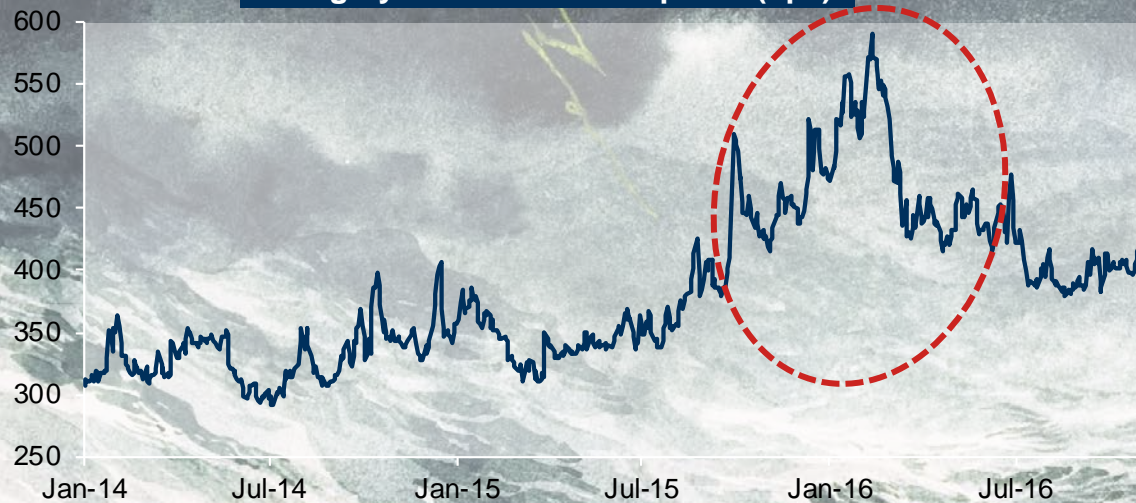


Presentation at Nomura Investment Forum 2017

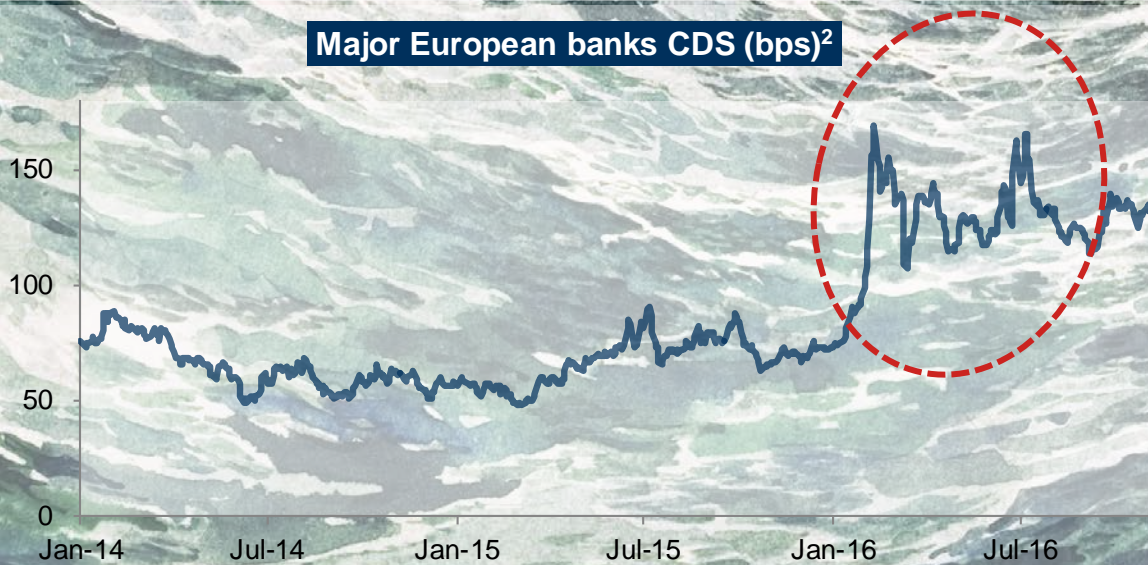
Koji Nagai
Group CEO
Nomura Holdings, Inc.

November 29, 2017

US high yield bond credit spread (bps)¹



Major European banks CDS (bps)²

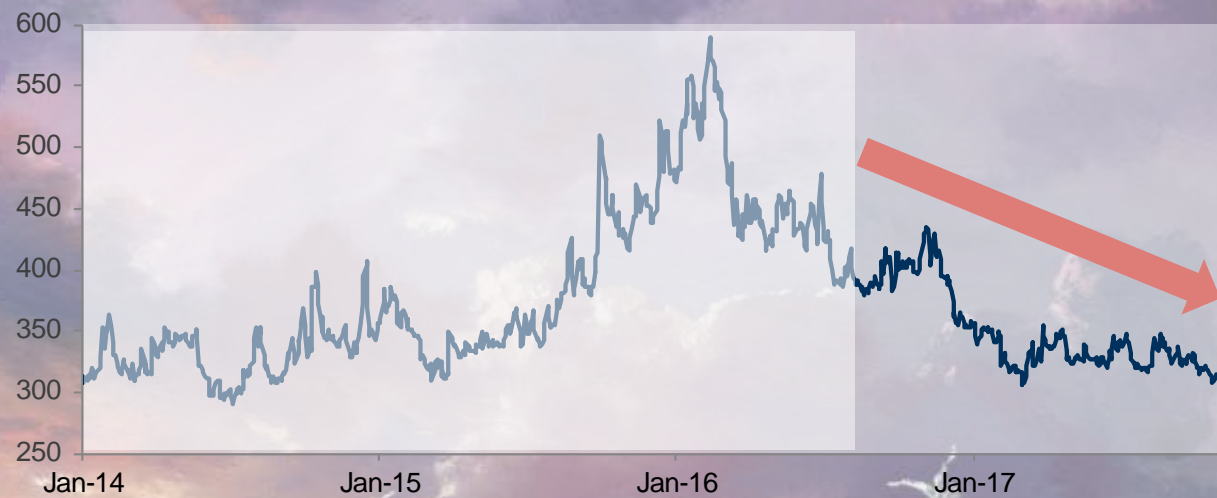


1. Source: Markit CDX North America High Yield index (5 year)

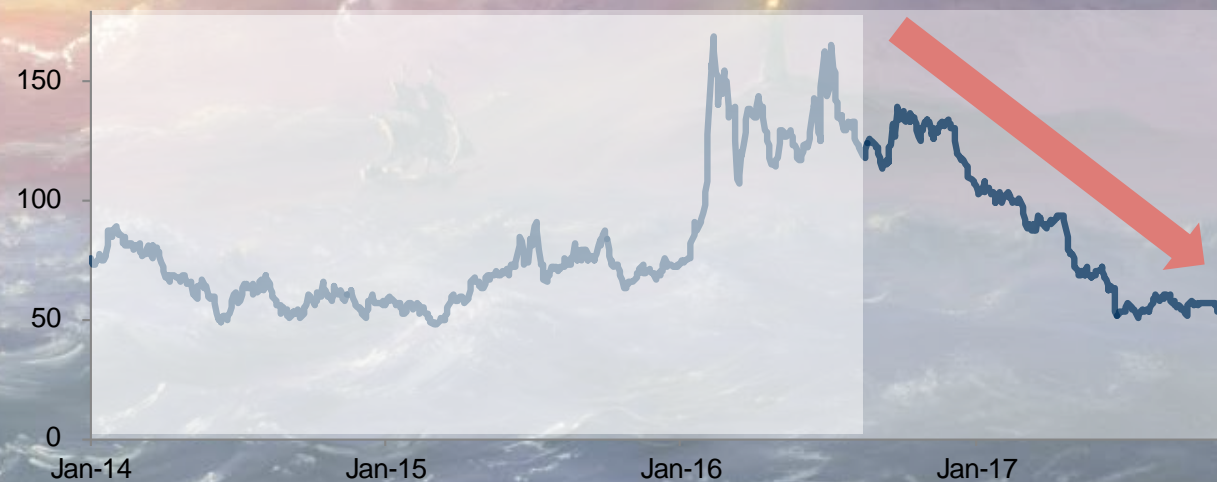
2. Major European banks is average of DeutscheBank, UBS, Credit Suisse, and Barclays (5 year, euro-denominated)



US high yield bond credit spread (bps)¹



Major European banks CDS (bps)²

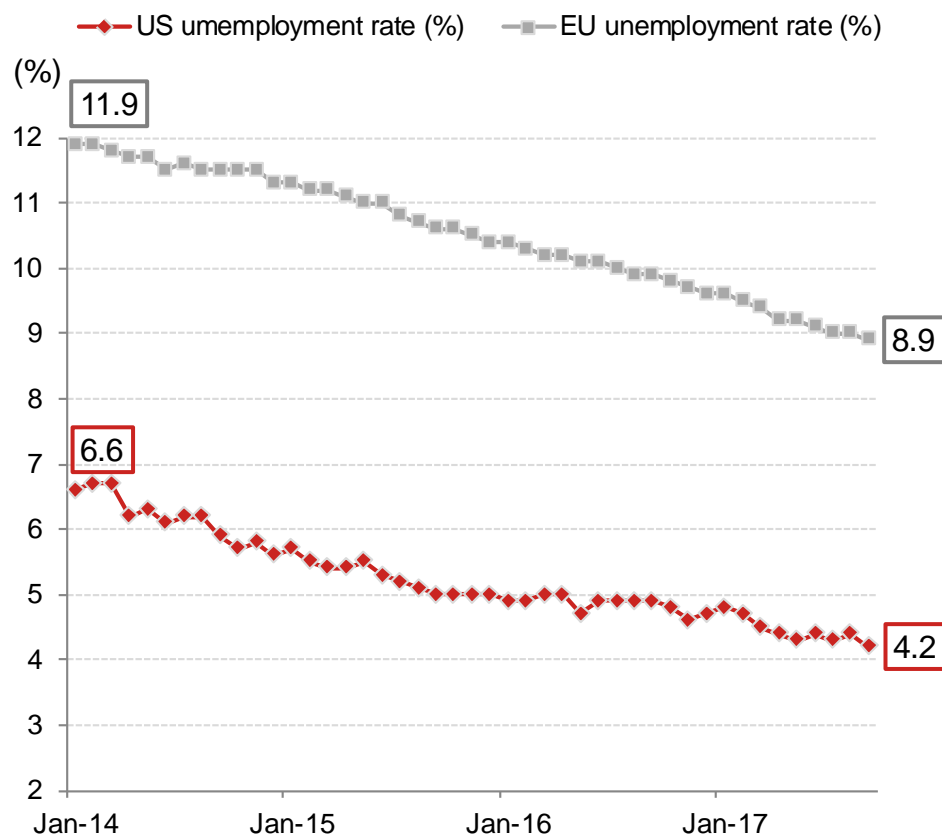


1. Source: Markit CDX North America High Yield index (5 year)

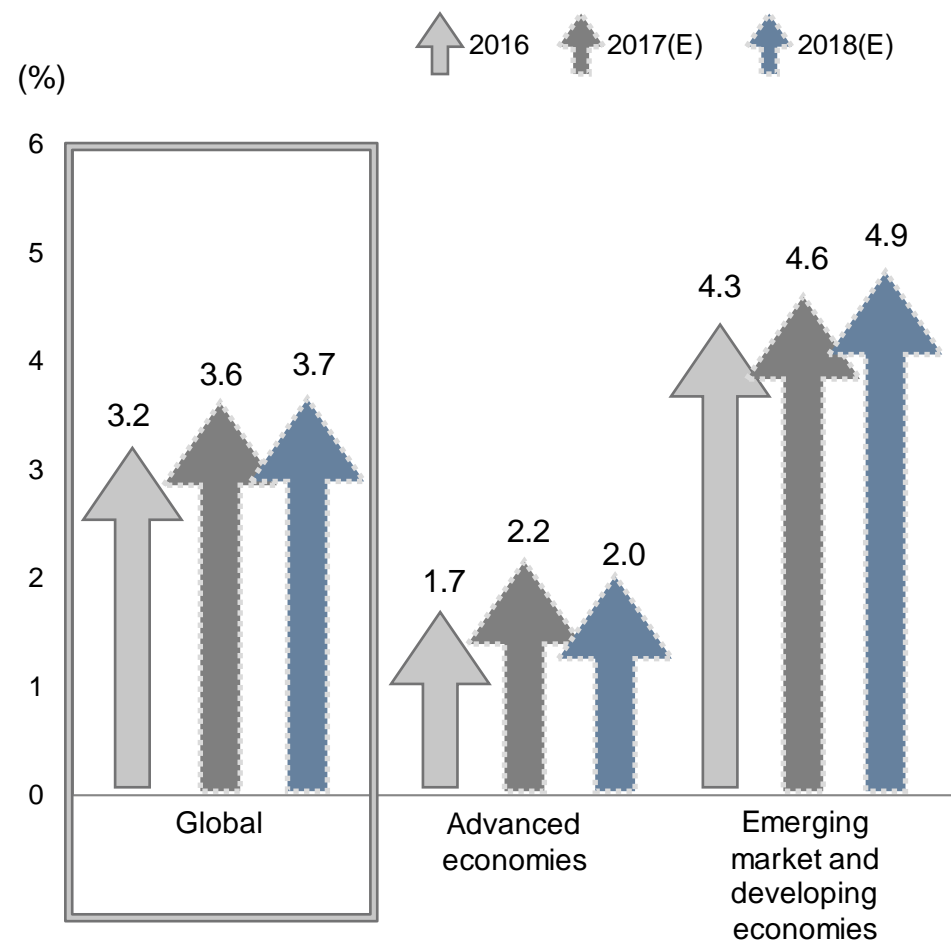
2. Major European banks is average of Deutsche Bank, UBS, Credit Suisse, and Barclays (5 year, euro-denominated)

Global economy remains firm

Unemployment rate declining in US and Europe¹



Strong economic growth expected to continue²

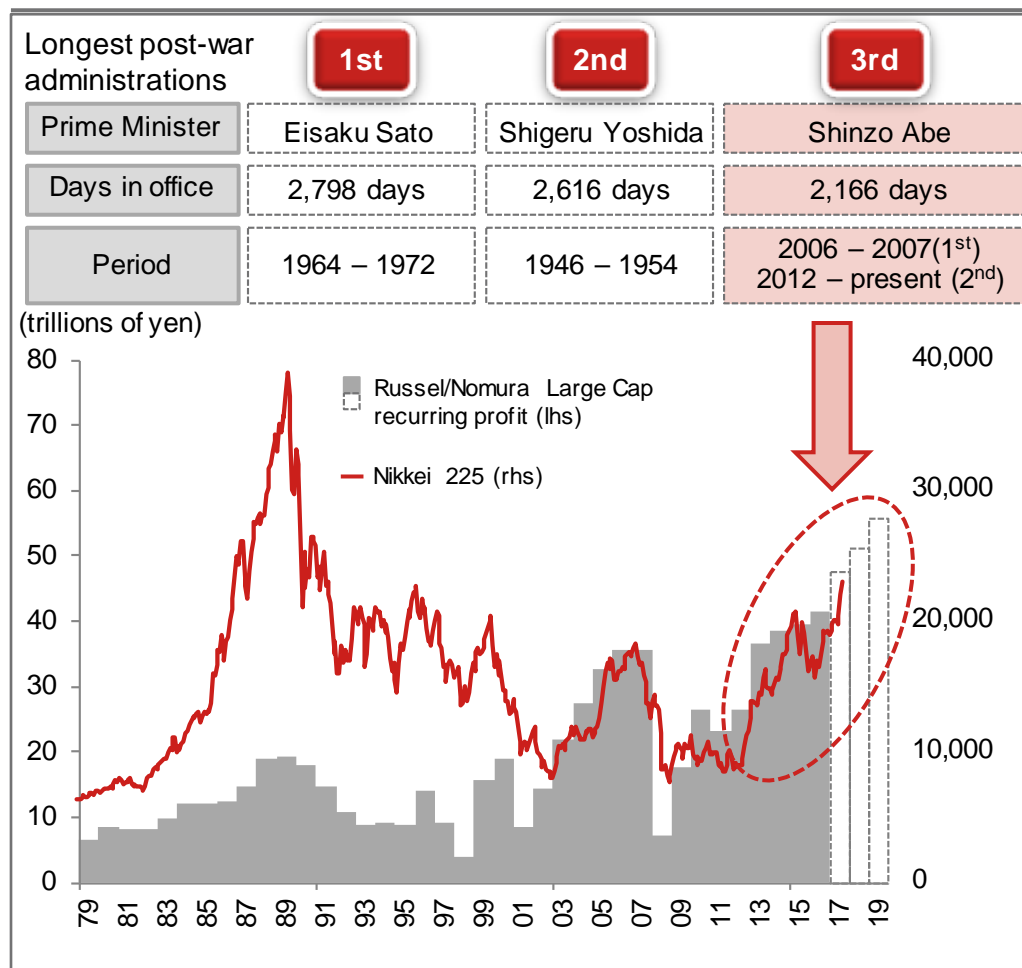


1. Source: US Department of Labor, Eurostat.
2. IMF World Economic Outlook, October 2017.

Finishing off Abenomics under third longest post-war administration as Japan corporate earnings at record high

NOMURA

Corporate earnings at record high



Abenomics coming to completion

Three arrows

New three arrows

Productivity revolution

- ✓ Productivity revolution / intense investment (3 years)
- ✓ Promote corporate sector capital and personnel investment
- ✓ Tax / budget / regulatory reform

Human resource development revolution

- ✓ Free higher education
- ✓ Free early childhood education
- ✓ Secure caregiving personnel

Agenda

1

Progress of Vision C&C

- Challenges ahead

2

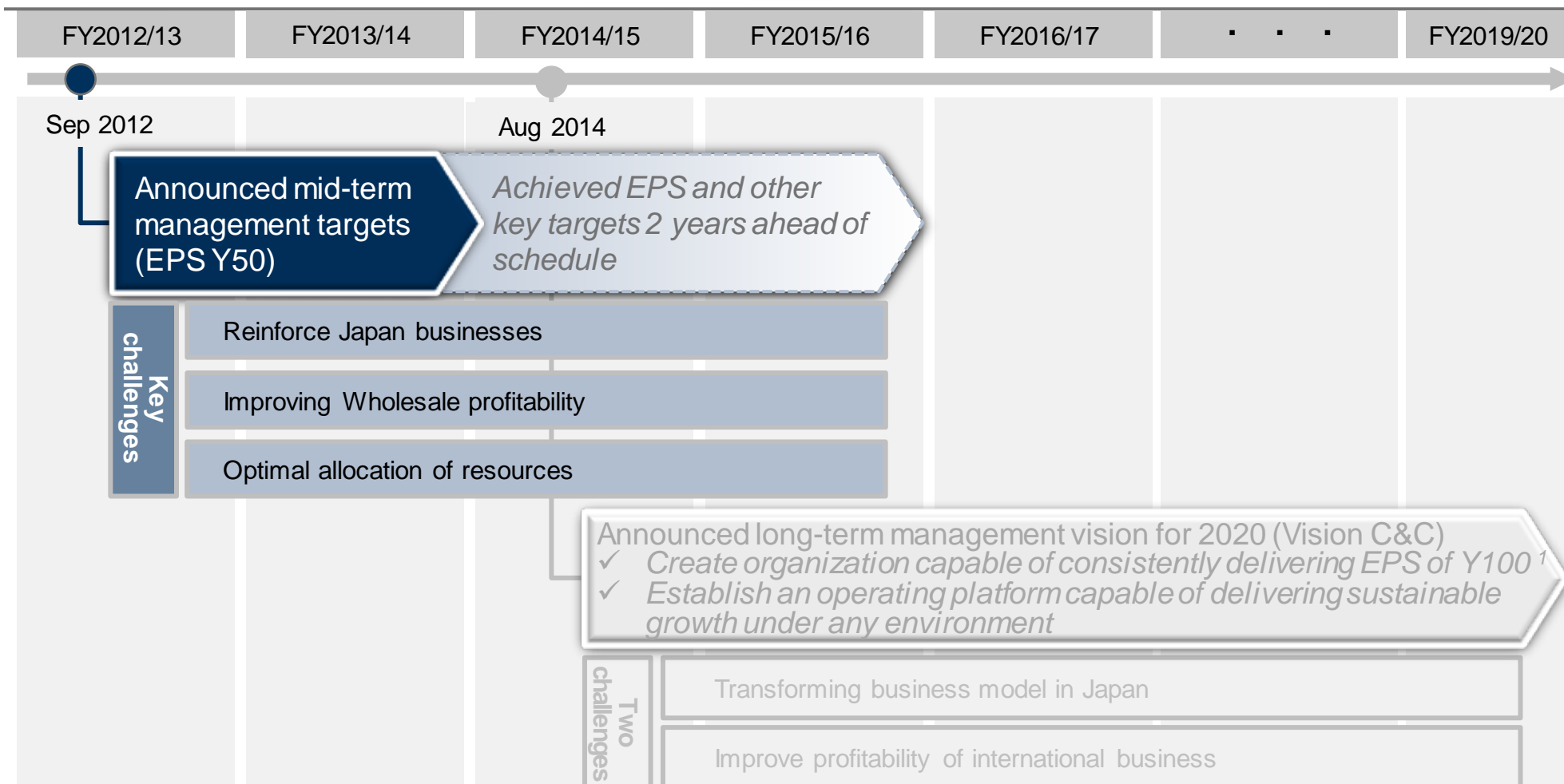
Beyond 2020 – Post Vision C&C

- Environmental changes affecting our business – Domestic
 - Retail strategy –
- Environmental changes affecting our business – Global
 - Wholesale strategy –
- New growth strategy
- Driving efficiencies (Corporate operating model)

1. Progress of Vision C&C









2012 mid-term management targets

Management targets



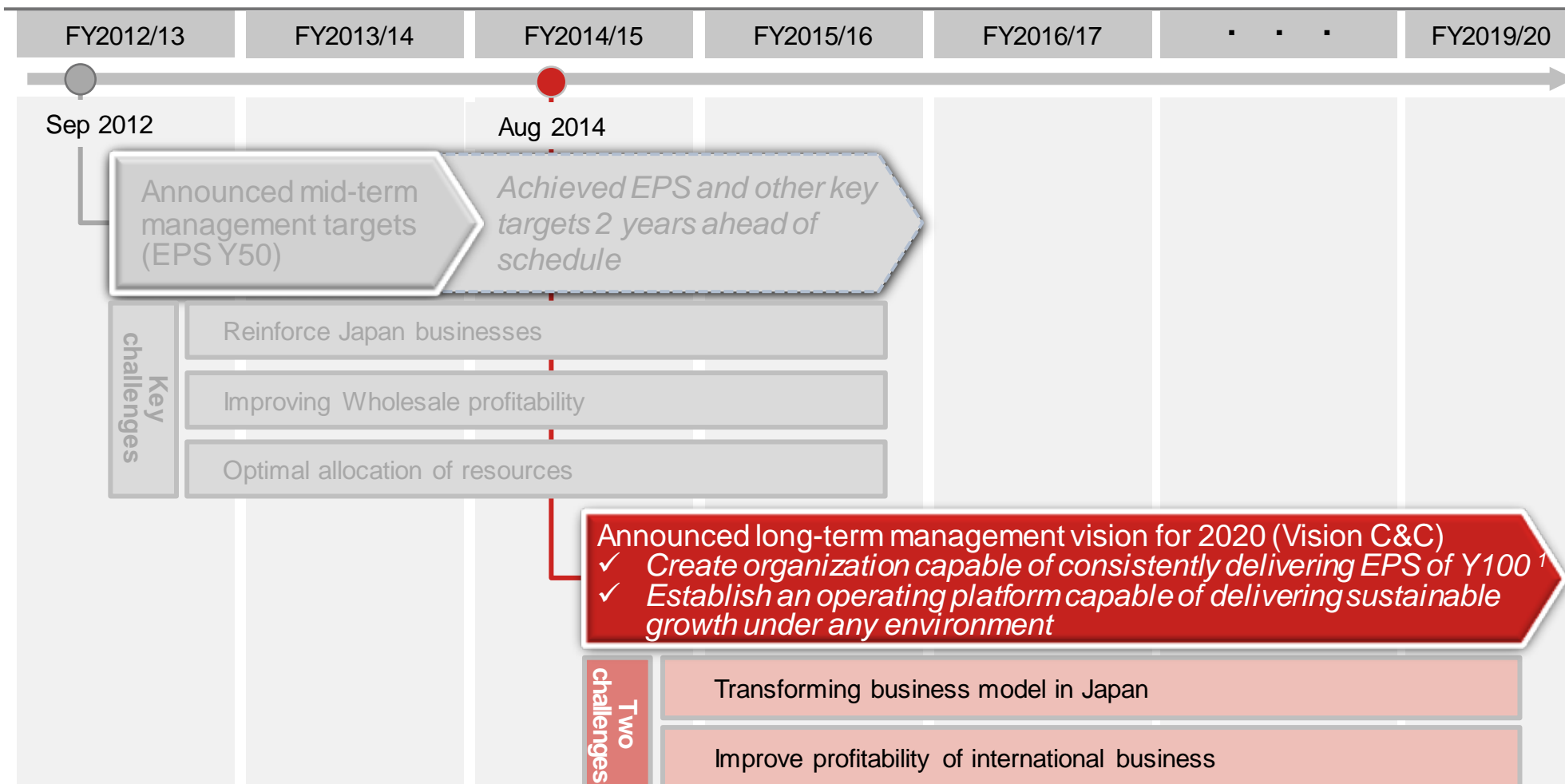
1. March 2020 assumptions: Nikkei 225 at Y25,000; USD/JPY rate Y115; Effective tax rate for Japanese corporates below 30%; Global fee pool annual growth rate of 1%.

2012 mid-term management targets: Achieved all KPIs

Key KPIs			Status (as of Nov 2017)	
2012 mid-term management targets	✓ EPS Y50			✓ Achieved three times since FY2013/14
	Reinforce Japan businesses	<ul style="list-style-type: none"> ✓ Income before income taxes: Y100bn ✓ Retail client assets: Y100trn (Raised from Y90trn in Dec 2013) ✓ Recurring revenue: Y69.6bn 	  	<ul style="list-style-type: none"> ✓ Achieved for three straight years from FY2013/14 ✓ Y119.3trn (as of end Oct 2017) ✓ Consistently achieved since FY2014/15 4Q
	Asset Management	<ul style="list-style-type: none"> ✓ Income before income taxes: Y25bn 		✓ Achieved for four straight years from FY2013/14
	Wholesale	<ul style="list-style-type: none"> ✓ Income before income taxes: Y125bn of which, international: Y50bn ✓ Additional \$1bn cost reduction (total \$2bn) 	  	<ul style="list-style-type: none"> ✓ Achieved FY2016/17 ✓ FY2016/17 (Group int'l): Y88.1bn ✓ Completed Sep 2013
Improving Wholesale profitability				






Working towards 2020 Vision C&C

Management targets



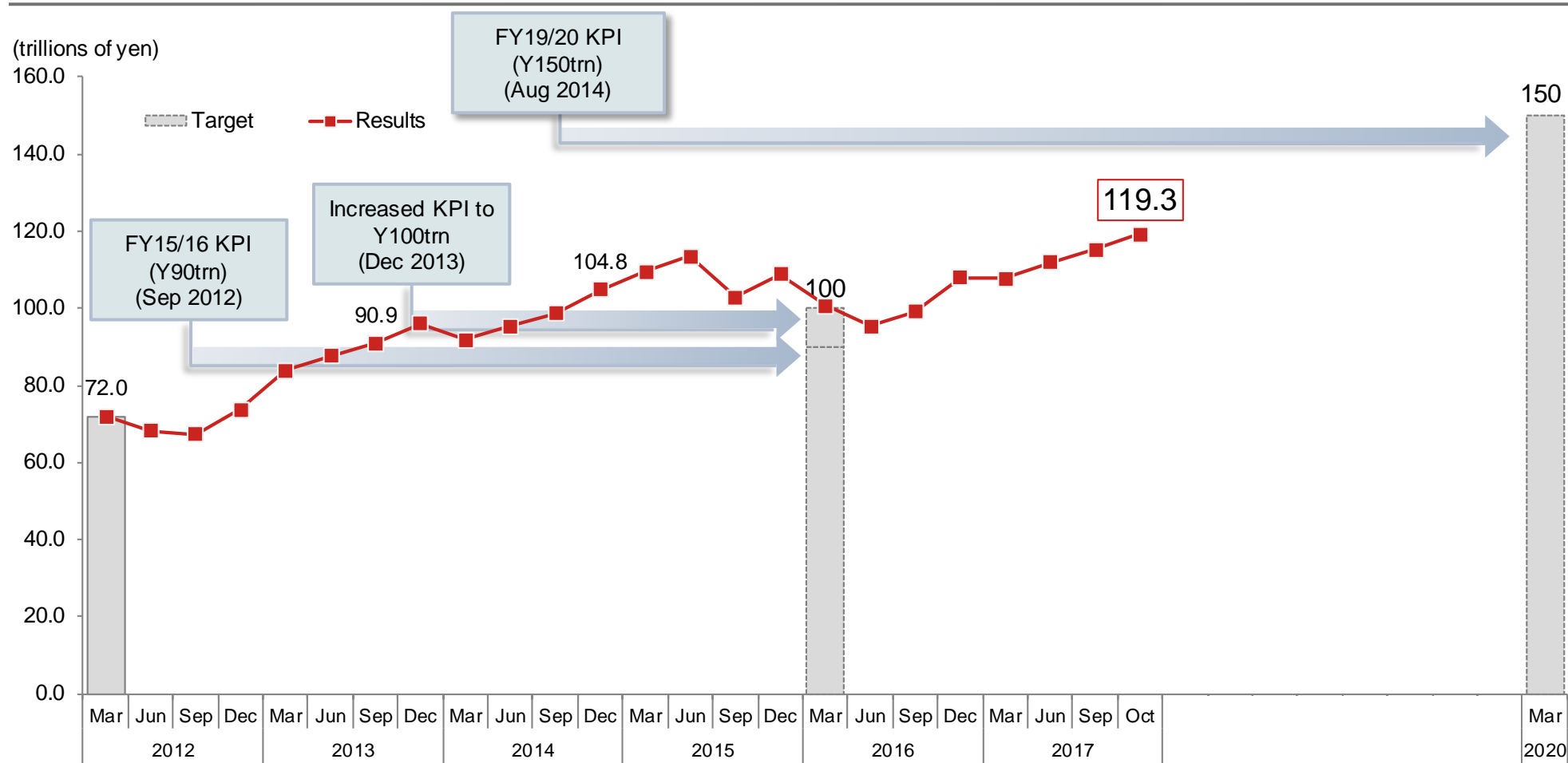
1. March 2020 assumptions: Nikkei 225 at Y25,000; USD/JPY rate Y115; Effective tax rate for Japanese corporates below 30%; Global fee pool annual growth rate of 1%.

FY2019/20 Vision C&C: Key KPIs

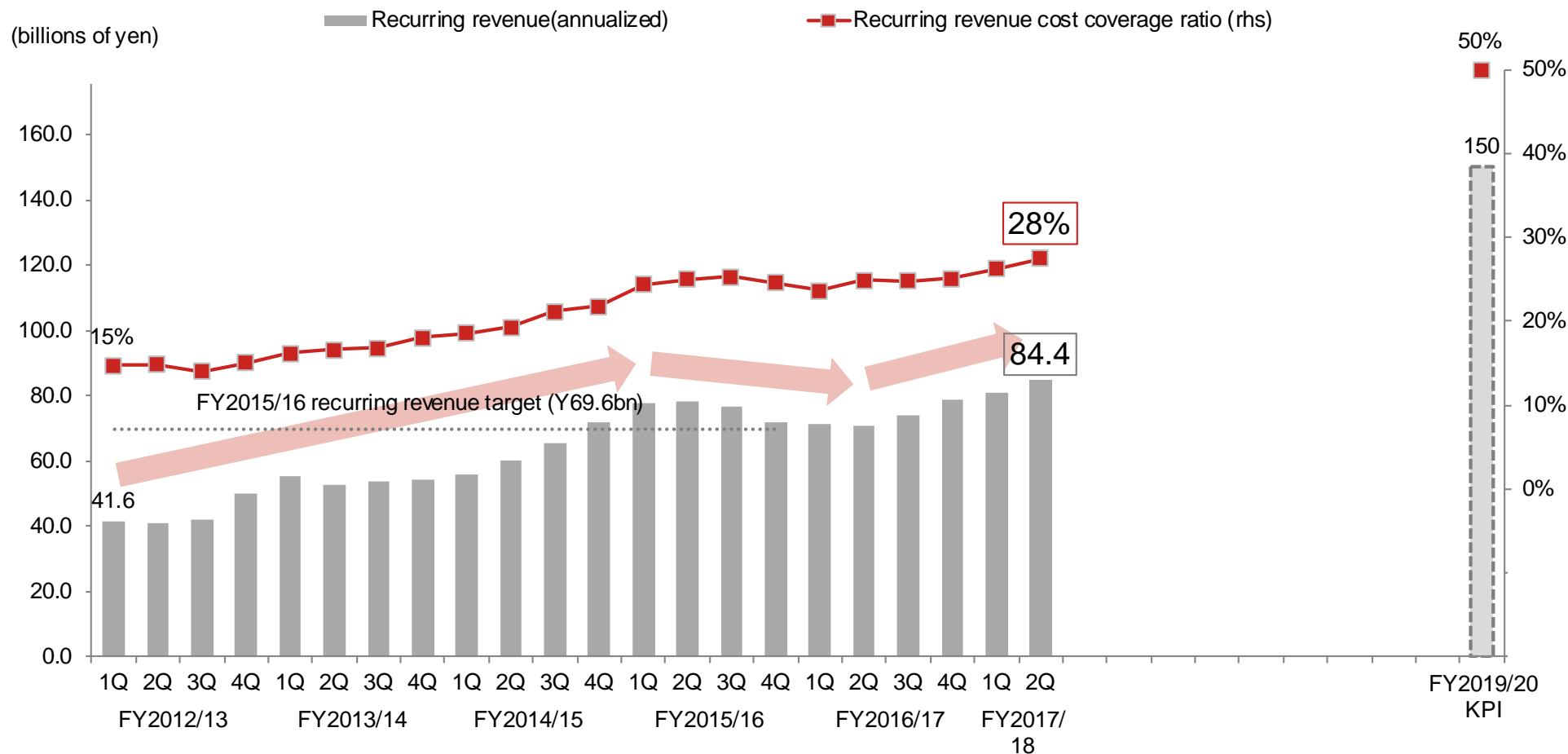
Key KPIs			KPIs as of Nov 2017	
FY2019/20 management target¹	EPS Y100			✓ FY2016/17: Y65.65
	Retail	✓ Client assets: Y150trn		✓ Y119.3trn (as of end Oct 2017)
		✓ Recurring revenue: Y150bn (cost coverage ratio: Approx. 50%)		✓ FY2016/17: Y73.7bn (25%) ✓ FY2017/18 2Q annualized: Y84.4bn (28%)
	Asset Management	✓ AuM: Y55trn		✓ Y49.3trn (as of end Oct 2017)
KPIs to achieve 2020 long-term management vision	Wholesale	✓ Fee pool market share: 3.4%		✓ FY2016/17: 3.2%

1. March 2020 assumptions: Nikkei 225 at Y25,000; USD/JPY rate Y115; Effective tax rate for Japanese corporates below 30%; Global fee pool annual growth rate of 1%.

Retail: Client assets

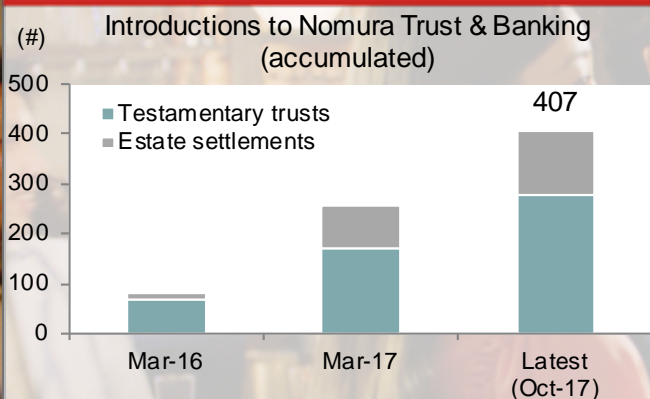


Retail: Steady increase in recurring revenue and recurring revenue cost coverage ratio **NOMURA**

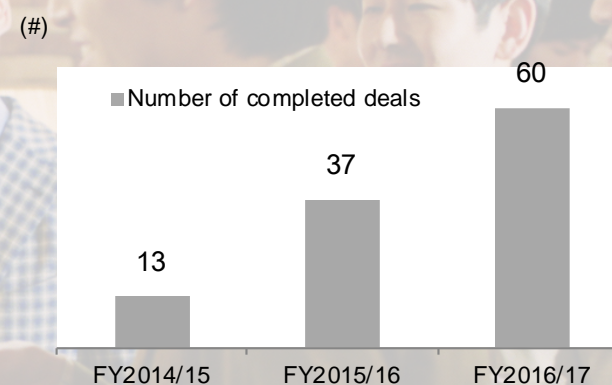


Retail: Building platform for consulting services

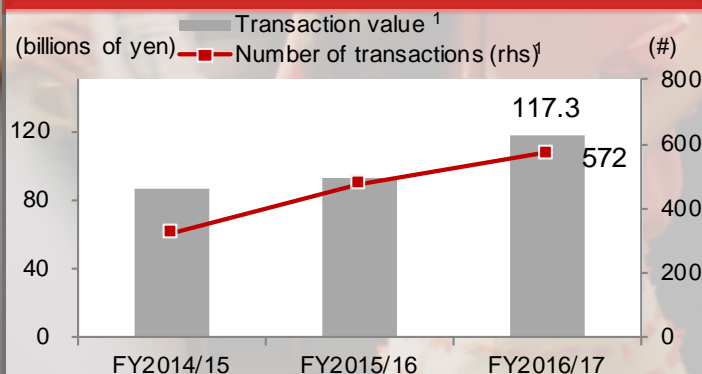
Estate planning



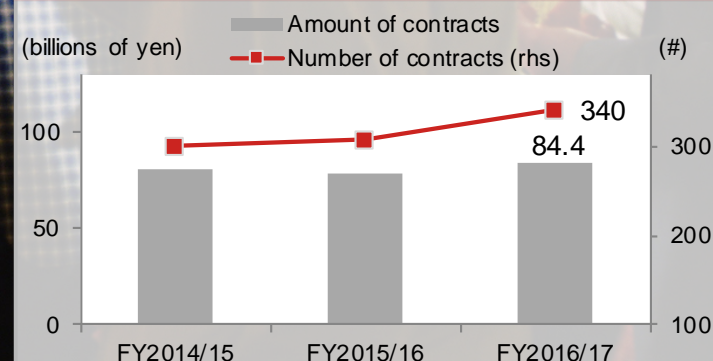
SME M&A



Real estate



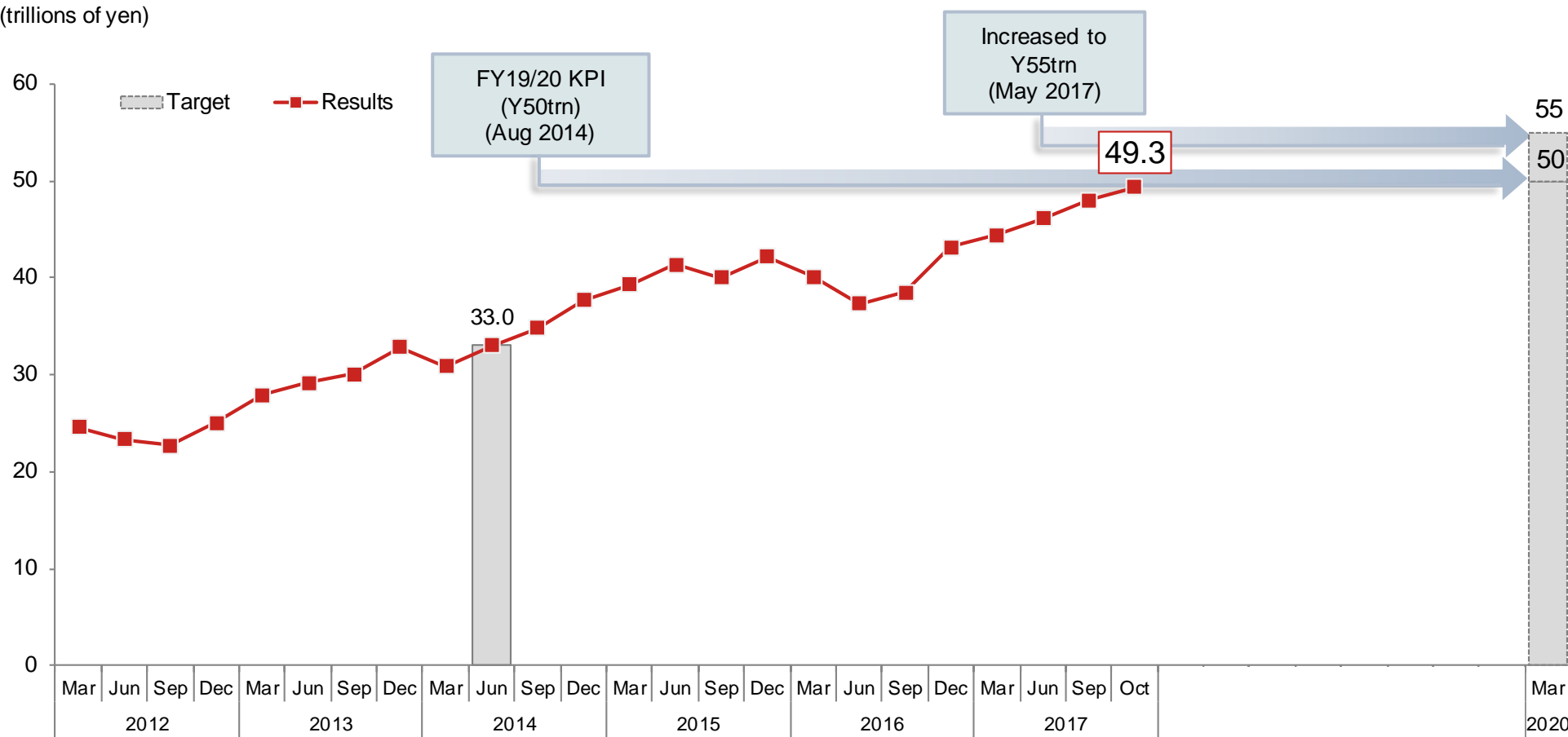
Operating leases



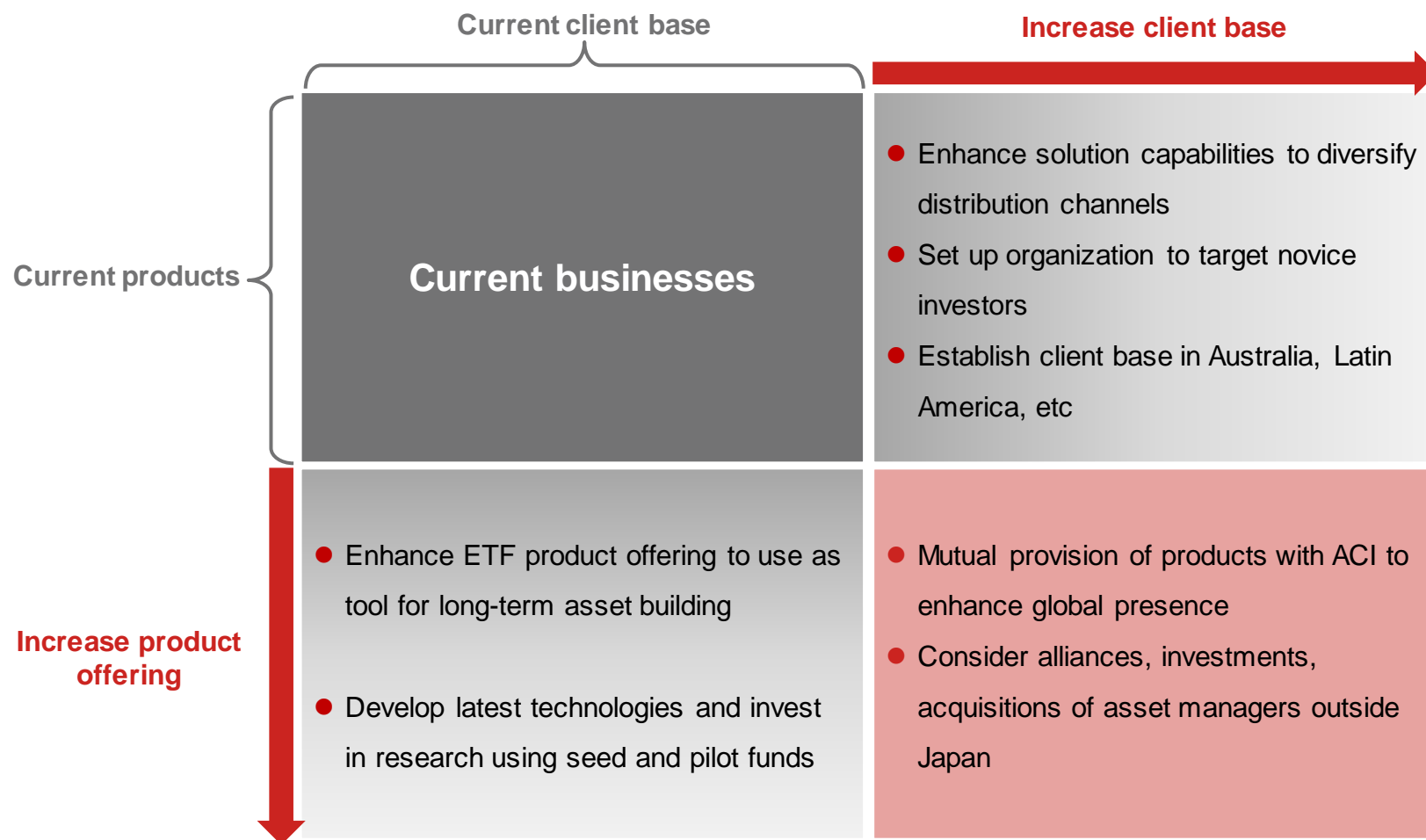
1. Based on number of domestic transactions introduced or joint brokered by the Real Estate Department.

Asset Management: Assets under management

(trillions of yen)

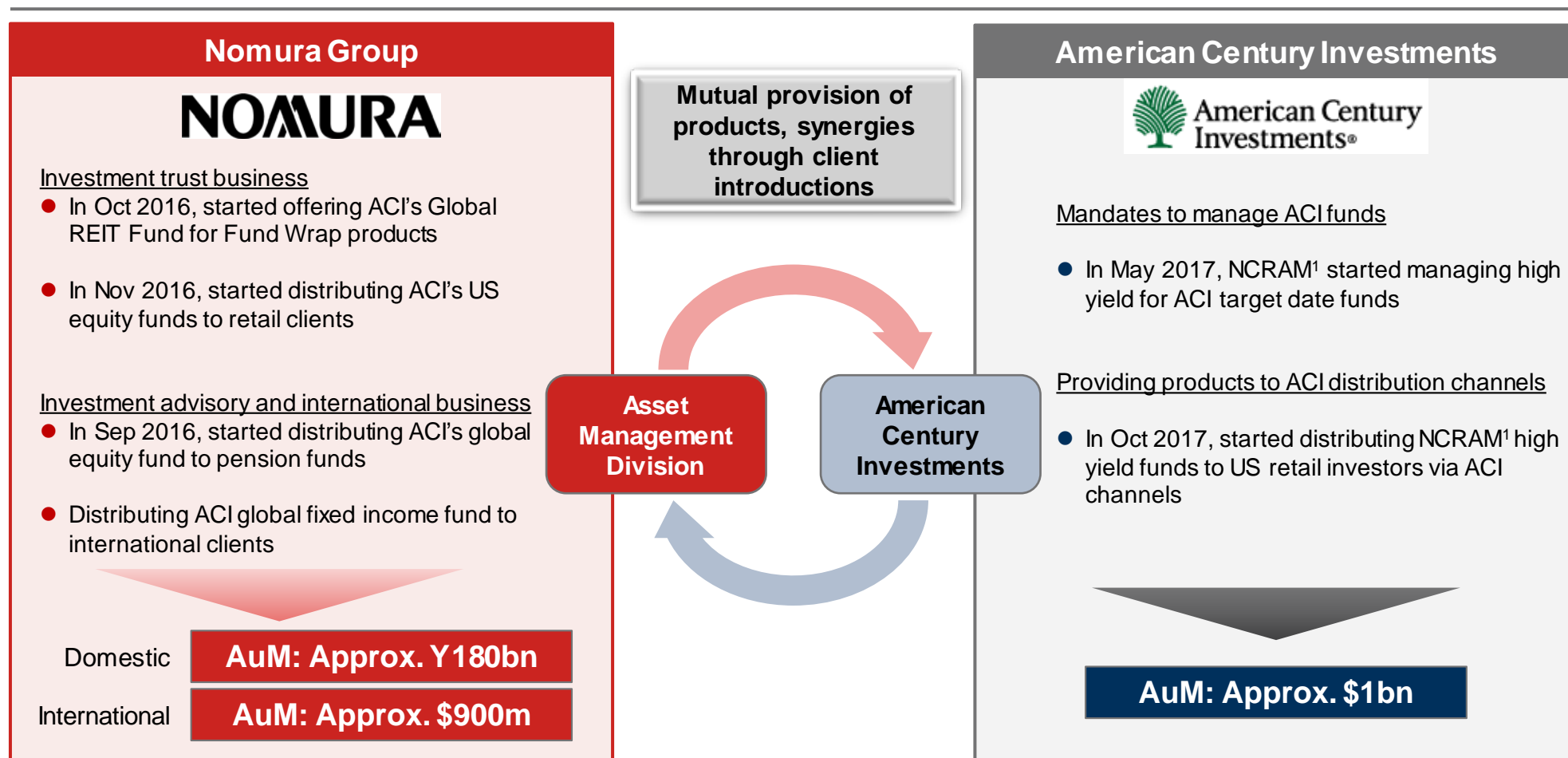


Asset Management: Initiatives to boost AuM



Benefits of collaboration with American Century Investments (ACI)

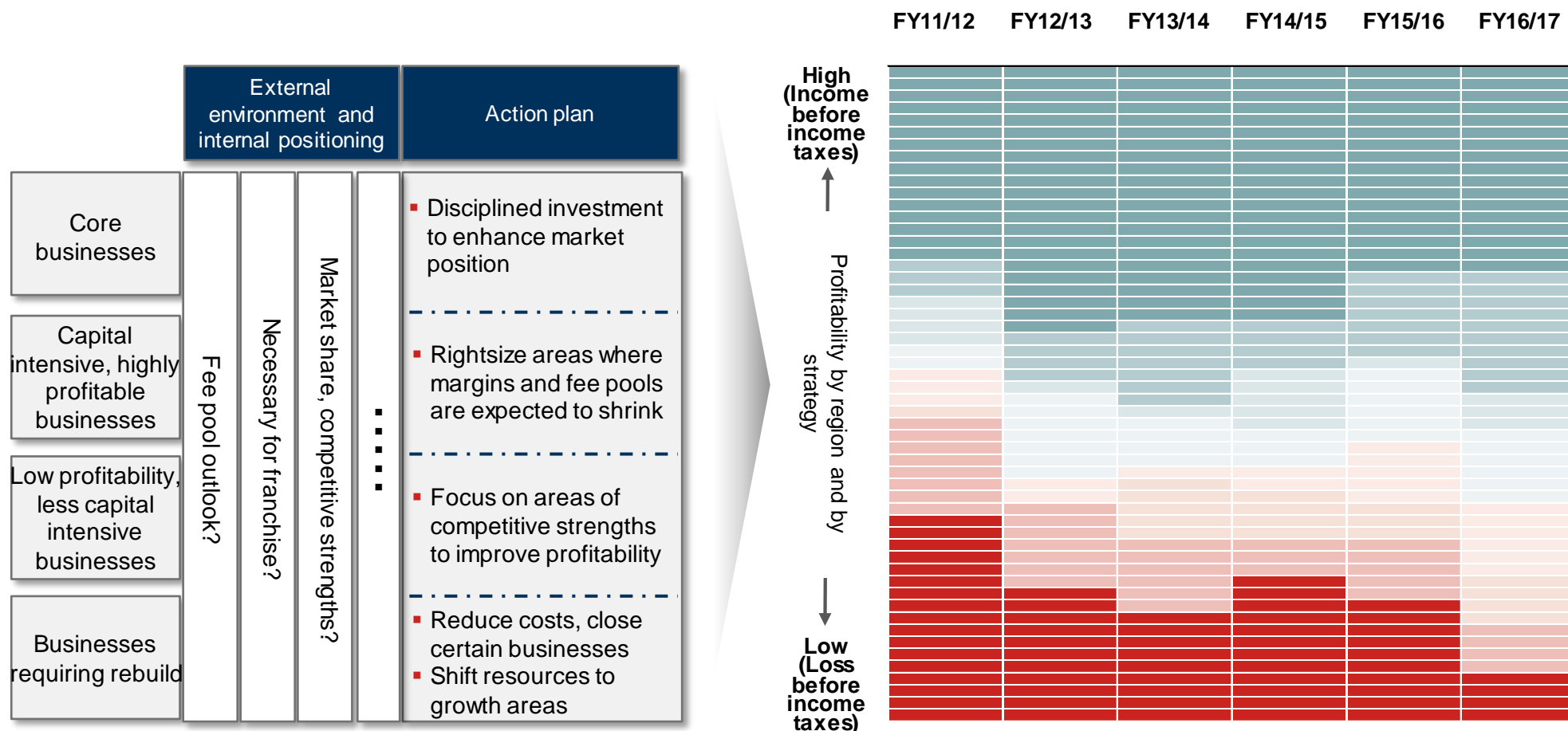
NOMURA



1. Nomura Corporate Research and Asset Management.

Wholesale: Continue to review business portfolio

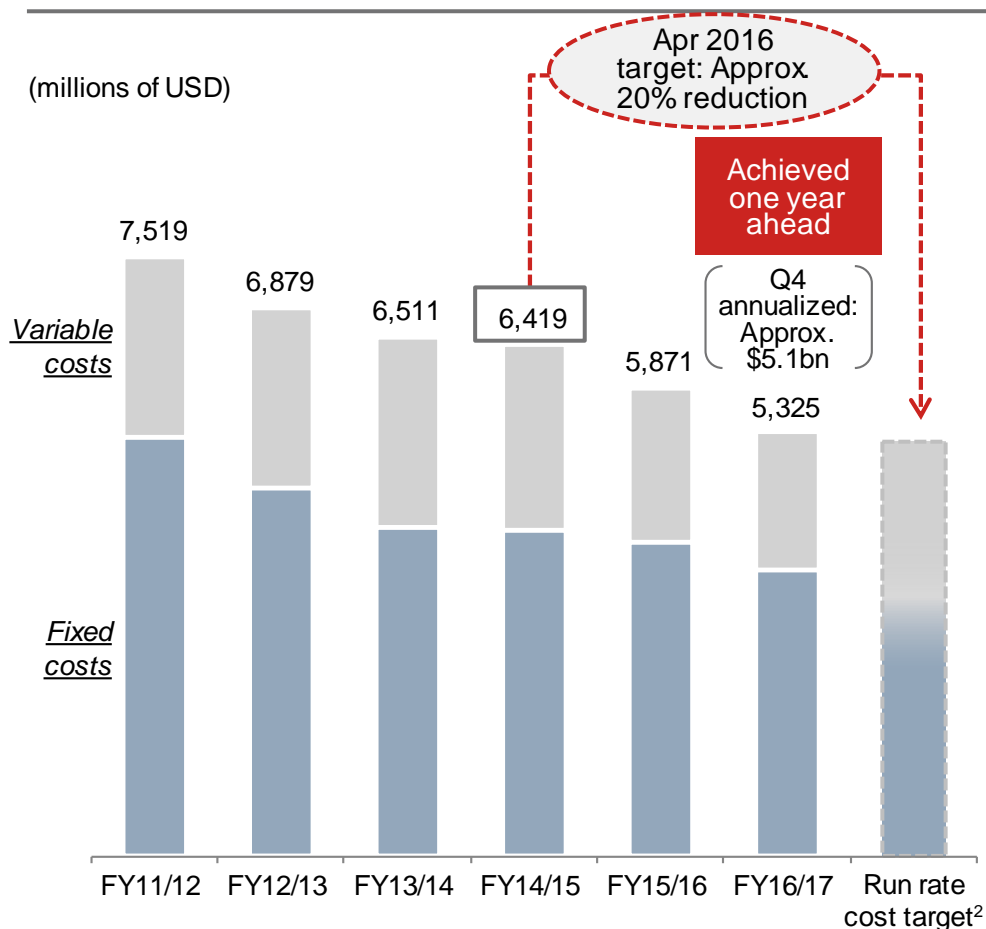
Review profitability and resource allocation by strategy to focus on competitive strengths; Profitability improved significantly



Wholesale: Lower costs, manage risk

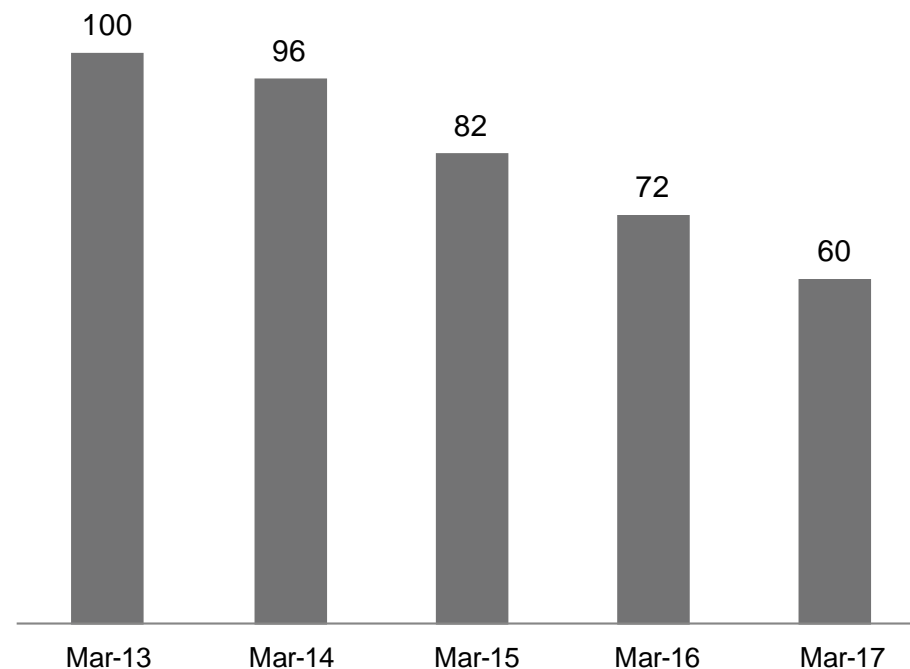
Cost reductions centered on fixed costs¹

(millions of USD)



Risk assets trending down

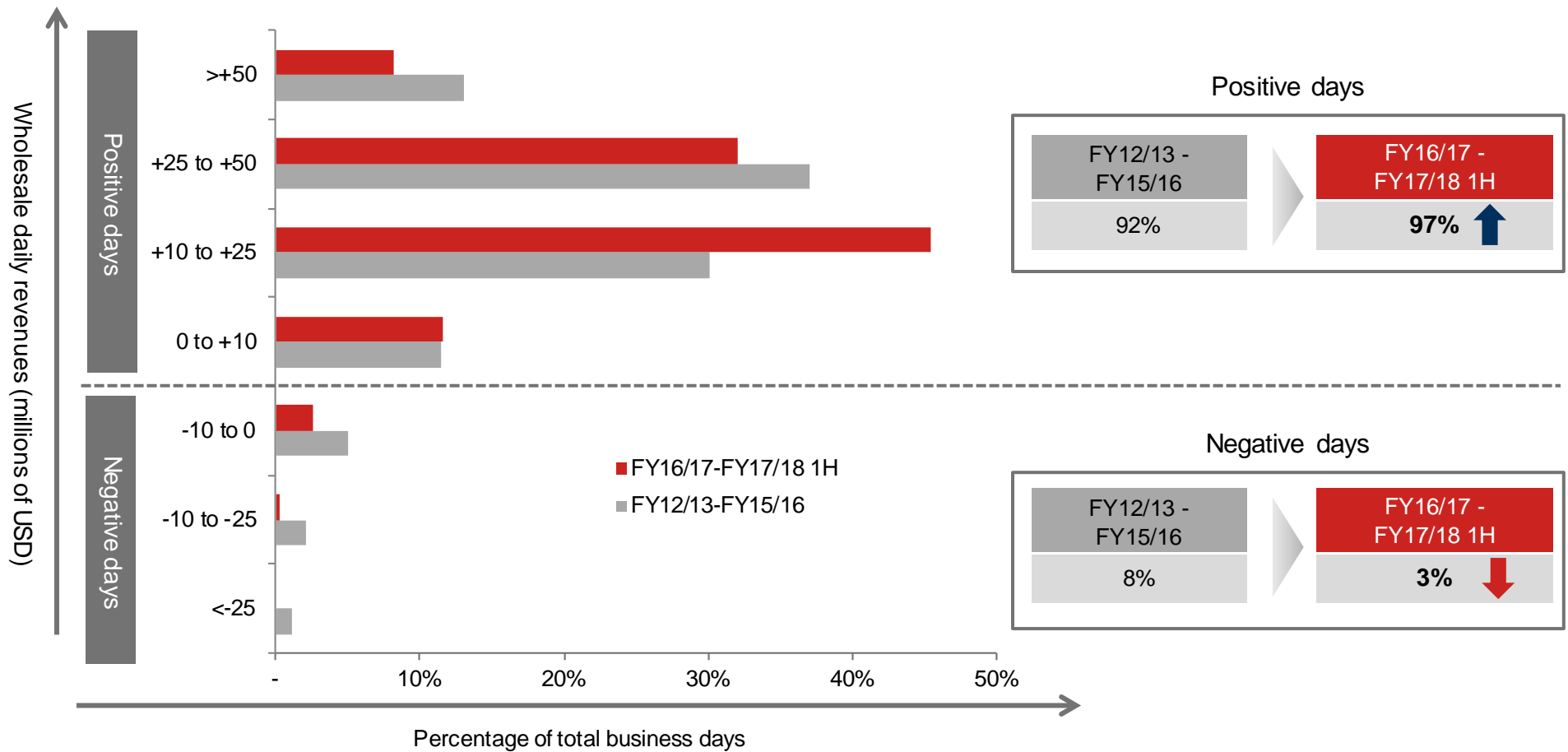
(Indexed, FY2012/13 = 100)



1. Translated to US\$ using month-end spot rate (average) for each year.
 2. Cost base assuming business conditions remain unchanged from FY2015/16.

Wholesale: Strong focus on risk culture

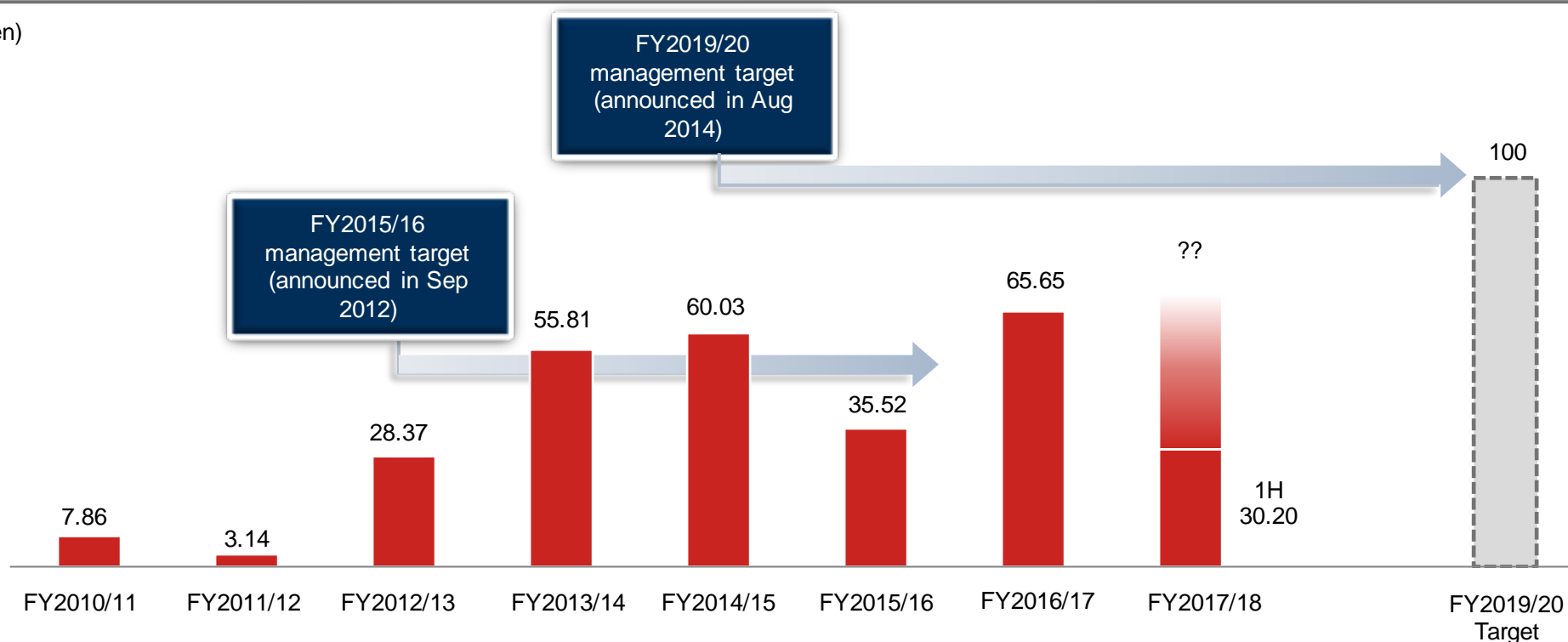
Wholesale daily revenues



Group performance: Making steady progress

EPS¹ and 2020 management target

(yen)



FY2017/18 3Q performance (as of Nov)

- ✓ Stock market rally has lifted Retail net revenue to trend slightly above 2Q, while assets under management in Asset Management continue to grow
- ✓ Wholesale roughly unchanged from 2Q

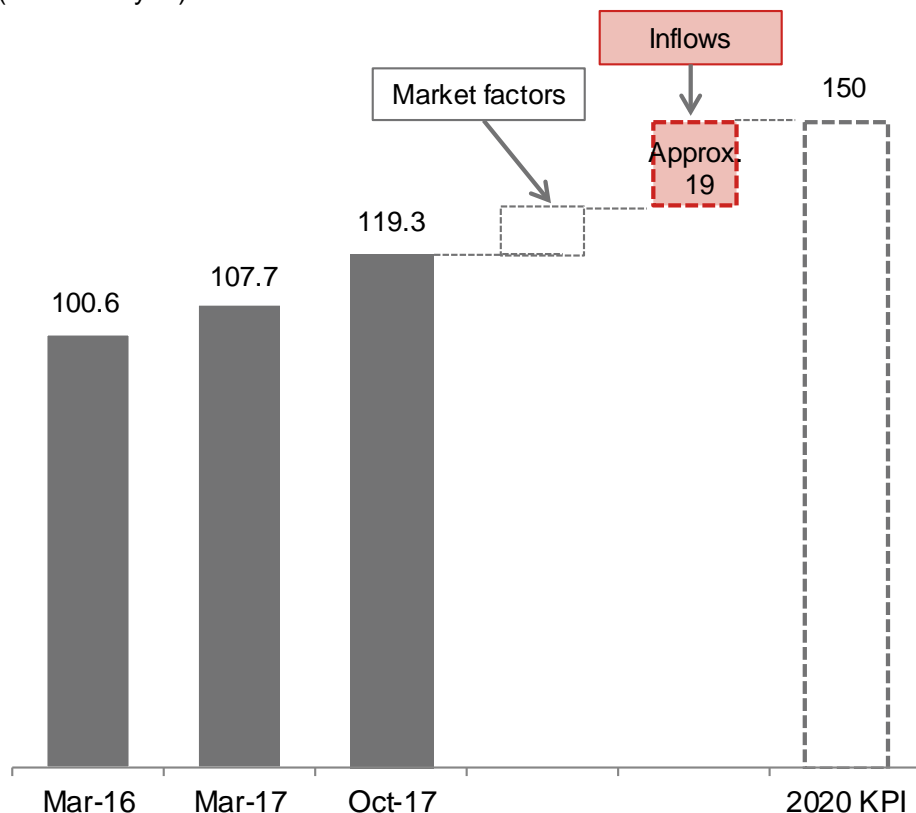
1. Diluted net income per share attributable to Nomura Holdings shareholders.

Challenges on road to 2020: Retail

- Inflows of Y19trn required to reach Y150trn target, but net inflows of cash and securities not yet at sufficient level

Lifting client assets to Y150trn by 2020

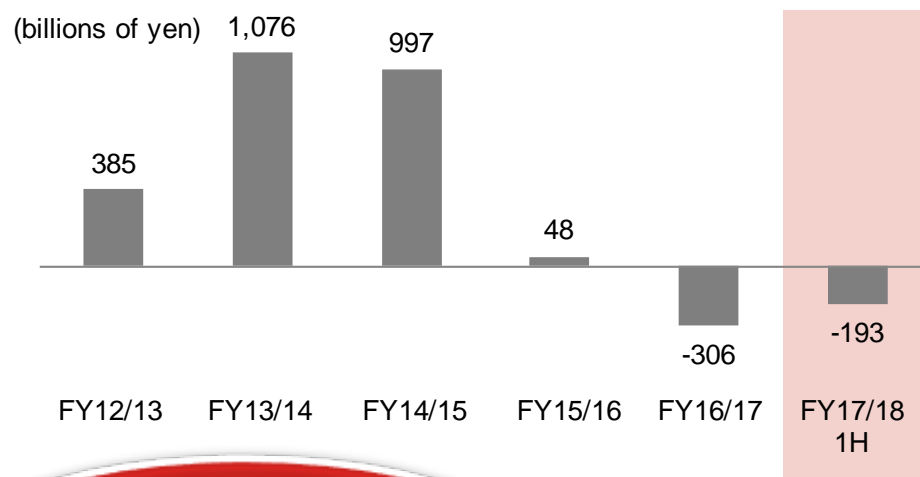
(trillions of yen)



*FY2019/20 assumptions: Nikkei at 25,000; USD/JPY exchange rate at Y115

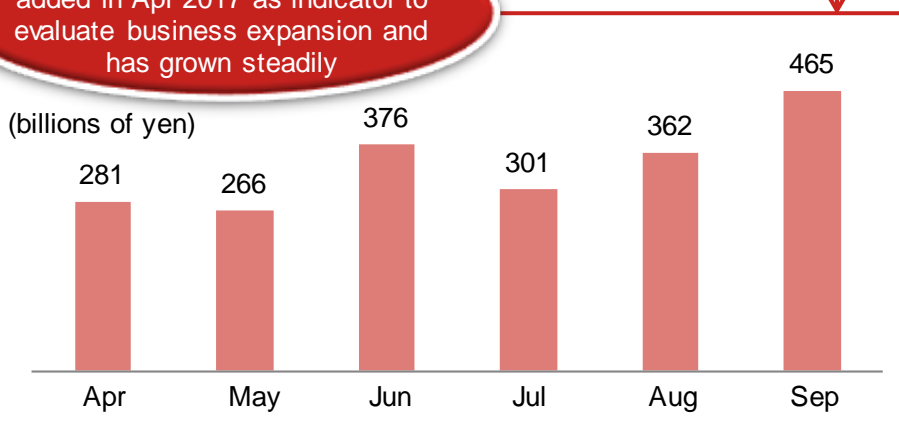
Net inflows of cash and securities¹ remains a challenge

(billions of yen)



Inflows of cash and securities² added in Apr 2017 as indicator to evaluate business expansion and has grown steadily

(billions of yen)

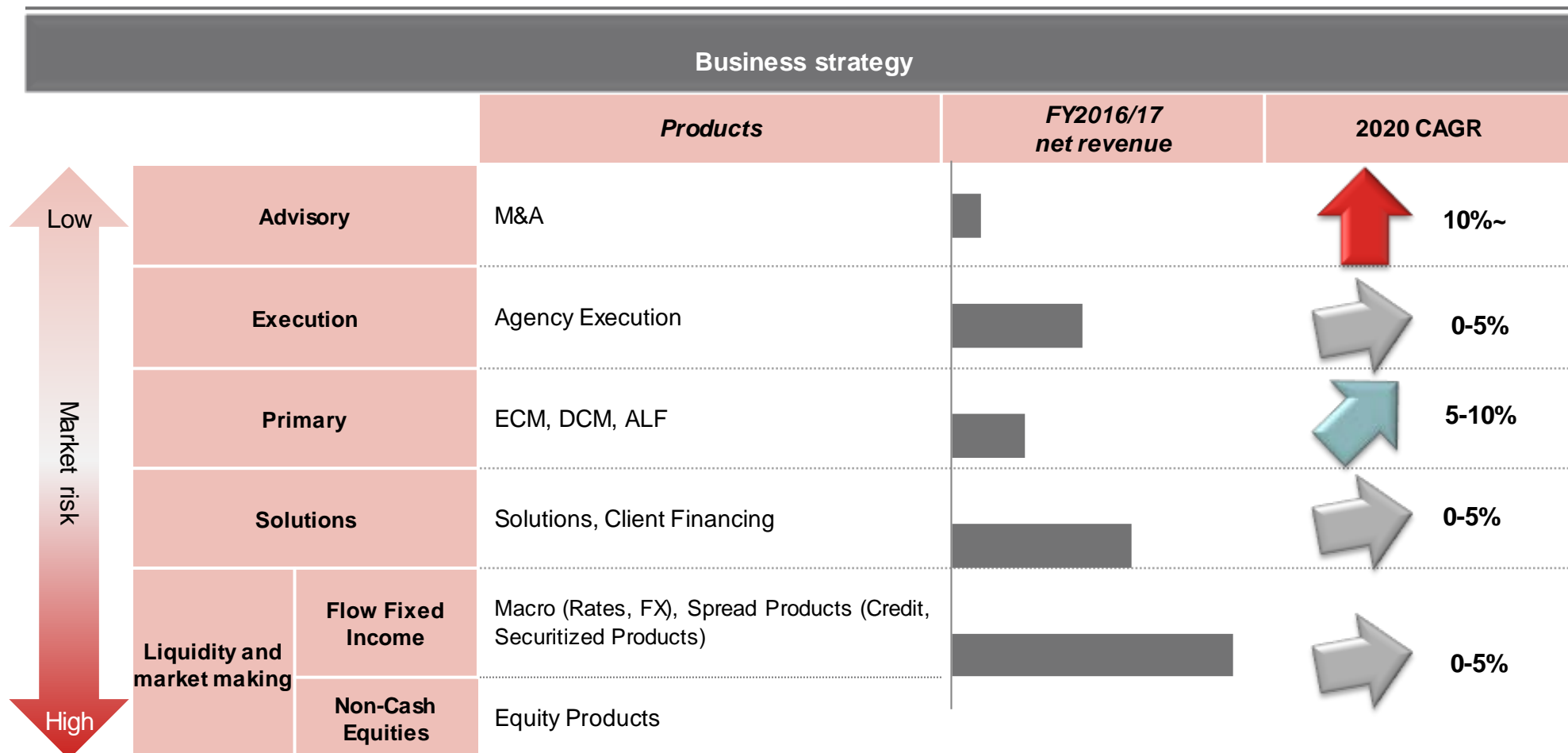


1. Cash and securities inflows minus outflows, excluding regional financial institutions.
 2. Inflows of cash and securities of Retail channels

Challenges on road to 2020: Wholesale

- Revenue mix needs to be further diversified as secondary trading susceptible to market volatility is still the main revenue driver

Selectively grow in our areas of competitive strength

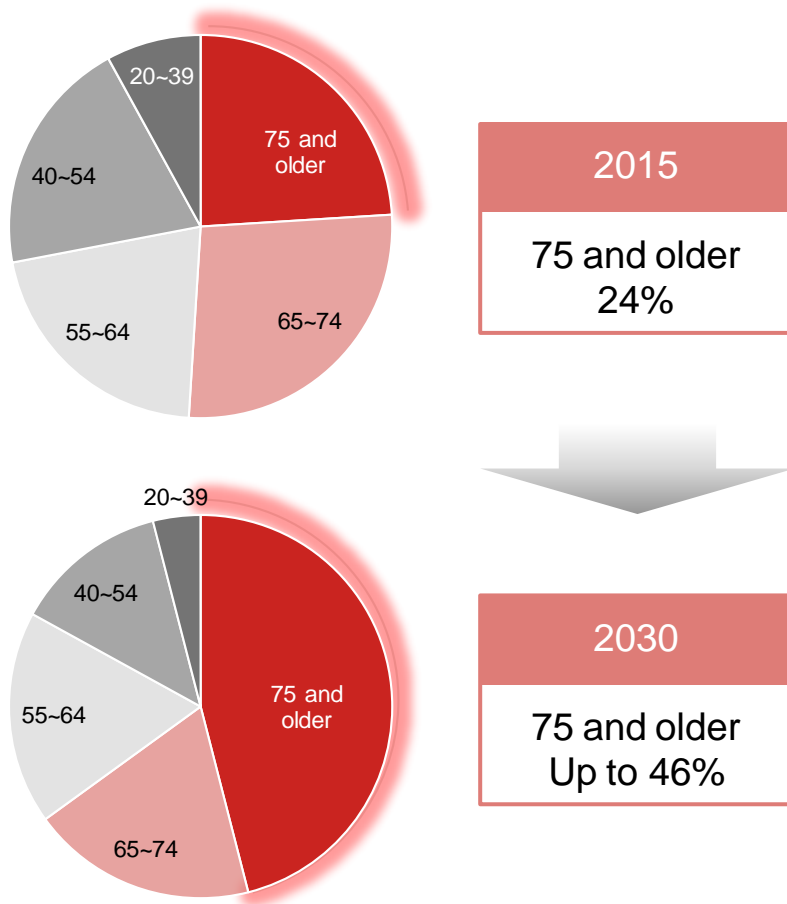


2. Beyond 2020: Post Vision C&C

Structural shifts in Japan (1/3)

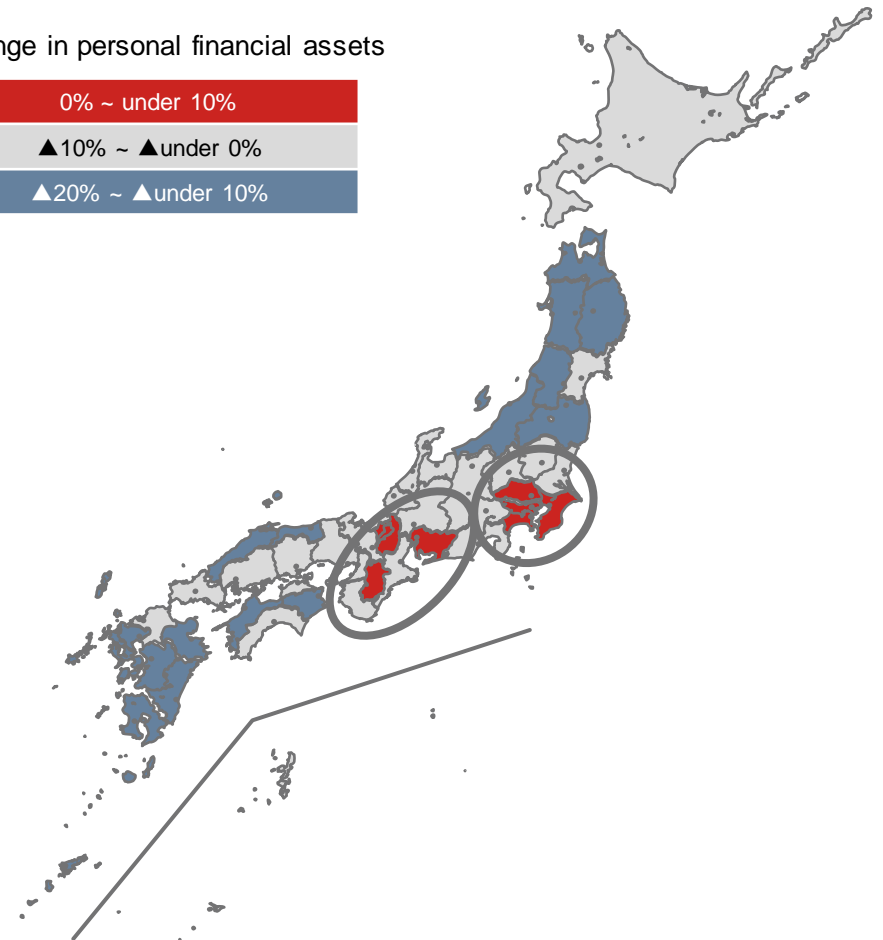
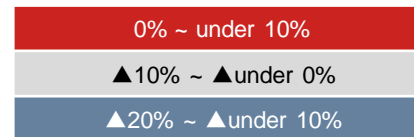
- Large concentration of personal financial assets expected in three major metropolitan areas and among those over 75

Change in personal financial assets by age¹



Impact of aging and inheritance on personal financial assets by region (2016-2030)²

% change in personal financial assets

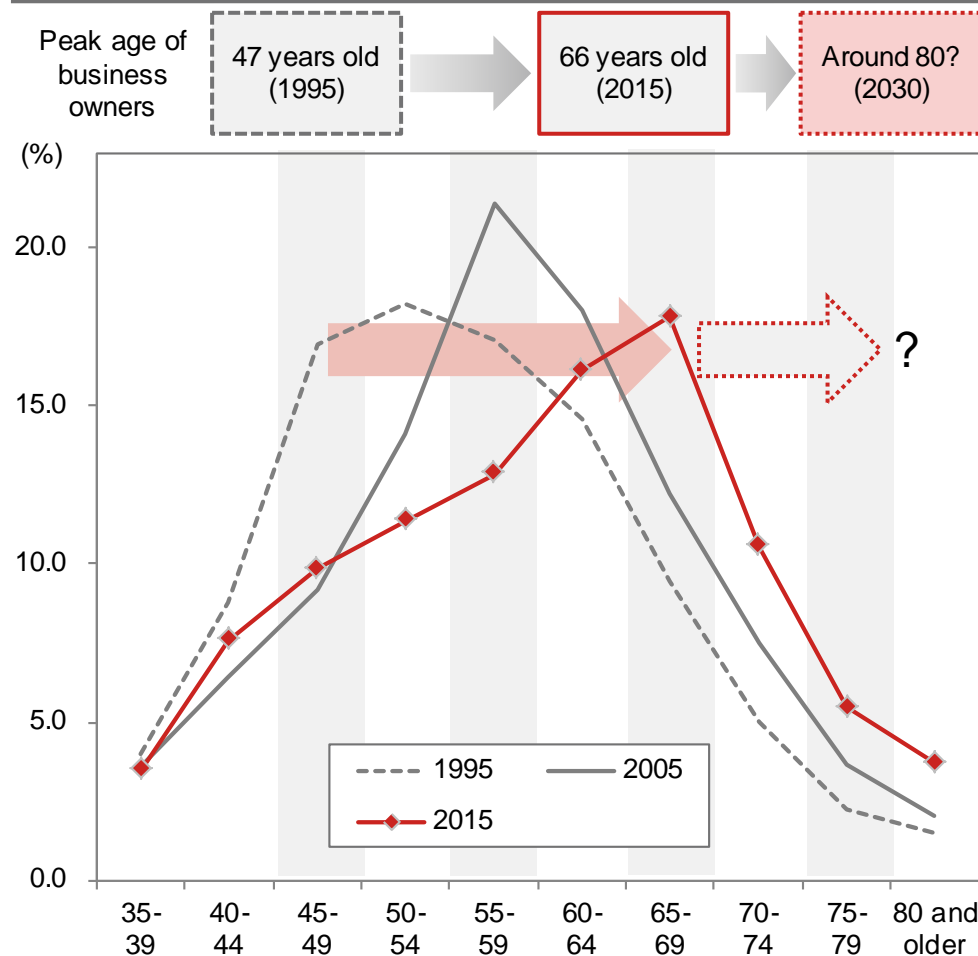


1. Source: Nomura Institute of Capital Markets Research estimates, assumes asset transfer through secondary inheritance only
 2. Source: Nomura Institute of Capital Markets Research estimates, calculated based on financial assets only

Structural shifts in Japan (2/3)

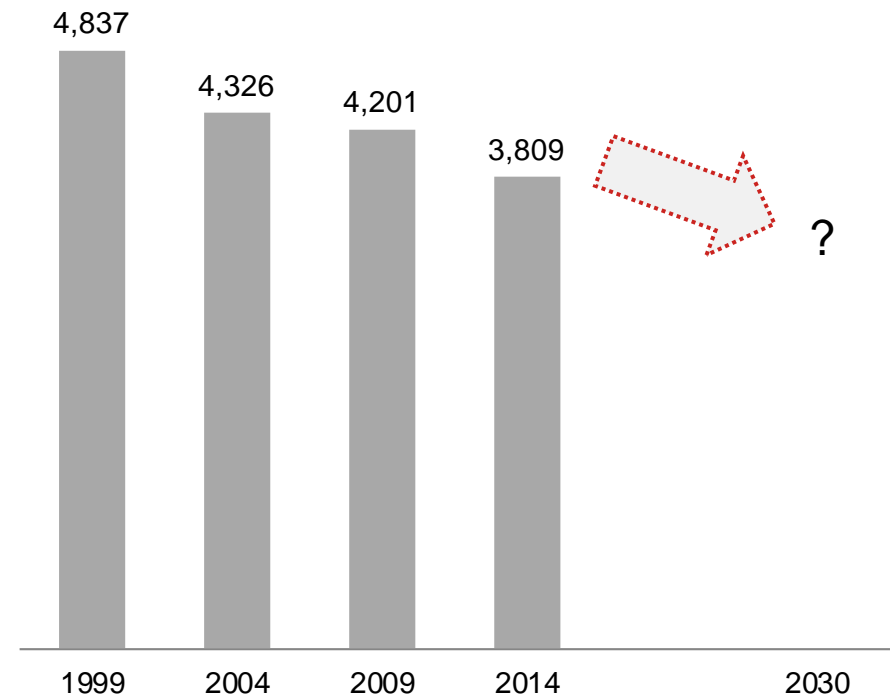
■ Rise in business succession needs as small and medium-sized enterprise owners age

Age distribution of small and medium-sized enterprise owners¹



Number of small and medium-sized enterprises¹

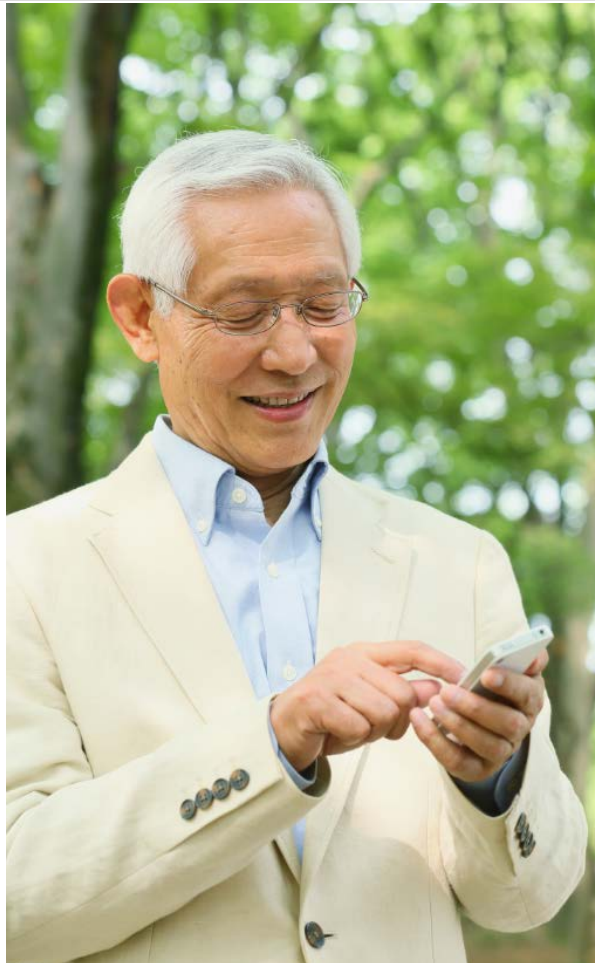
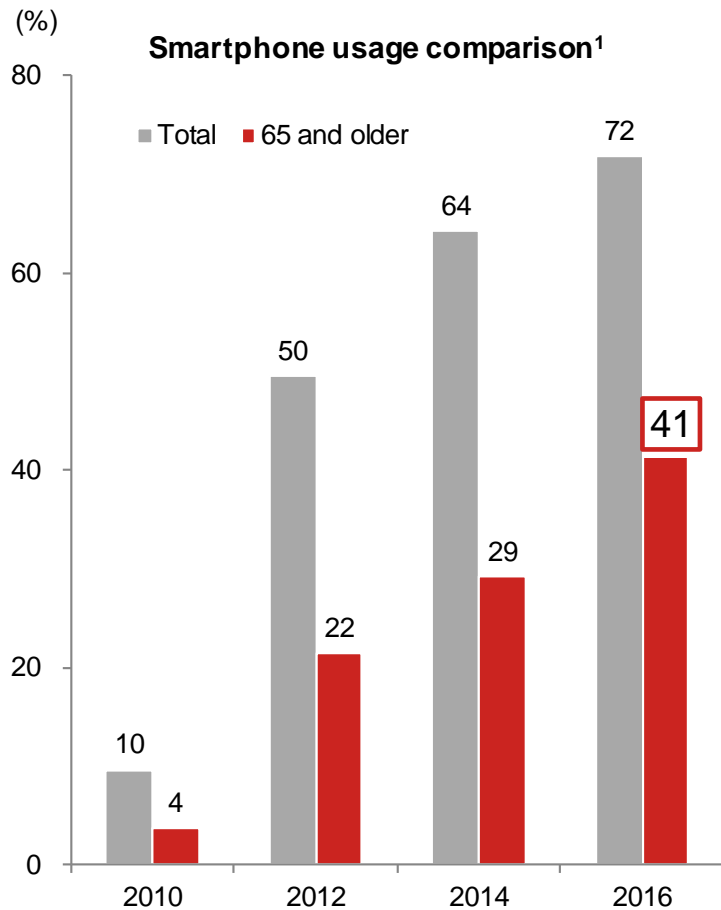
(thousands of companies)



1. Source: Nomura, based on data from The Small and Medium Enterprise Agency, 2016 White Paper on Small and Medium Enterprises. Number of small and medium businesses = Number of companies + number of businesses owned by individuals

Structural shifts in Japan (3/3)

Rapid change in consumer spending due to advancement in digital technology



1. Source: Nomura, based on data from the Ministry of Internal Affairs and Communications.

Retail: Medium to long term strategy to address structural shifts (1/2) **NOMURA**

Structural shifts

1

Increase in senior population
Shift of financial assets to three major metropolitan areas



Nomura's strategies

- Reallocate resources (branches, retail channels, etc.)
- Respond to senior generation needs (financial gerontology research)

2

Aging of small and medium-sized business owners
Rise in business succession needs



- Enhance M&A support and provide new solutions

3

Further use of IT and changing consumer behavior

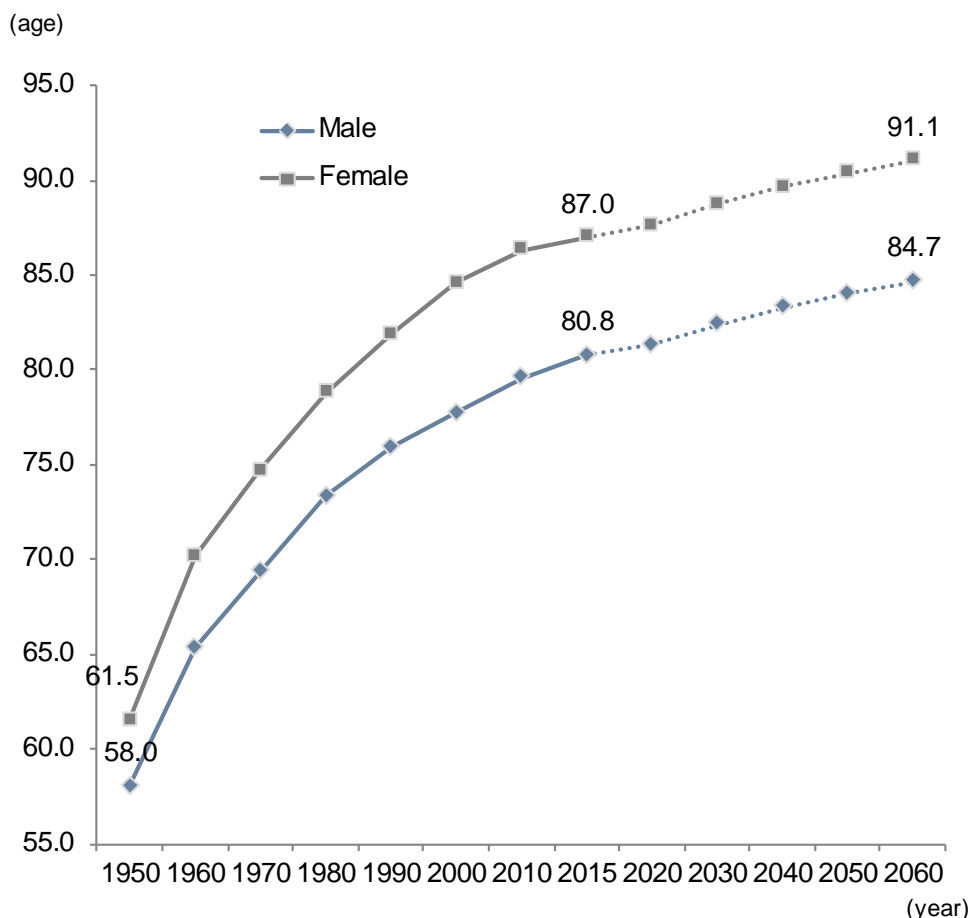


- Provide user-friendly services that make use of digital innovation
- Initiatives for asset builders leveraging IT

Retail: Initiatives for the over 75 age group

Joint research on financial gerontology² with Keio University

Average life expectancy in Japan¹



1. Source: Cabinet Office, Government of Japan.

2. Financial gerontology is the study of the impact that aging and living longer will have on the economy and financial behavior.

Enhancing support through financial services

Commenced joint research on financial gerontology²



慶應義塾大学

NOMURA




Established Financial Gerontology Research Center in Jun 2016

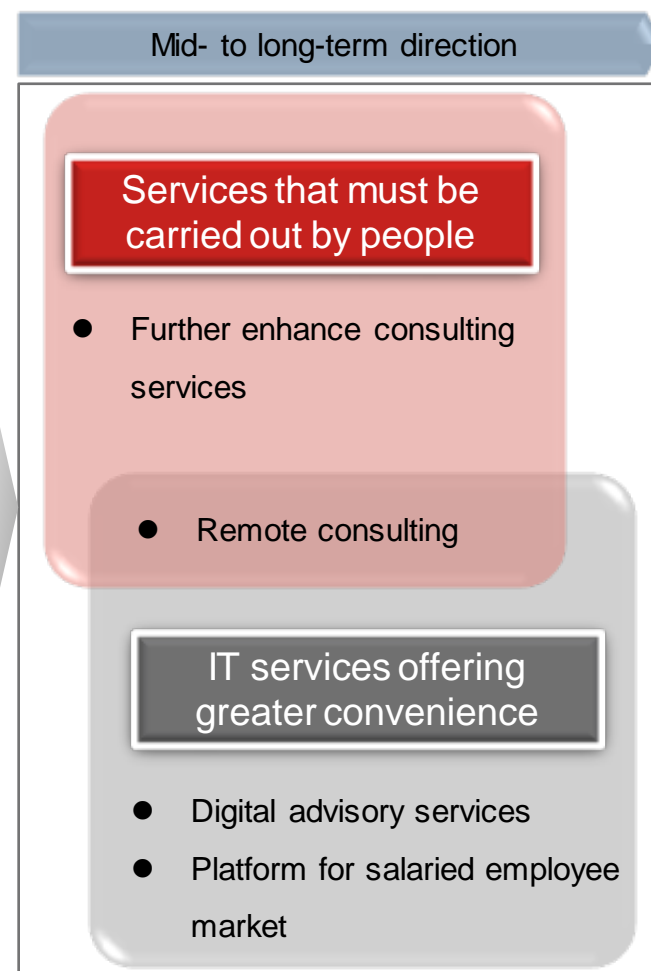


Symposium
Outlook for research on longevity and financial gerontology (Mar 2017)

Financial gerontology:
How to extend good health and the life of your assets
Published Apr 2017

Retail: Medium to long term strategy to address structural shifts (2/2) **NOMURA**

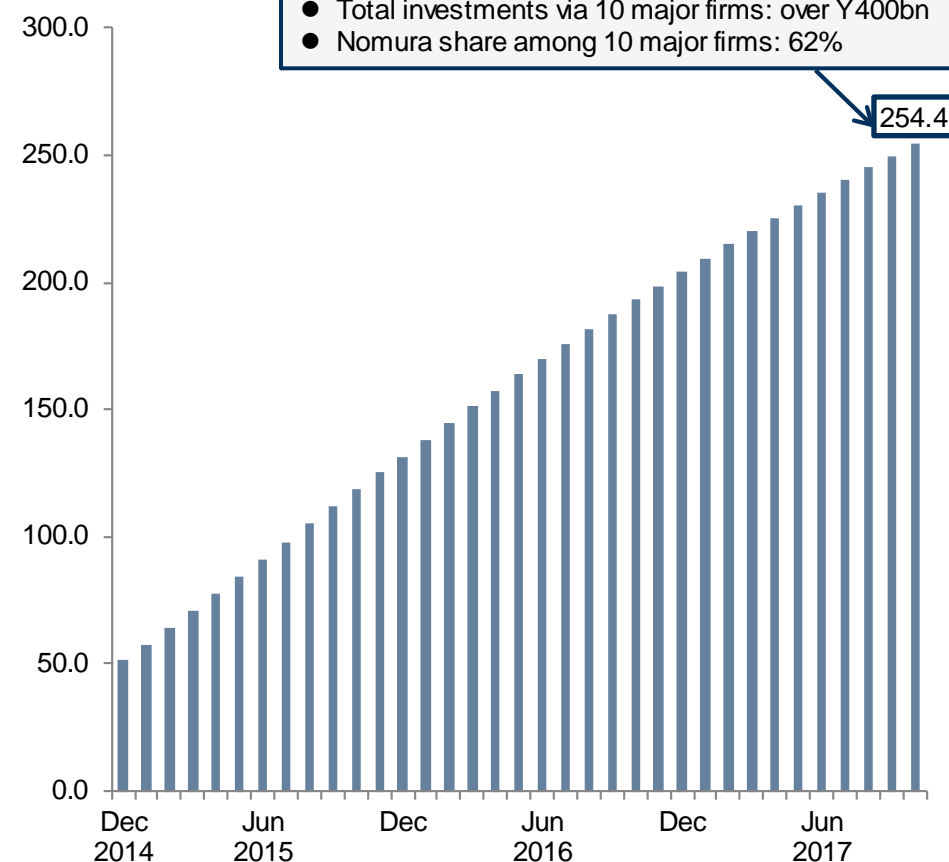
Clients	Main channels	Previous	
Corporates	Branches	Face-to-face	<ul style="list-style-type: none"> ■ Consulting services ■ Total approach to clients' assets (asset management, business succession, inheritance planning, M&A, real estate, etc.)
Individuals (Senior generation)  (Asset builders)	Contact centers	Complement face-to-face	<ul style="list-style-type: none"> ■ Take orders, process ■ Dedicated dial service for new clients
	Online services		 
	Services for salaried workers		Provide exclusive digital services



Retail: Growing needs from broader range of clients to build assets

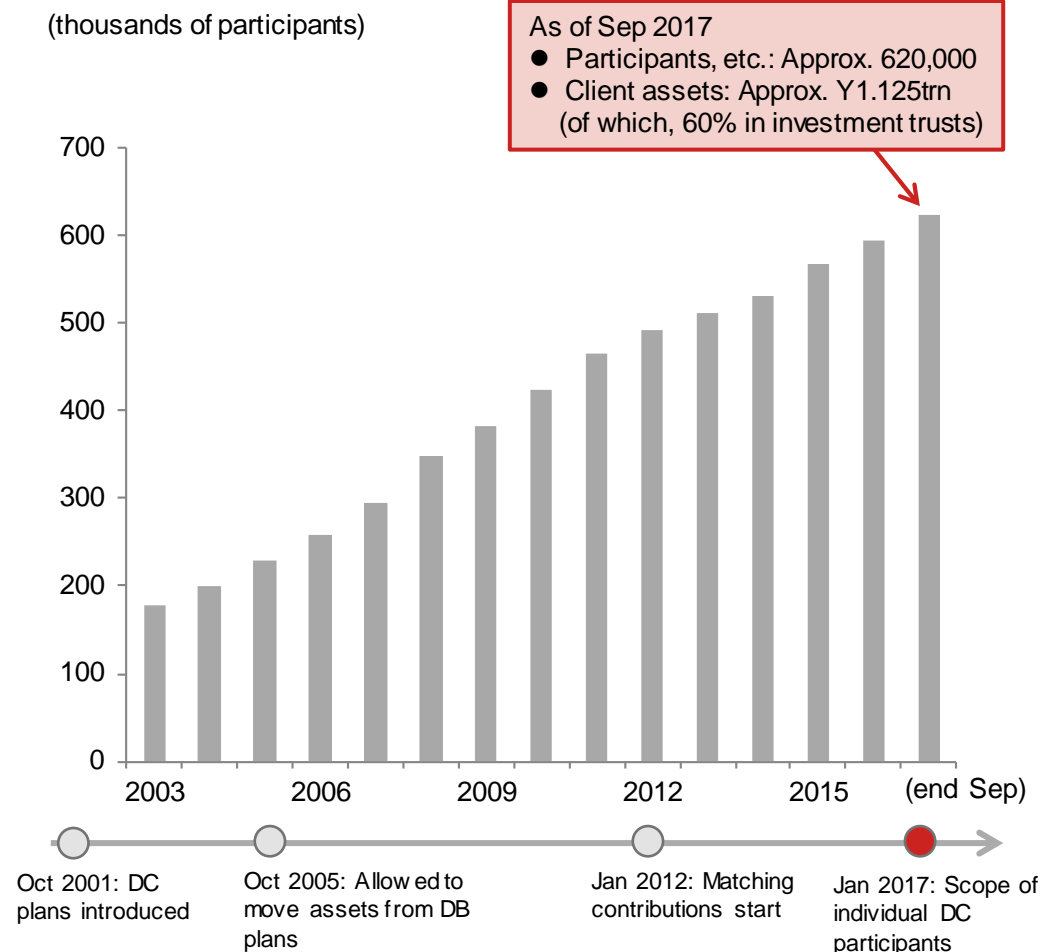
Installment-type investments through NISA (accumulated)¹

(billions of yen)



Increase in defined contribution pension plan participants²

(thousands of participants)



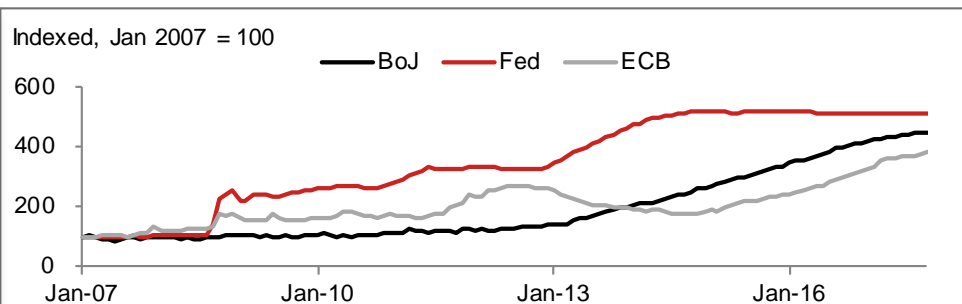
1. Includes Junior NISA

2. Participants, etc. is total of participants (pays contributions) and persons authorized to give investment instructions (no contributions, asset management only).

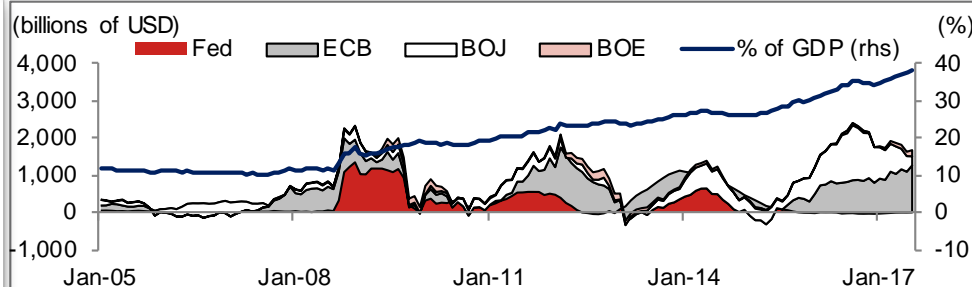
Structural shifts in markets:

Change in monetary policies of central banks

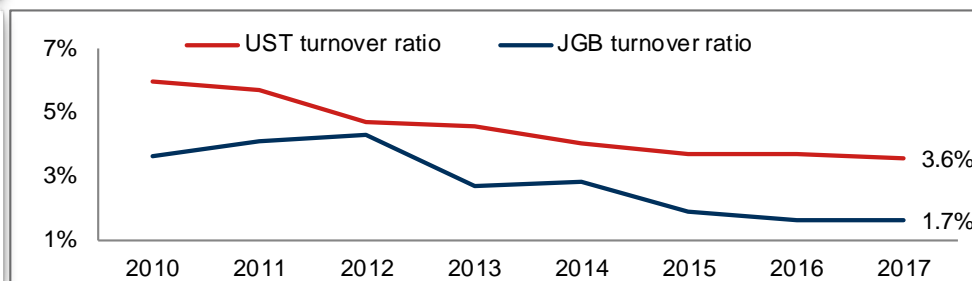
Central bank
balance sheets



Purchase of
sovereign bonds by
central banks
(12-month moving
average)



Liquidity of Japan /
US government
bonds¹



Change in monetary policies

US

- Oct 2014 – End of tapering
- Dec 2015 – Start of rate hikes
- Since 2016 – Three rate hikes implemented
- Rates hikes expected in Dec 2017 and three times in 2018²

Europe

- Oct 2017 – ECB decided to extend bond-buying program and reduce amounts

Japan

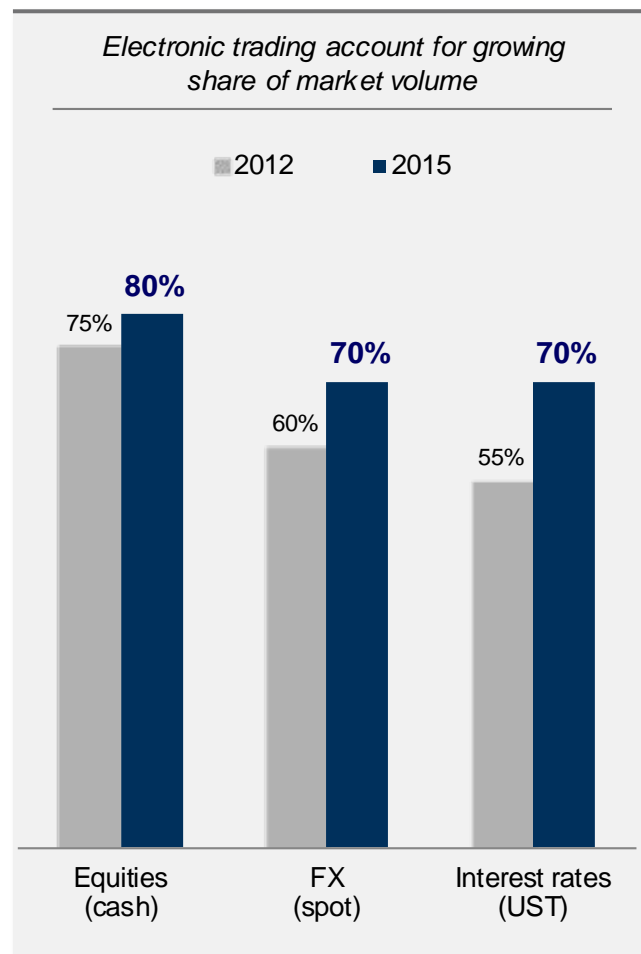
- Monetary easing continues
- Purchases declining

1. Source: Securities Industry and Finance Markets Association (SIFMA), Japan Securities Dealers Association, Ministry of Finance, Japan turnover ratio calculated as monthly trading volume of Dealer-to-client transactions excluding treasury discount bills, etc. to total JGB outstanding; Includes City Banks & Long-term Credit Banks, Regional Banks, Trust Banks, Agricultural, Forestry and Fishery Fin. Insts., Second-tier Regional Banks, Shinkin Banks, Insurance Companies, Investment Trusts, National & Local Public Officers Mutual Aid Associations, Foreigners and Individuals. Excludes transaction by Government, Bank of Japan, Japan Post Bank, Japan Post Insurance, business Corporations, other financial institutions etc.

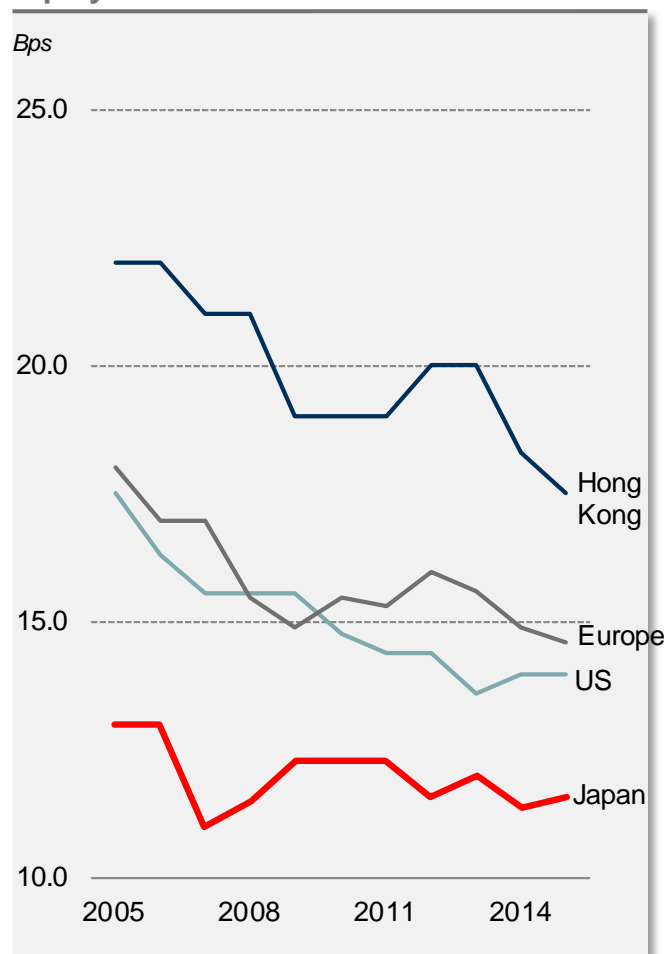
2. Nomura estimates

Structural shifts in markets: Lower commissions over the medium to long term

Increase in electronic trading¹



Lower commissions for high-touch equity execution business²



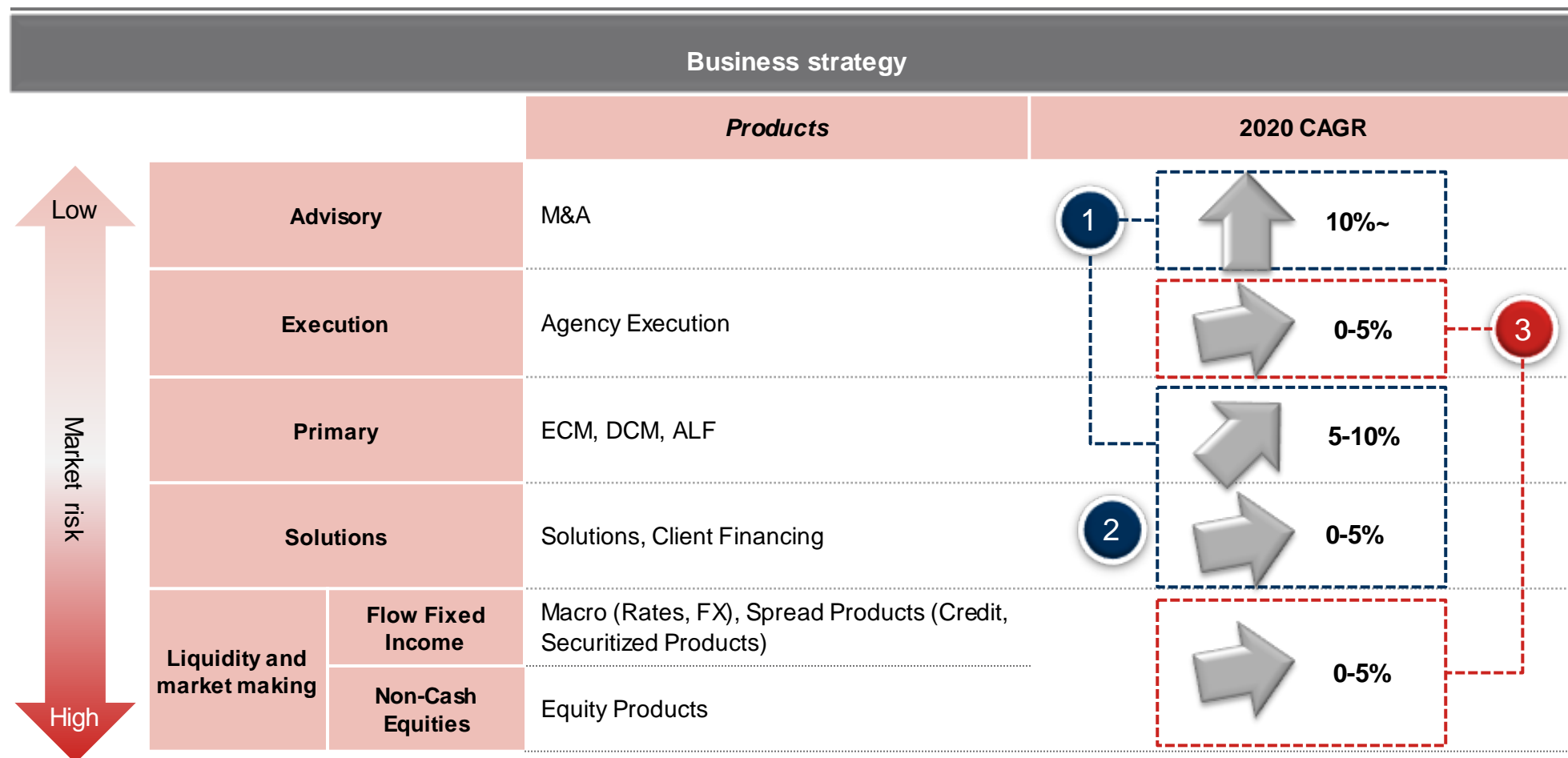
Possible changes due to MiFID-II



1. Source: Bank for International Settlements
2. Source: Greenwich Associates

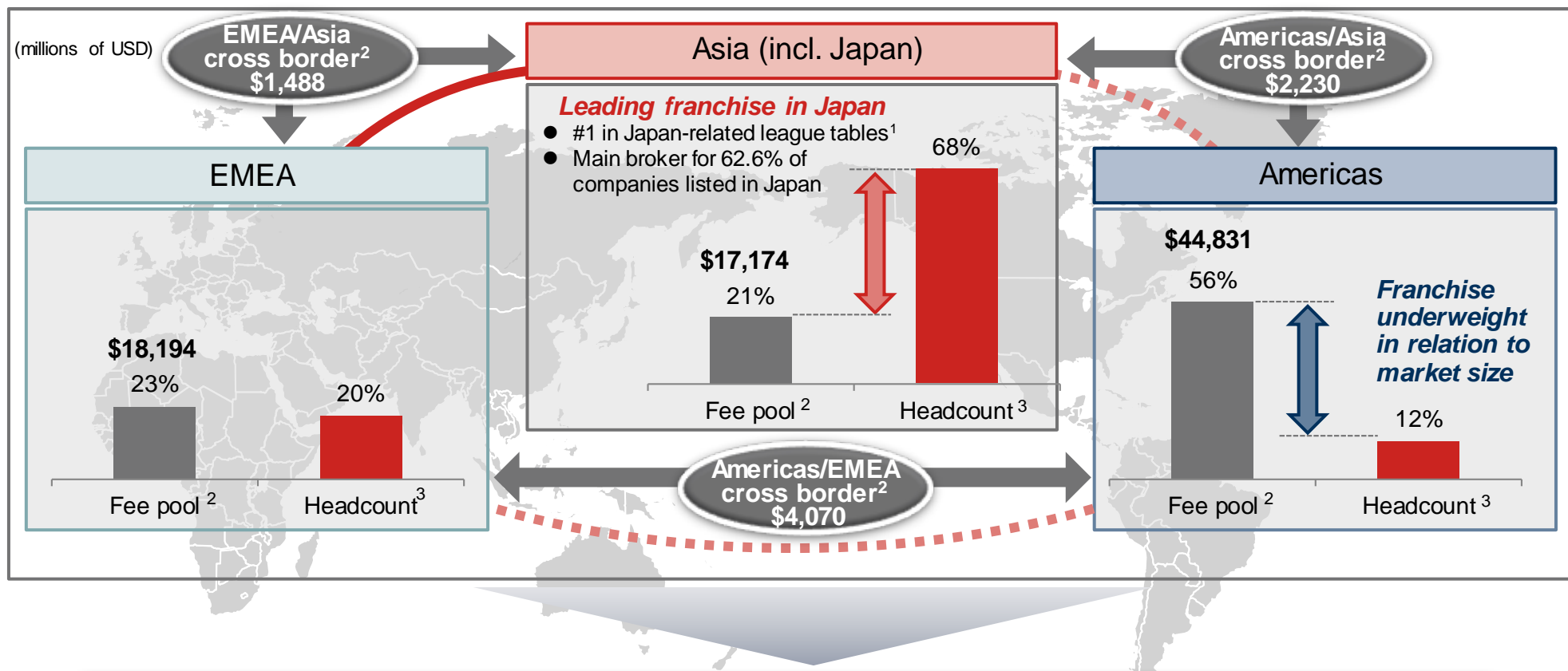
Wholesale: Delivering consistent growth

Selective expansion in areas and businesses with competitive advantage



Wholesale: Strengthening our missing link – The Americas

Expand Americas business centering on Investment Banking



- ✓ Americas remains largest market in the world
- ✓ Enhance Americas franchise through organic growth, alliances, and acquisitions

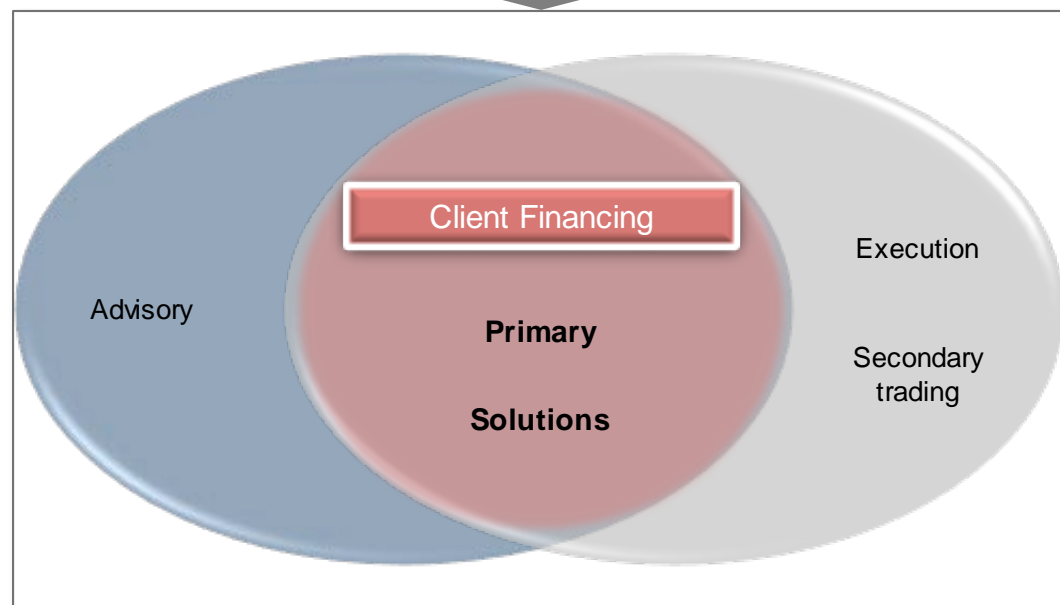
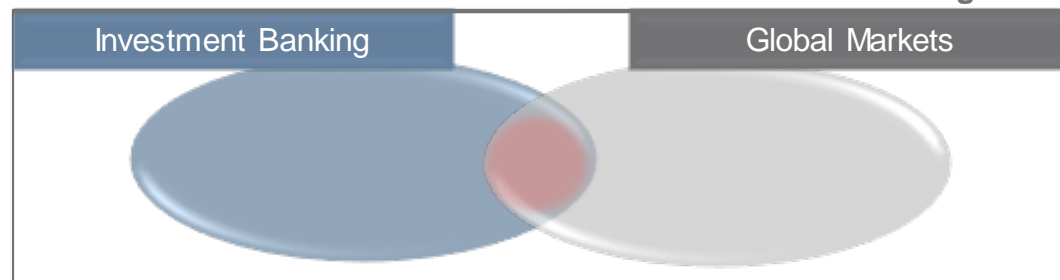
1. Source: ECM / M&A: Thomson Reuters; DCM: Thomson DealWatch Japan All Debt (including self-funded); Jan – Sep 2017

2. Source: Dealogic, fee pools for ECM, DCM, M&A and ALF

3. Nomura headcount based on producers.

Wholesale: Build up client financing capabilities

Closer collaboration in Global Markets and Investment Banking



■ Build integrated platform from origination to distribution

- Comprehensive coverage of traditional financing mandates and non-traditional solutions businesses in international regions

■ Provide total solutions tailored to client needs

- Agile use of financial resources within risk framework

Wholesale: Digitization of flow businesses

Industry trends

Electronification

- ✓ Electronic platforms for macro business
- ✓ Growth of algorithmic trading

Changes to intermediary business

- ✓ New liquidity providers: ATS, electronic brokers
- ✓ Automation of market making

Regulatory requirements

- ✓ MiFID II: Best execution, price transparency
- ✓ Innovation to meet changing regulatory requirements

Nomura's response

Establish Wholesale Digital Office

- Further develop Instinet platform and increase products
- Enhance efficiency in sales process: Use fintech in low touch businesses to improve productivity
- Automation of trading, further use of AI and quants analysis, leverage third-party platforms
- Build up talent pool to drive digitalization

Instinet >>
A Nomura Company

salesforce
BLUE POOL

SINGLETRACK
RSRCHXCHANGE

NEX Traiana

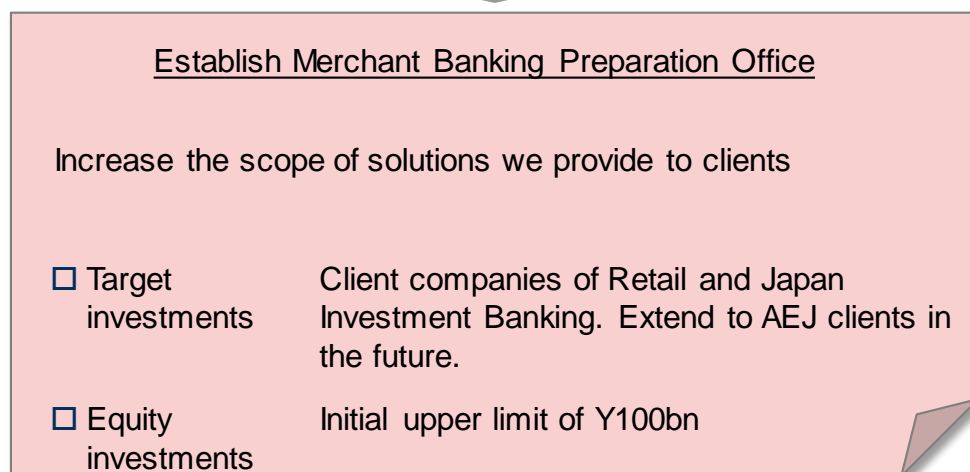
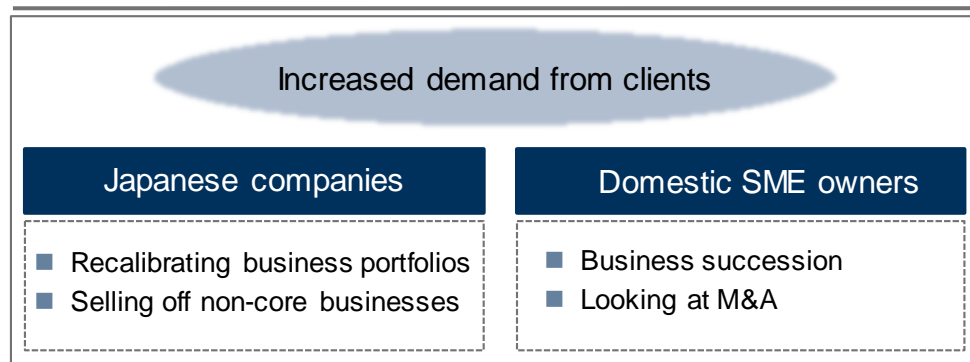
SYMPHONY

SoundHound Inc.

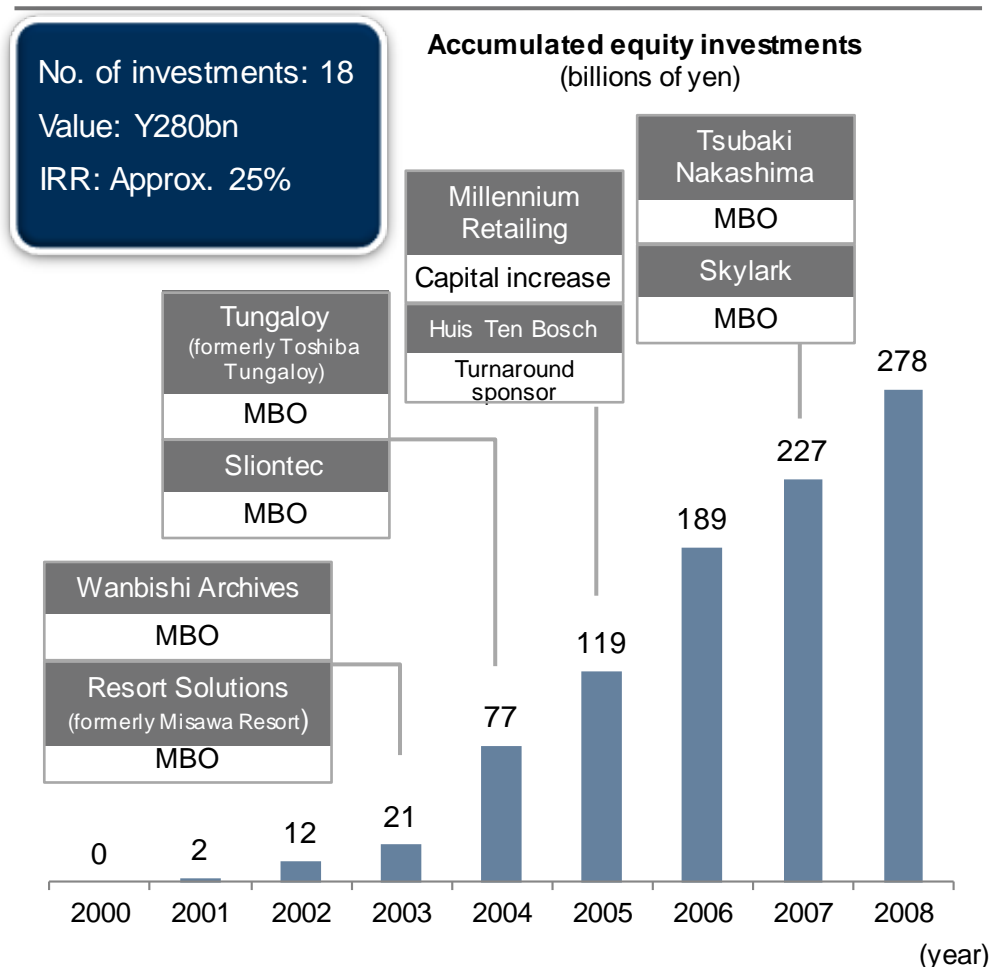
R **FUJITSU**

Growth strategy (1): Merchant banking business (1/2)

Meeting the needs of our clients



Nomura Principal Finance investment track record

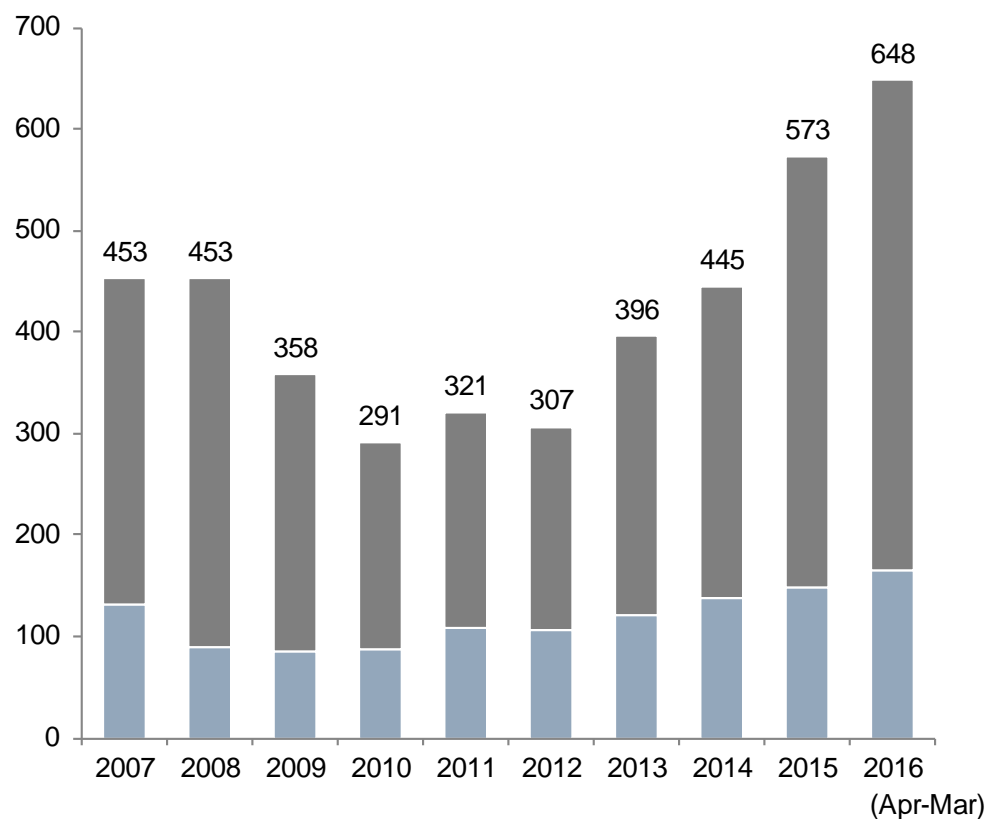


(year)

Growth strategy (1): Merchant banking business (2/2)

Increase in Japan-related M&A¹

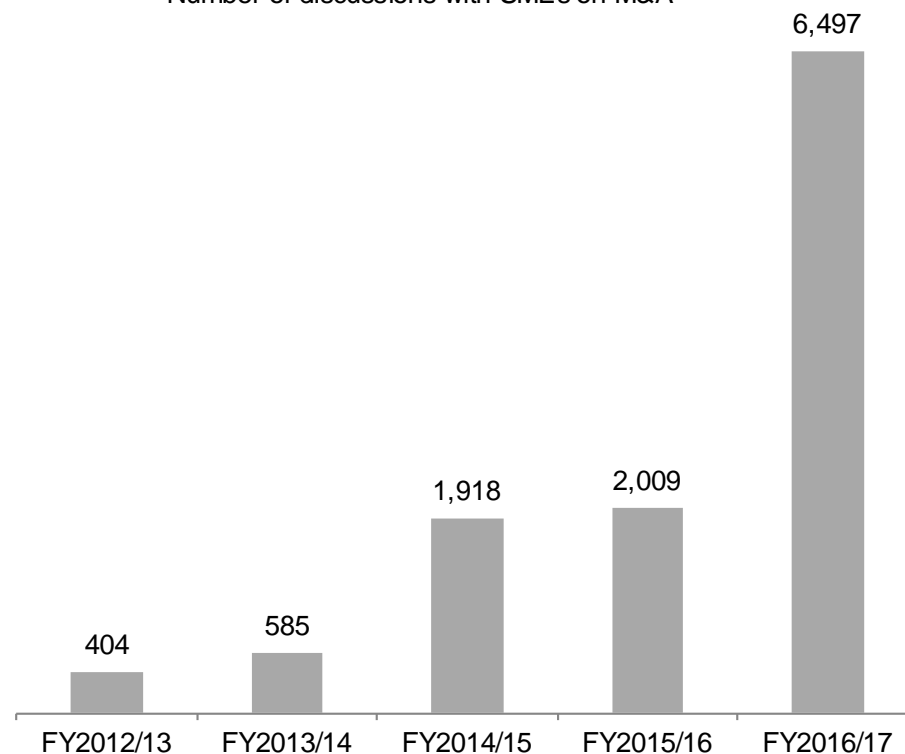
(#) ■ Deals which financial sponsors involved ■ Others



Retail seeing an increase in M&A inquiries from SMEs

(#)

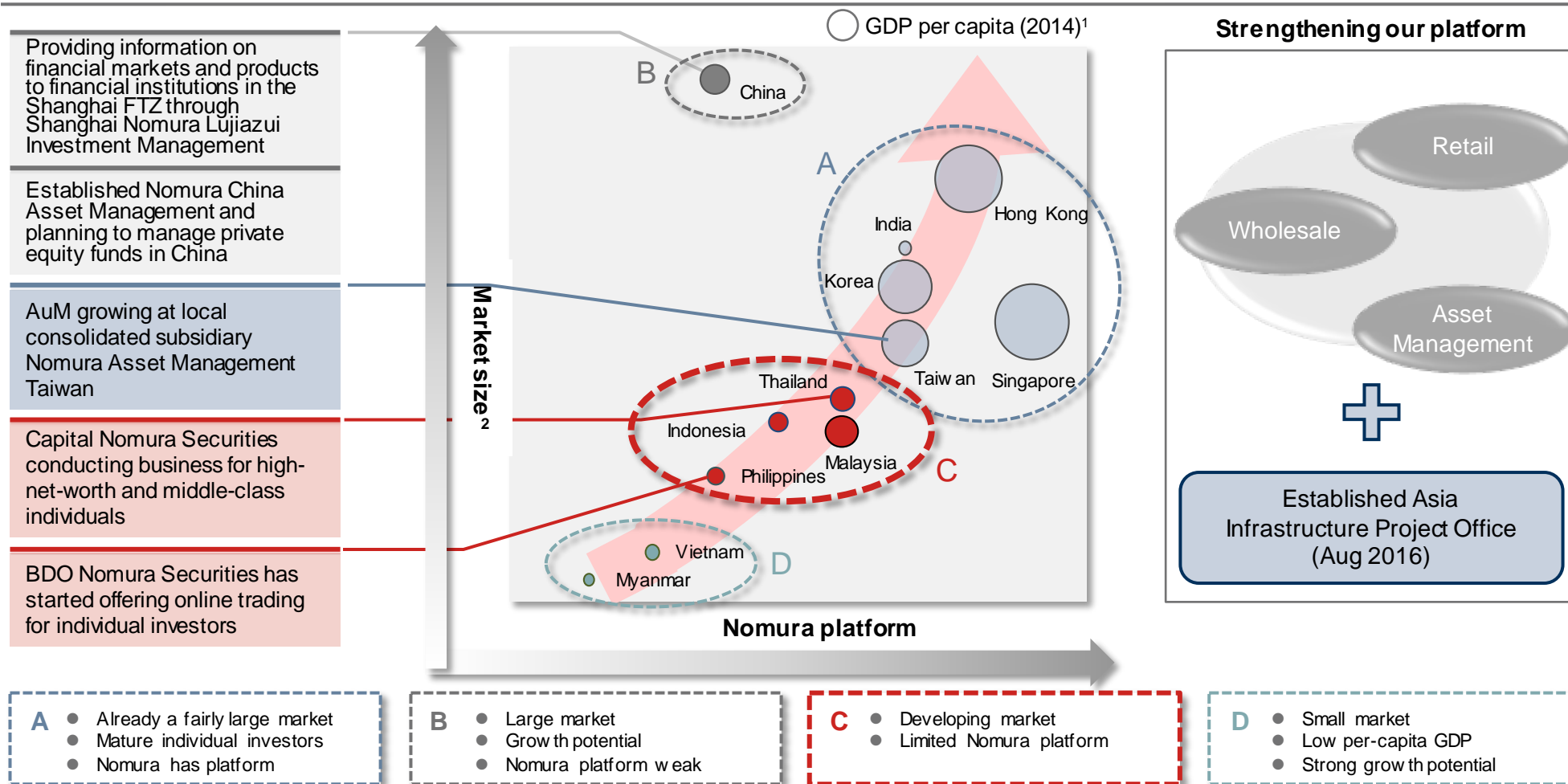
■ Number of discussions with SMEs on M&A



1. Source: Thomson Reuter

Growth strategy (2): Paving the way for future growth in Asia

Strategy tailored to market size and stage of development of each country

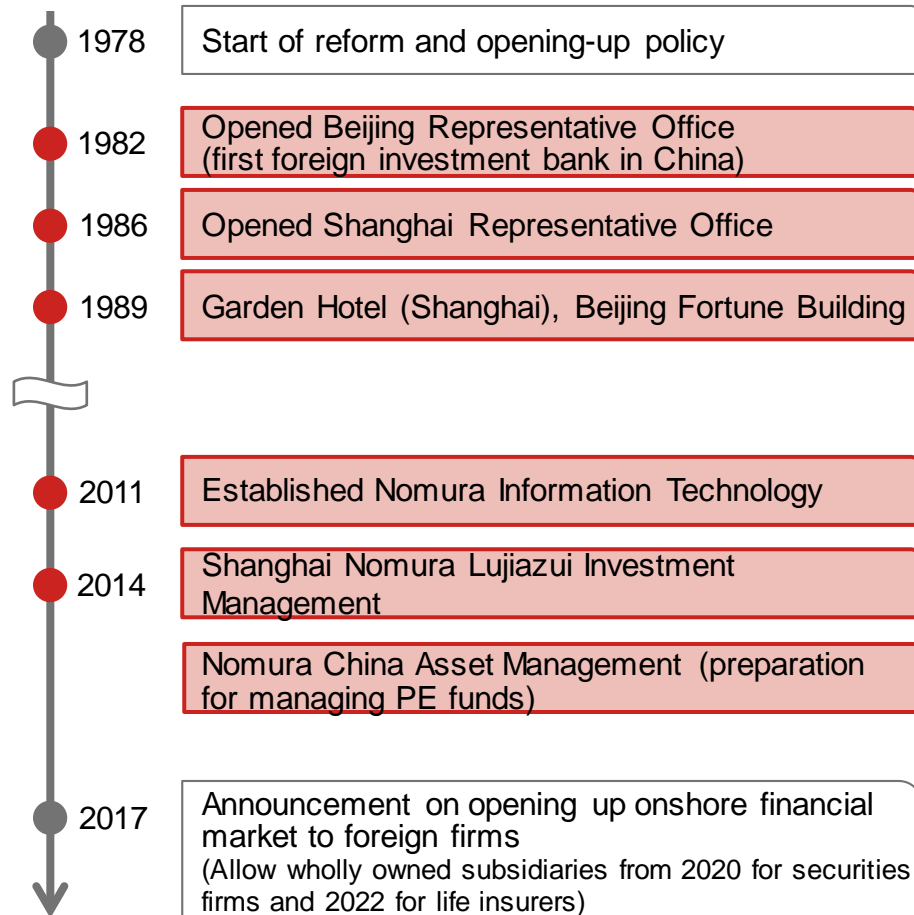


1. Source: United Nations; IMF for Taiwan

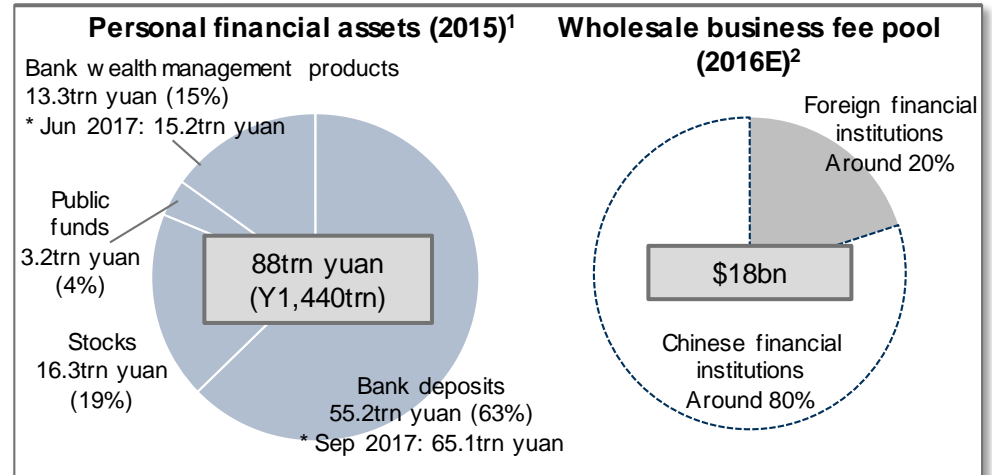
2. Source: Nomura, based on data from World Federation of Exchanges on market capitalizations as of August 2016.

Growth strategy (2): Entering China onshore market

First foreign investment bank to enter China in 1982



China's personal financial assets and wholesale business



✓ Preparing to build out China onshore platform

— Leverage product distribution capabilities backed by high-net-worth business experience, expertise and global network

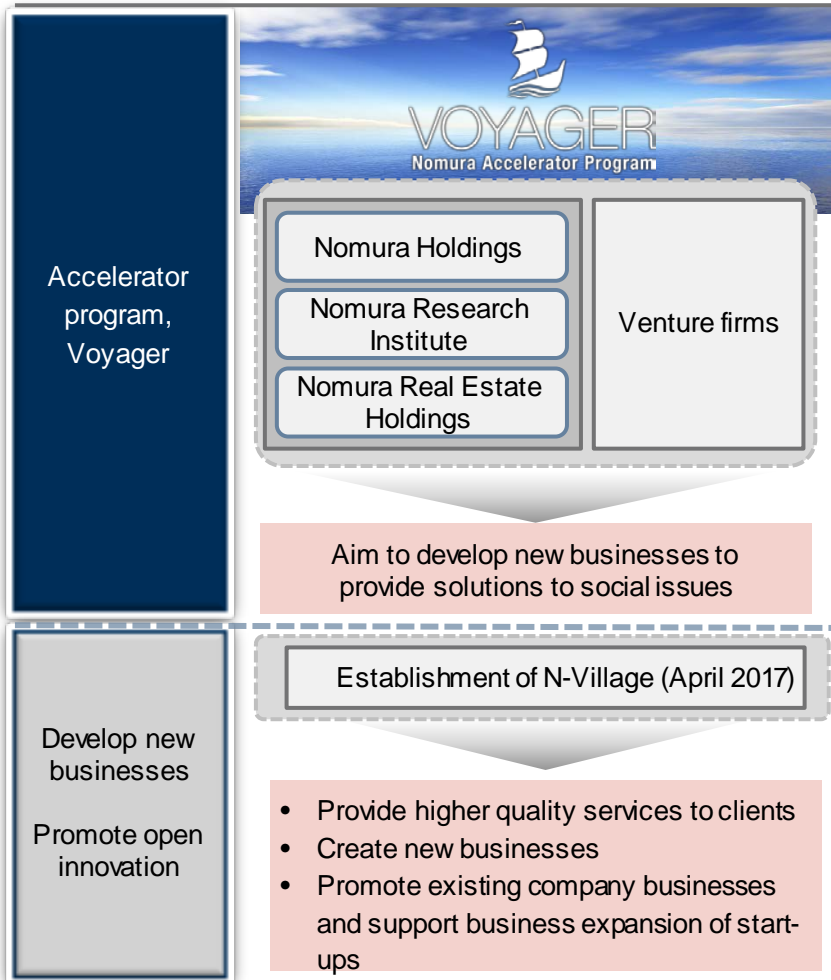
✓ Consider operating full line-up securities business in future depending on progress of reform and opening up of the market

1. Source: 2015 China Securities Investment Fund Fact Book.

2. Source: Oliver Wyman

Growth strategy (3): Digital innovation initiatives (1/2)

Initiatives in Japan



Five companies selected in first phase of Voyager; first business developed in October 2017



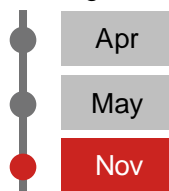
Growth strategy (3): Digital innovation initiatives (2/2)

Accelerator Program Voyager – First India Demo Day



Aiming to develop the financial industry by providing innovative solutions to capital market and investment banking challenges

2017



Establishment of Voyager in Powai, India

Application deadline – 150 startups applied from around the world

Eight selected companies took part in Demo Day



Management of workflow systems leveraging AI



Generates personalized recommendations to match individual customer needs using various analytic functions



A human-like conversation platform built on AI and NLP



System for detecting and preventing fraud, leveraging behavioral analytics



Mimics human intelligence and applies it to AI and NLP platform on textual data to automate enterprise processes



AI-based system which assists legal teams in contract extraction, and knowledge management



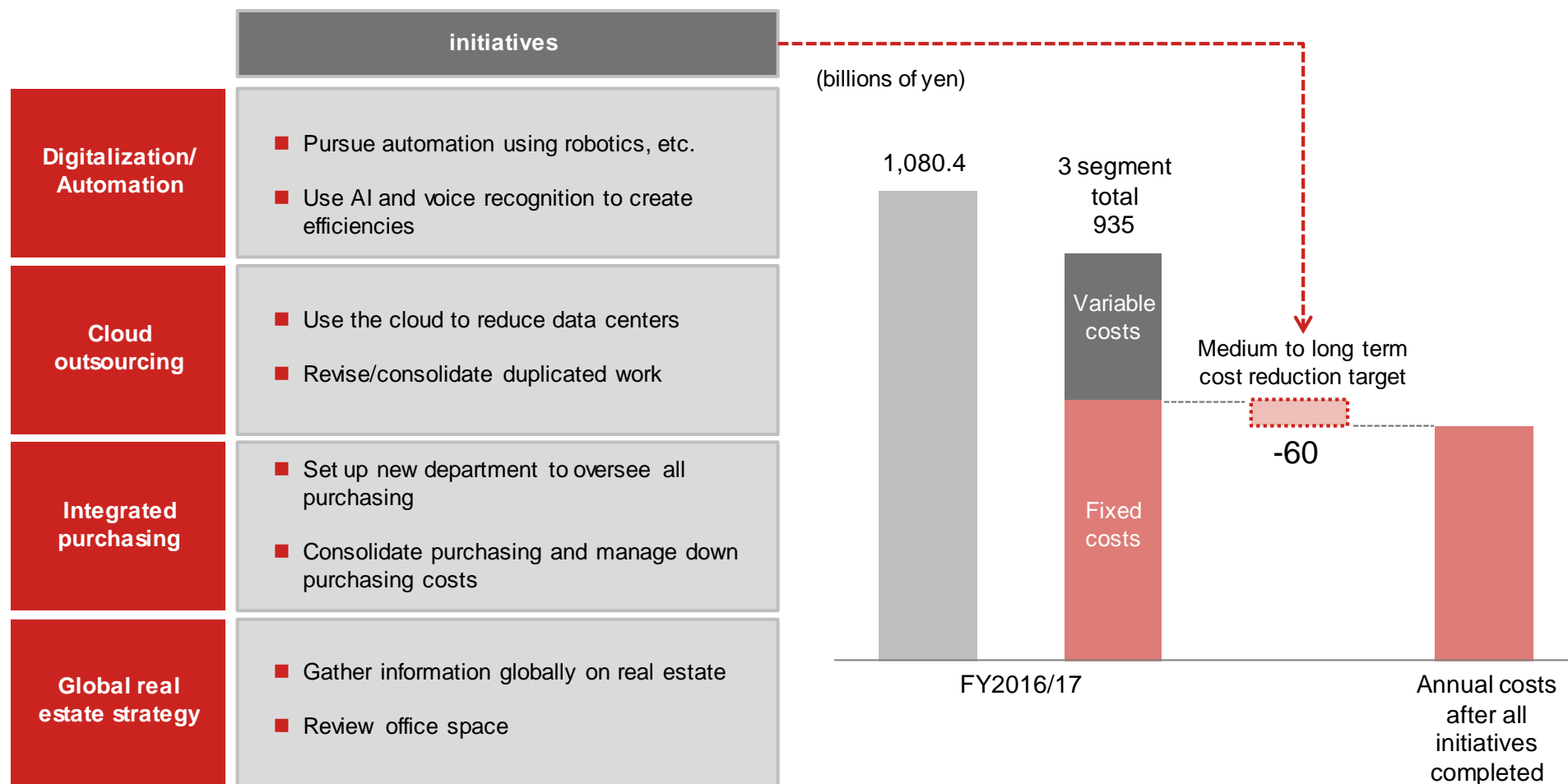
Provides a platform to optimize workflows for financial institutions, primarily operational risk and compliance



Summarizes data and provides key insights for companies in a human-like language

Driving efficiencies (Corporate operating model)

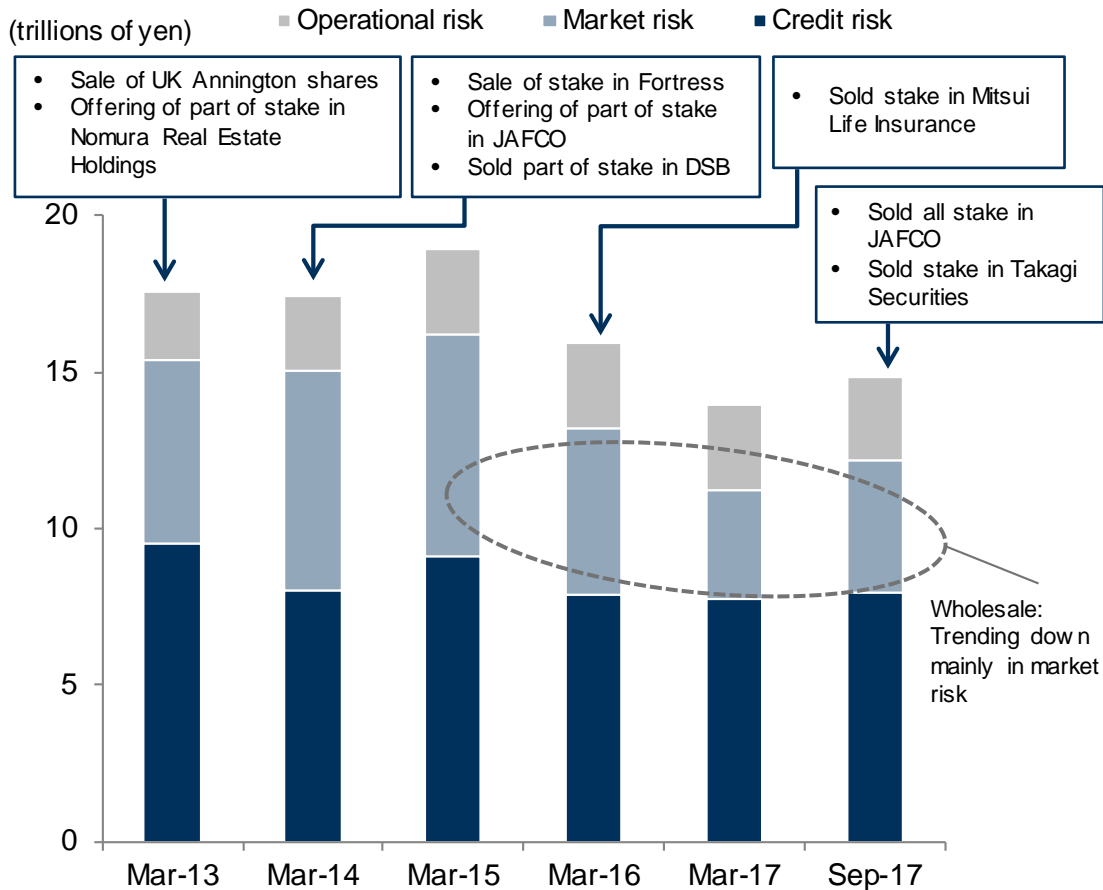
Reduce fixed costs by approx. ¥60bn over the next five years



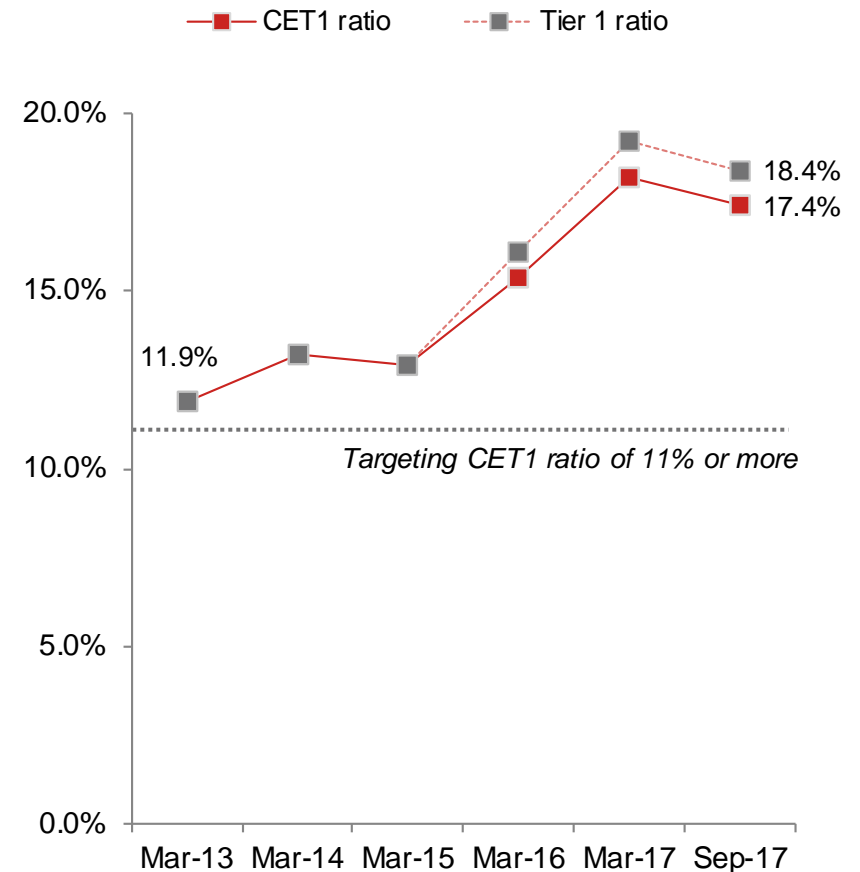
3. Financial and capital management

Financial and capital management: Managing risk assets, improving capital ratios

Risk assets declining on sales of equity holdings and stringent risk management



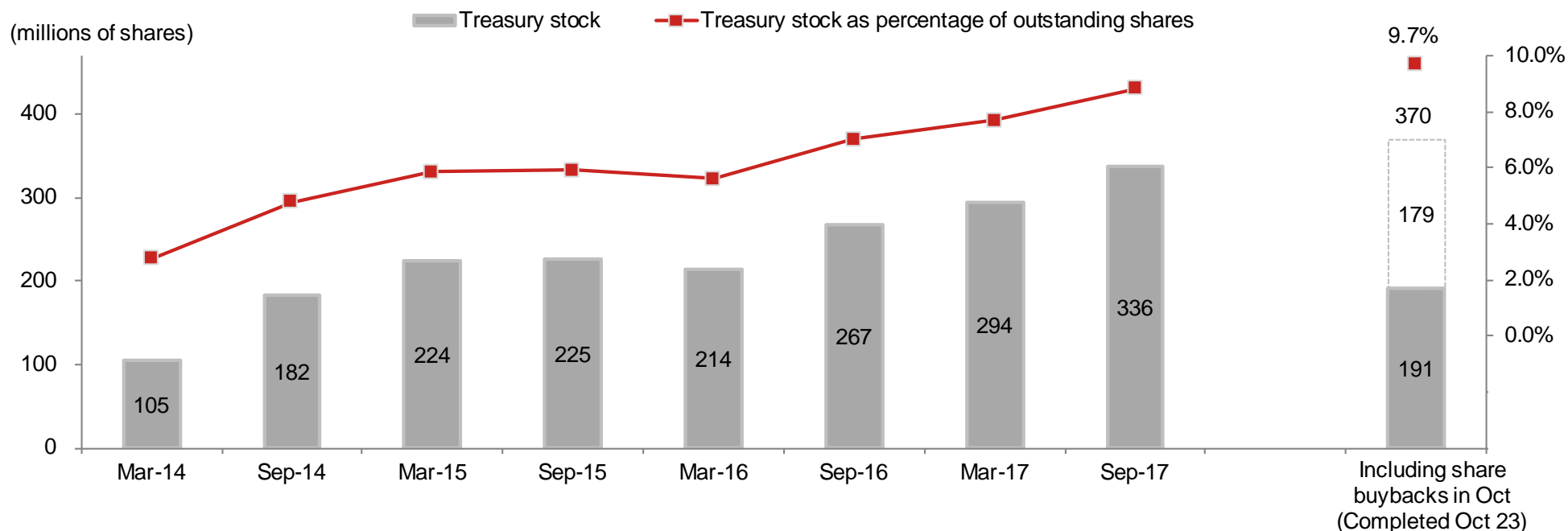
Build up of capital also helping improve capital ratios



Financial and capital management:

Policy on holding and retiring treasury stock

Proactively bought back shares since March 2014



Policy on holding and retiring treasury stock

- Upper limit of treasury stock holdings: Approximately 5% of outstanding shares
- Retirement policy: In principal, retire treasury stock held above upper limit
 - Dec 18, 2017: Plan to retire 179m shares (4.7% of outstanding shares)

Robust financial position

- ✓ Maintain appropriate capital ratios
 - Common Equity Tier 1 ratio: over 11%

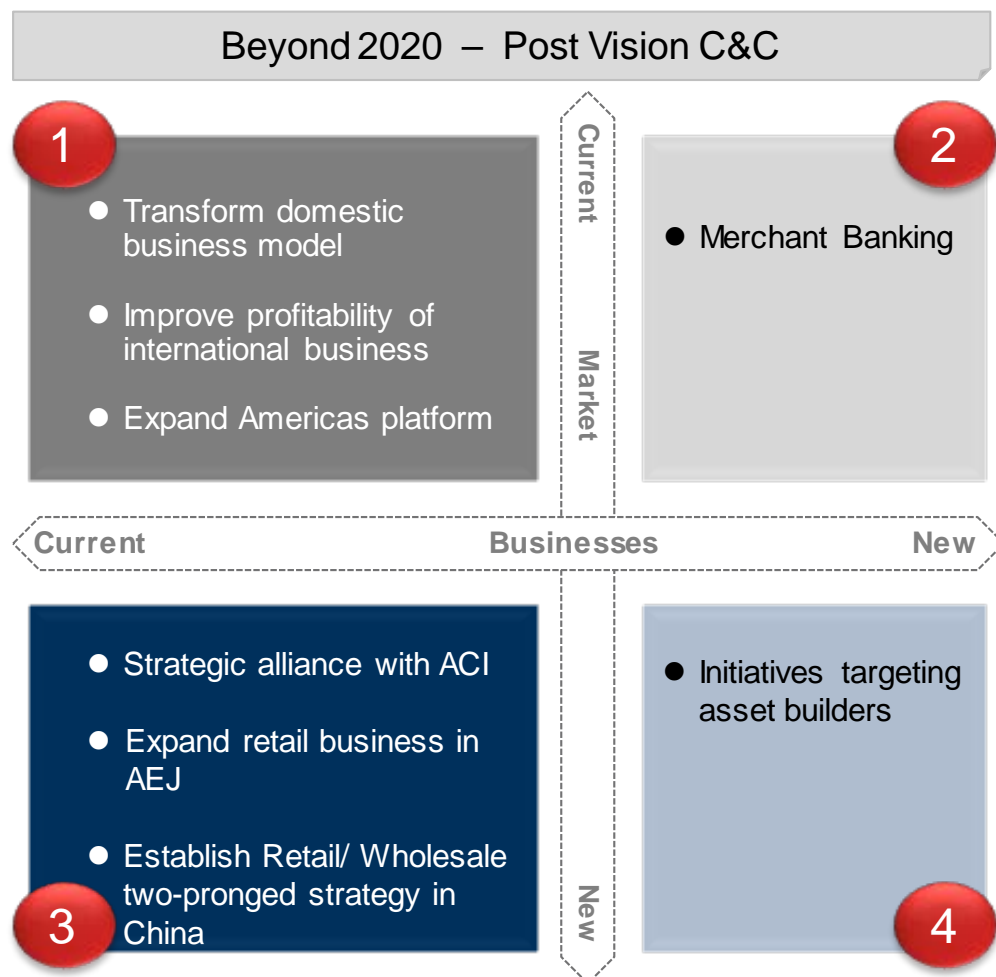
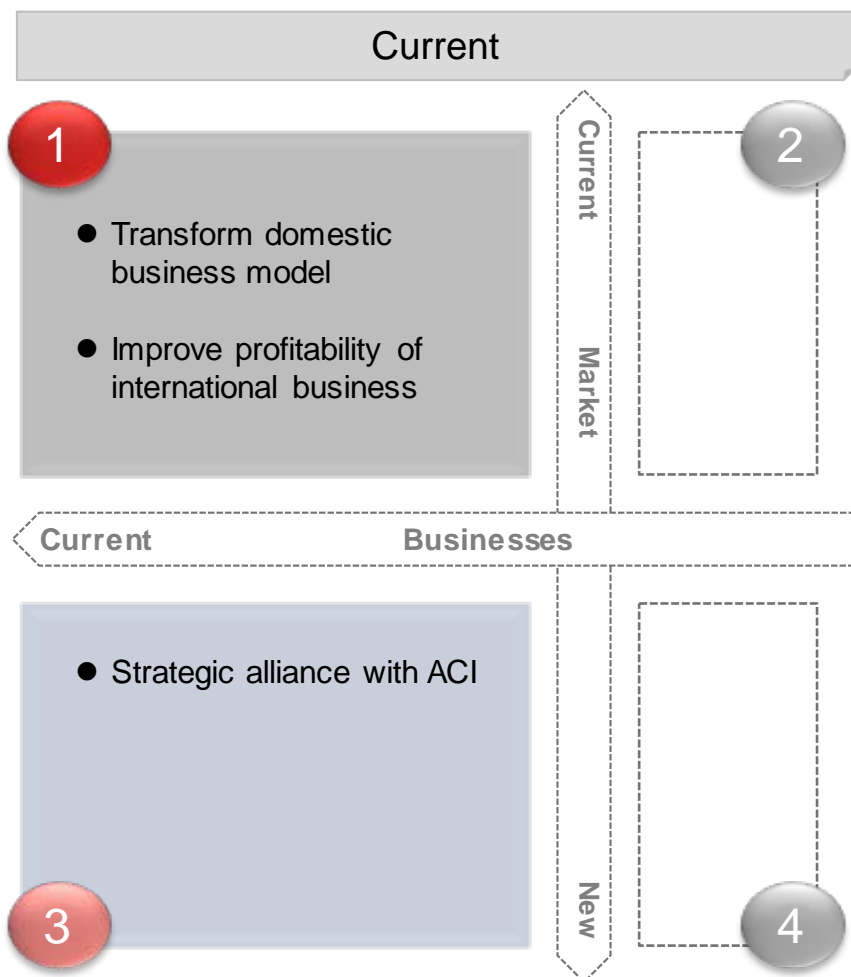
Improve capital efficiency

- ✓ Ensure returns above cost of capital
- ✓ Achieve 2020 management target of EPS of Y100
 - Aim for ROE of about 10%

- ✓ Dividend payout ratio: Approx. 30%
- ✓ Invest surplus capital in future growth areas and use for additional shareholder returns

4. In closing

In closing





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目指すのは、“今”以上の“未来”。

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