

Presentation of Consolidated Results of Operations
Third Quarter, Fiscal Year Ending March 31, 2008
Q&A Session

Date: January 31, 2007 (Thursday 18:30)

Speaker: Masafumi Nakada, Senior Managing Director, Chief Financial Officer, Nomura Holdings, Inc.

Q1 What are you planning to do with the US CMBS-related business going forward as you focus on core businesses in the US?

A1 Given the current market environment, we are not looking to further expand the business. The market turmoil sparked by the subprime problem has of course also impacted the CMBS market, but RMBS and CMBS are not the same, and we do not have plans to exit the US CMBS-related business. Currently, we are properly managing our exposure and discussing how to best operate the business going forward.

Q2 Is the 170 billion yen of US CMBS-related exposure the amount after hedging? Also, how is this distributed in terms of credit ratings?

A2 We have hedging positions, but 170 billion yen is the exposure before hedging. Concerning credit ratings, we do not disclose details, but the majority of the US CMBS business-related holdings are loans for securitization and investment-grade CMBS.

Q3 Nomura's sales of structured bonds have declined due to the strengthening of the yen. Has the implementation of the Financial Instruments and Exchange Law had any impact on Nomura?

A3 I do not think it has affected us much.

Q4 Sales of investment trusts have fallen back to the level seen in 1Q of FY2007.3. With the poor market environment, how do you plan to lift sales back up?

A4 Although the pace of investment trust sales slowed down in 3Q, sales of profit distribution-type funds remain strong. Given the poor market environment, we currently don't expect strong sales growth. The important thing will be how accurately we can grasp our customers' needs.

Q5 How were stock investment trust sales this January?

A5 Given the current market environment, we cannot say that overall sales have been good. However, the data show that customer demand remains firm in certain products.

Q6 Among non-interest expenses (business segment total), "Other" was 27.6 billion yen in 1Q, 50.6 billion yen in 2Q, and 28.5 billion yen in 3Q. I assume that the high level in 2Q was due to restructuring costs in the US. Have such costs been restored to a normal level? What is the status of the restructuring in the US?

A6 Our original plans were for restructuring to continue into the second half of the fiscal year, so it is still in progress and on-schedule. Accounting-wise, restructuring-related costs will appear in 4Q results as well.

Q7 You said that exposure to monoline insurers is 79 billion yen. What definition was used to calculate this amount? Also, you said that provisions have been made. Did this affect 3Q results?

A7 The exposure amount is the marked to market value minus provisions. This had a negative impact of roughly a few billion yen on the 3Q P/L.

Q8 Instinet's market share appears to be growing in Europe, the U.S., and Asia. How much has Instinet contributed to revenue and profits?

A8 Instinet's trading volume continues to increase. Monthly revenue is growing faster than we expected when we acquired it, and the business is profitable. Instinet-related revenue and expenses have become more significant within the total context of Nomura Holdings, but its effect on income before income taxes will appear going forward.

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