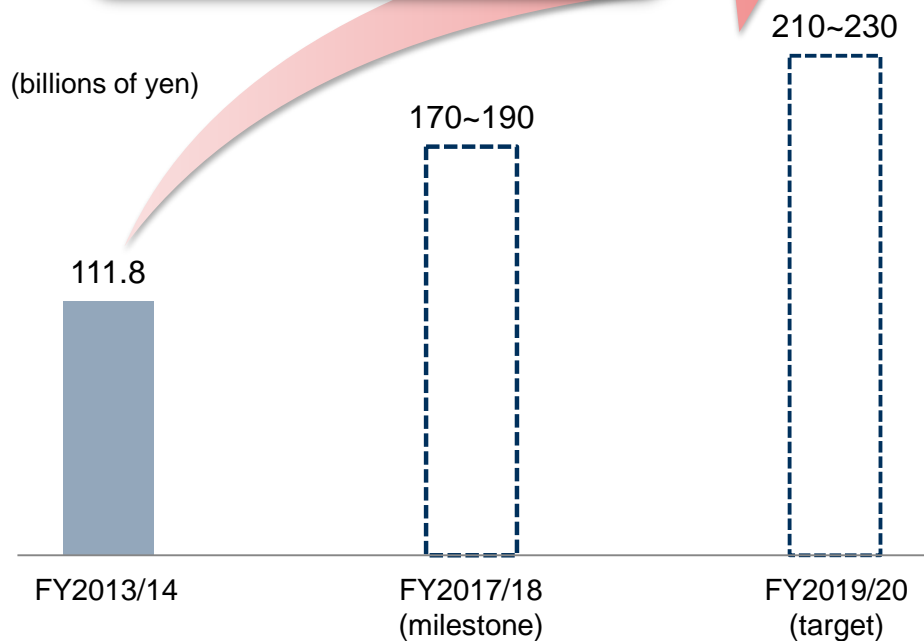
Invest resources in products where we have a competitive advantage

Deliver high value-added services to clients

Wholesale profitability

FY2019/20 pretax income target

- 1 Increase fee pool share
- 2 Improve pretax margin
- 3 Enhance resource efficiency



Key indicators to achieve target

| | FY2013/14 | FY2017/18 (milestone) | FY2019/20 (target) |
|---|-----------|--------------------------------|--------------------------------|
| 1 Fee pool share | 3.2% | 3.6% | 3.7% |
| 2 Pretax margin | 16% | 20% | 23% |
| 3 Efficient use of resources (Revenues/RWA) | - | (vs. FY13/14) +40bps | (vs. FY13/14) +90bps |

Wholesale client strategy

Increase business with key clients

- ✓ Integrated client strategy across all asset classes
- ✓ Focus on generating repeat business from core clients

Client flow-centric business model

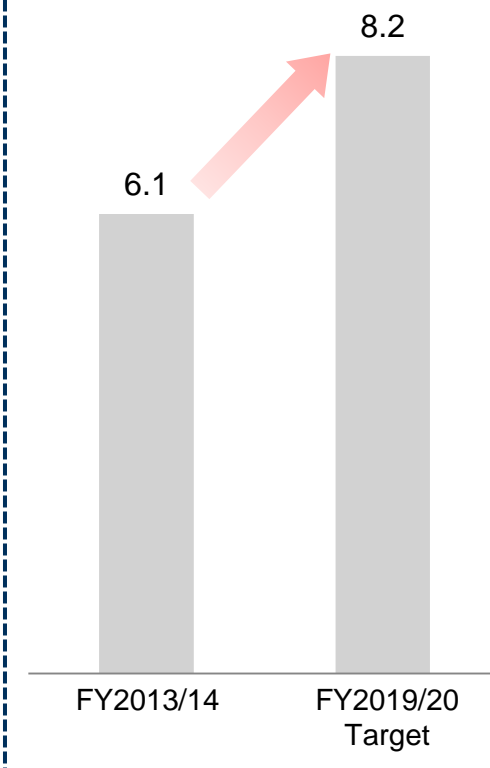
- ✓ Global Markets: Client flows as main driver of revenues
- ✓ Stable client franchise not reliant on large one-off transactions

Create synergies through cross-divisional and cross-border collaboration

- ✓ Increased cross-sell through tailored multi-product solutions
- ✓ Provide services where we have a competitive advantage, particularly for US clients

Expand client revenues

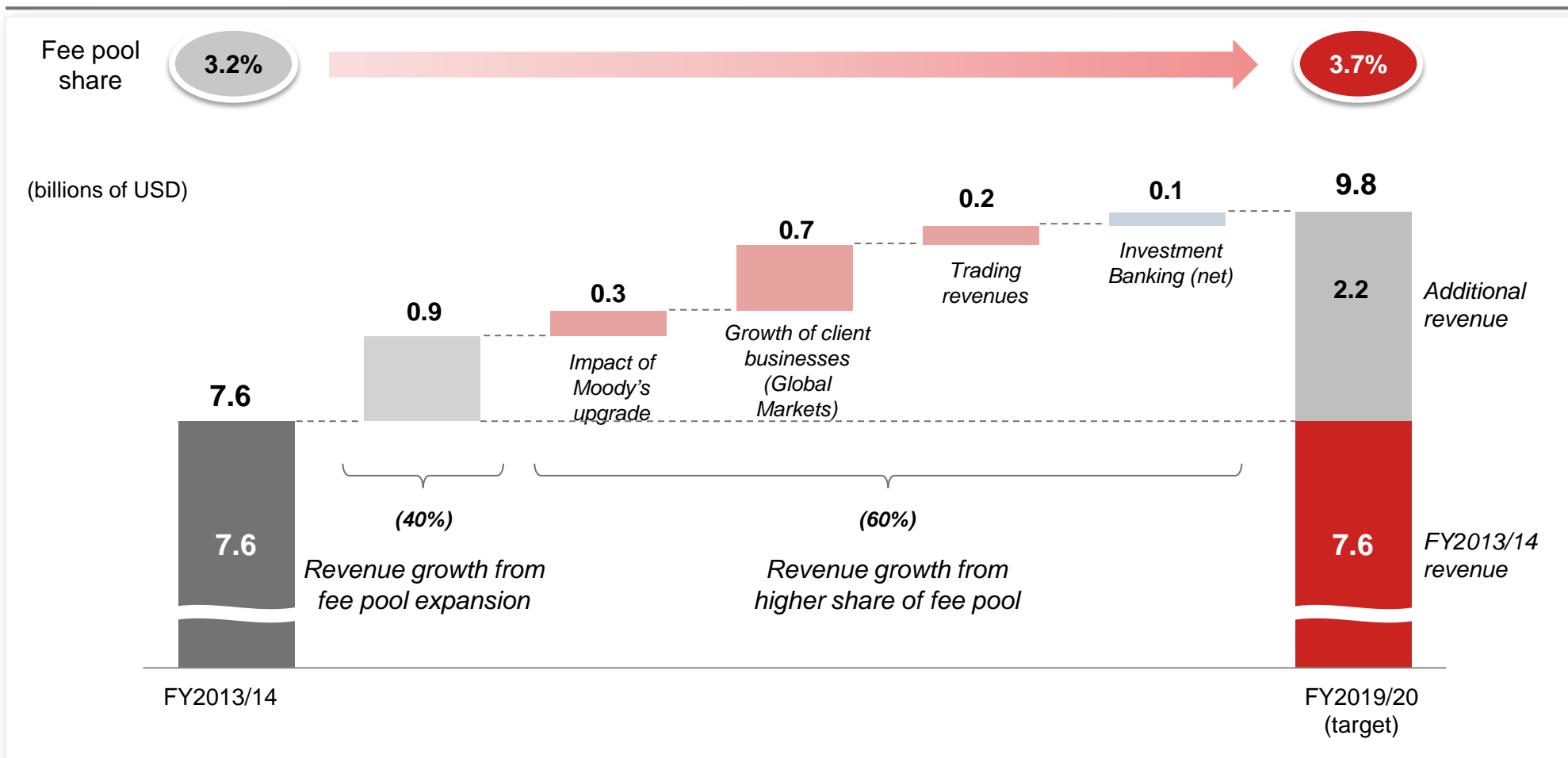
(billions of USD)



1) Increase fee pool share

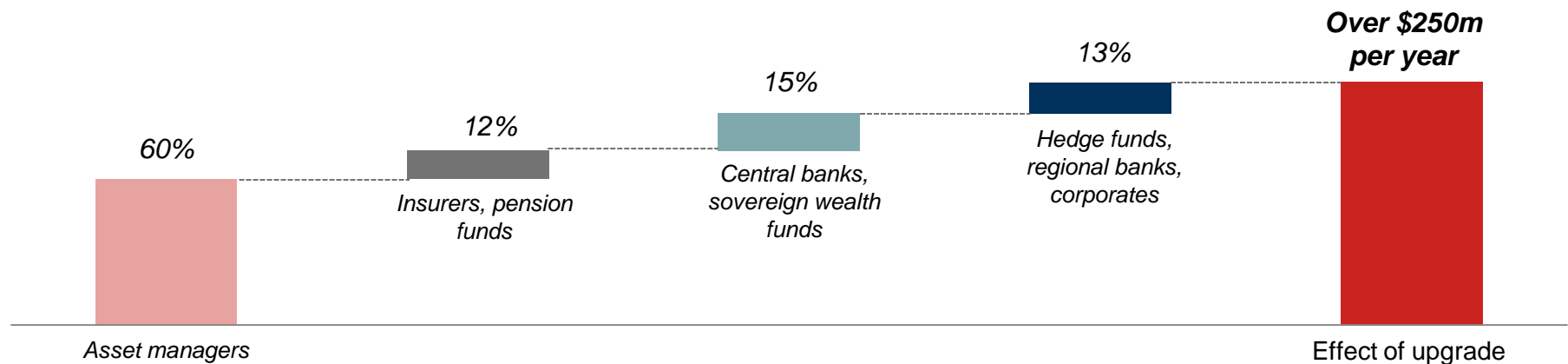
Revenue growth to 2020

Breakdown of Wholesale revenue target for 2020



Moody's upgrade a tailwind for client businesses

Moody's upgrade expected to lead to over \$250m in additional revenues annually over the next 18 months



Asset managers

- Ongoing transaction needs
- Increase in allowable size of transactions for both cash and derivatives
- Higher transaction volumes will help diversify risk and enhance pricing capabilities

Insurers, pension funds

- Improved structured product origination capabilities and business expansion
- Growth of structured note business
- Growth of solutions business

Central banks, sovereign wealth funds

- Flow Rates products and Securitized Products
- Expecting substantial increase in volume from broader product range

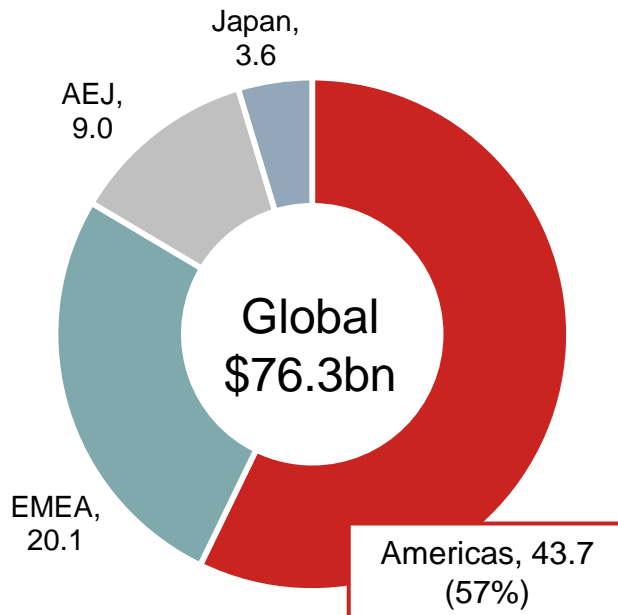
Hedge funds, regional banks, corporates

- Increase in transaction volumes with hedge funds and regional banks
- Opening of new accounts with corporates

Strengthening Americas Investment Banking

Americas has world's largest fee pool

Investment Banking market fee pools¹
(FY2013/14, billions of USD)



Strengthening Americas business

- Building a track record in focus sectors and products
 - Aim to win ongoing business from target clients through cross-border business and multi-product transactions
- Expanding client coverage and product functions
 - Selective investment in human resources: Senior bankers hired in past few years are making strong contribution to gross revenue
 - Continue to hire while assessing banker productivity and costs

Rebased to
2010=100

| | 2010 | 2013 | 2014 YTD ² |
|---------------------|------|------|-----------------------|
| Clients | 100 | 120 | 146 |
| Transactions | 100 | 149 | 156 |

- Collaboration with Global Markets
 - Leveraging research and distribution
 - Working together on solutions and other multi-product transactions

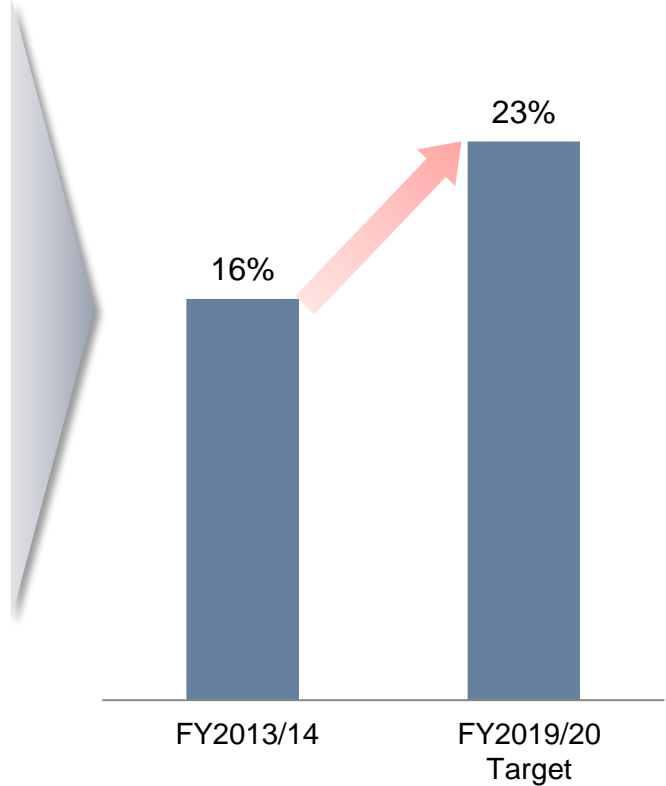
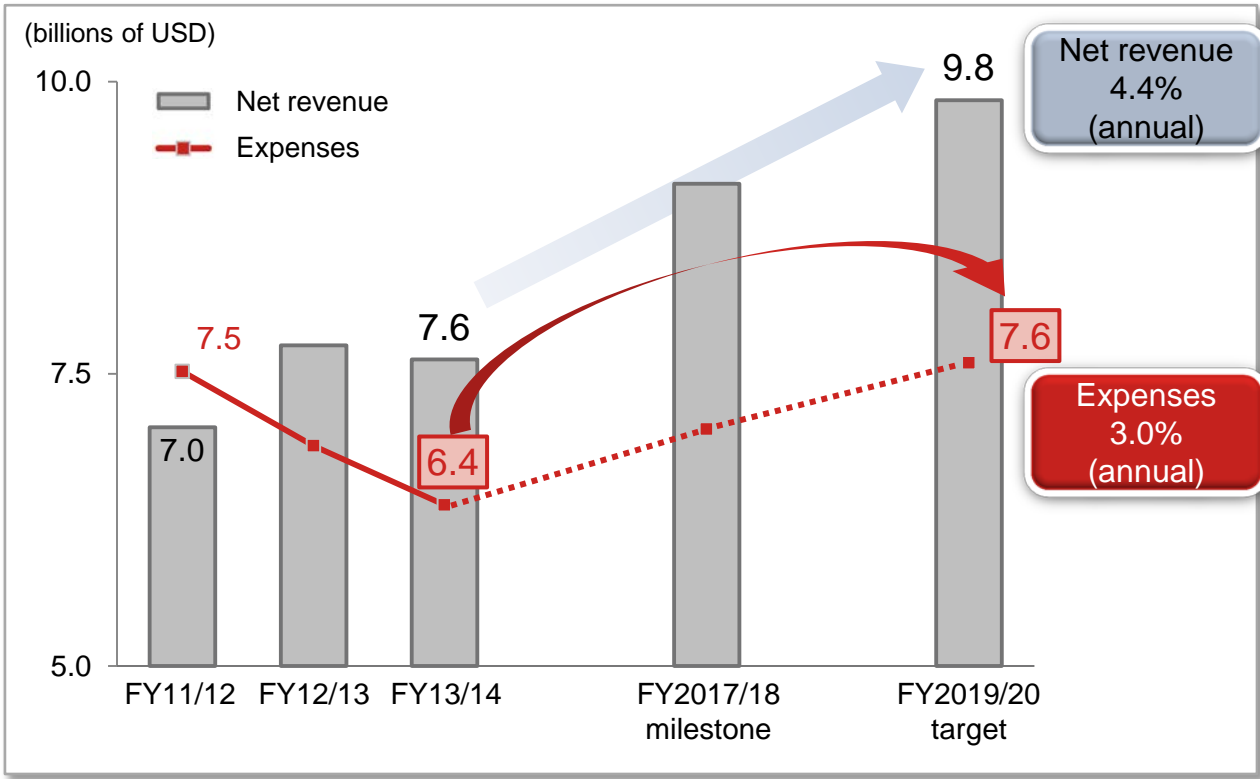
1. Source: Dealogic.
2. As of November 10, 2014.

2) Improve pretax margin

Aim for revenue growth to outpace cost increases

| | | |
|--|-----------|--------------------|
| Productivity ¹ (millions of USD) | FY2013/14 | FY2019/20 (target) |
| | 1.8 | 2.1 |

Improve pretax margin



1. Calculated as net revenue divided by Wholesale front office producers

3) Enhance resource efficiency

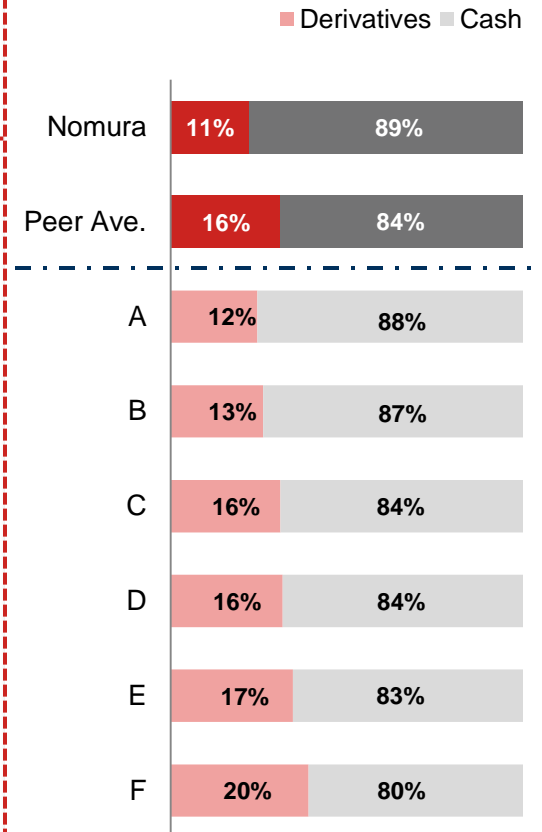
Efficient use of management resources

Achieve revenue growth without major investment of resources

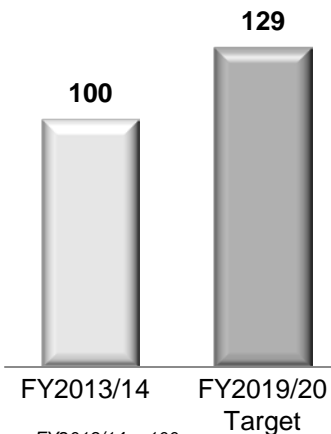
- Optimize business portfolio by focusing on core businesses and continue to reallocate resources across regions
- Improve product mix and increase return on resources
 - Cash products account for a relatively high proportion of trading assets
 - Moody's upgrade will allow us to diversify products and grow businesses with high revenue potential

High proportion of cash products

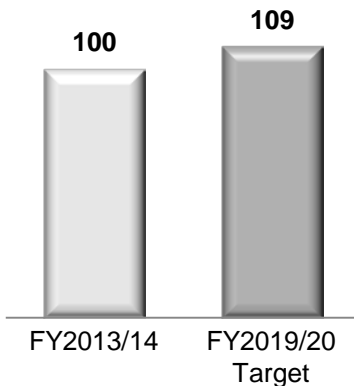
Breakdown of trading assets²



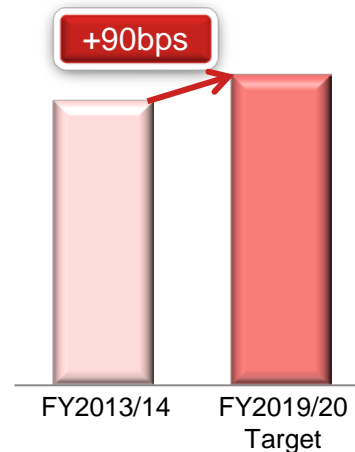
Wholesale revenues¹



Wholesale risk-weighted assets¹



Resource efficiency (Revenues/RWA)

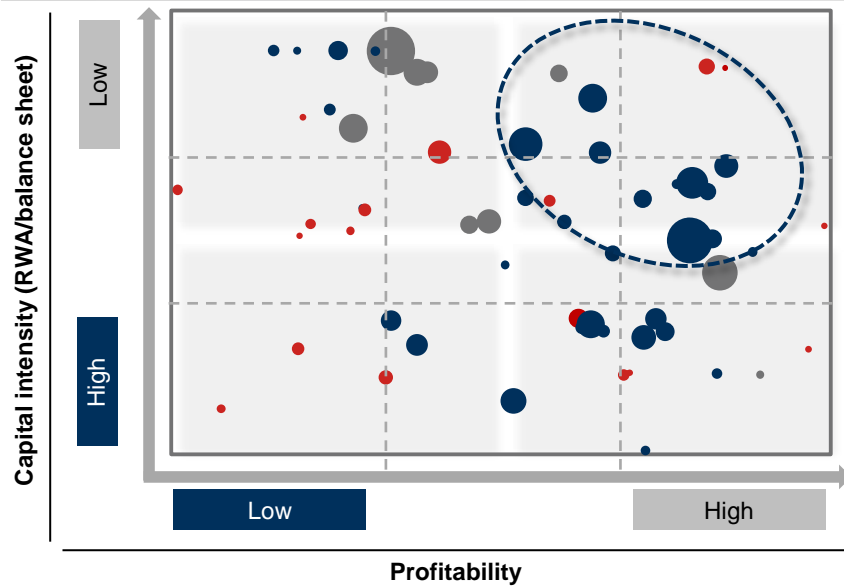


1. FY2013/14 = 100
 2. Source: Company disclosure materials as of June 2014.

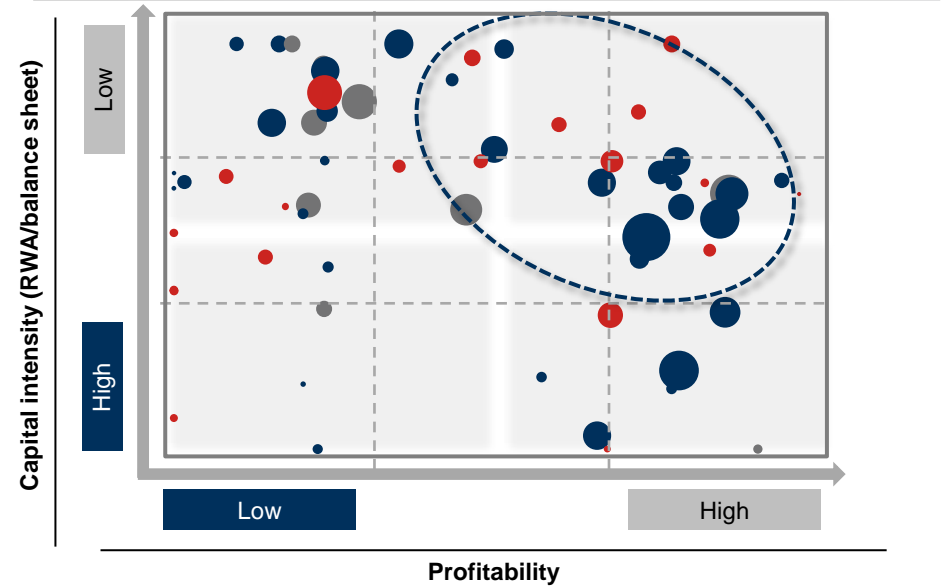
Optimizing our business portfolio

Size of bubble represents revenue potential
 Earnings volatility: High (Red), Medium (Blue), Low (Grey)

Graph shown at Nomura Investment Forum 2013



Recent graph



Approach to optimizing portfolio

- Assess performance of each business from perspective of firm-wide capital efficiency
- Follow through with action plans suited to each business taking into account fee pool outlook and importance to overall franchise

Action plan

- Improve profitability:
Business expansion through client franchise growth and improved inventory performance, strategic reviews to rebuild businesses
- Lower capital burden of overall portfolio:
Raise product competitiveness by revising resource allocation for each product and deploying resources to businesses with low capital burden

International strategy

Strategy aligned to each region



Pursue cross-border opportunities by collaborating across regions and businesses

- ✓ Focus on areas of competitive strength to drive repeat business from clients
- ✓ Closer cross-divisional collaboration and business diversification
- ✓ Appropriate cost management

- ✓ Coordinated client approach across all products
- ✓ Create synergies by collaborating with Retail, Asset Management, and Wealth Management (Thailand, Taiwan, China, India, Philippines, etc.)

- ✓ Enhance relations with key clients
- ✓ Improve productivity by selective product focus and reallocation of resources
- ✓ Focus on sectors and products where we have a competitive advantage, further develop investment Banking business

Increase taxable income in international operations

In closing

Asia's global investment bank

CHANGE

Vision C&C - Road to 2020

- This document is produced by Nomura Holdings, Inc. (“Nomura”).
- 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.
- The information and opinions contained in this document have been obtained from sources believed to be reliable, but no representations or warranty, express or implied, are made that such information is accurate or complete and no responsibility or liability can be accepted by Nomura for errors or omissions or for any losses arising from the use of this information.
- All rights regarding this document are reserved by Nomura unless otherwise indicated. 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. Actual results and financial condition may differ, possibly materially, from what is indicated in those forward-looking statements. You should not place undue reliance on any forward-looking statement and should consider all of the following uncertainties and risk factors, as well as those more fully discussed under Nomura’s most recent Annual Report on Form 20-F and other reports filed with the U.S. Securities and Exchange Commission (“SEC”) that are available on Nomura’s website (<http://www.nomura.com>) and on the SEC’s website (<http://www.sec.gov>); Important risk 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.
- Forward-looking statements speak only as of the date they are made, and Nomura undertakes no obligation to update any forward-looking statement to reflect the impact of circumstances or events that arise after the date the forward-looking statement was made.
- The consolidated financial information in this document is unaudited.

Nomura Holdings, Inc.
www.nomura.com