

Nomura Reports First Quarter Financial Results

Tokyo, July 25, 2007—Nomura Holdings, Inc. today reported consolidated financial results for the first quarter of the fiscal year ending March 31, 2008.

Net revenue for the first quarter was 380.7 billion yen (US\$3.1billion)¹, a 22.3% increase from the prior quarter and 84.9% year-on-year increase. Income before income taxes jumped 71.8% from the prior quarter to 142.8 billion yen (US\$1.2 billion), a more than fourfold increase over the same period last year. Net income more than doubled quarter-on-quarter to 76.7 billion yen (US\$622 million), an increase of 3.8 times compared to the prior year. ROE for the first quarter was 13.7%.

“All five business divisions performed well during the first quarter. We are currently undertaking a thorough review of our US operations and remain focused on achieving our overall management objectives,” said Nobuyuki Koga, Nomura President and CEO.

The first quarter dividend will be 8.5 yen per share, in line with the target dividend previously announced. Payment of the dividend is planned for September 1, 2007. As September 1 is a Saturday, payment will start on the next business day.

First quarter highlights

- **Domestic Retail:** Domestic Client Assets reached a record 88.3 trillion yen as of the end of June. Commissions for the distribution of investment trusts² of 39.6 billion yen represent record level since the start of quarterly reporting in the fiscal year ended March 31, 2002.
- **Global Markets:** Record order flow for interest rate and currency-linked structured bonds. Provided 230 million US dollar mezzanine loan power station project in the Philippines.

¹ US dollar amounts are included solely for the convenience of the reader and have been translated at the rate of 123.39 yen = 1 US dollar, the noon buying rate in New York for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York on June 29, 2007. This translation should not be construed to imply that the yen amounts actually represent, or have been or could be converted into, equivalent amounts in US dollars.

² Nomura Securities

- **Global Investment Banking:** Acted as lead manager for large deals such as a public offering by Daikin Industries and ranked number one in Equity and Equity-related league table (Japan-related)³ for six months to June 2007. In M&A, advised on deals including sale of All Nippon Airways' hotel business and topped league table for Any Japanese Involvement Financial Advisors³.
- **Global Merchant Banking:** Realized investments in Japan and Europe. Established Asia Merchant Banking in May.
- **Asset Management:** Total assets under management in Asset Management grew 3.6 trillion yen from the end of March to a record 30 trillion yen.

First quarter business segment results

Domestic Retail

In Domestic Retail, despite a decline in first-quarter net revenue compared to the prior quarter, income before income taxes increased 16.8% quarter-on-quarter to 50.6 billion yen.

Domestic Client Assets rose by 3.1 trillion yen from the end of March to 88.3 trillion yen, while client accounts with a balance reached 4 million. Nomura is well on its way to achieving its target of 100 trillion yen in Domestic Client Assets and 5 million accounts by the end of March 2010.

A total of twelve investment trusts saw sales of over 30 billion yen during the quarter. As a result, commissions for the distribution of investment trusts reached 39.6 billion yen, a record level since the start of quarterly reporting. In addition, investment trust administration fees and other increased for the tenth straight quarter. Stock brokerage commissions, meanwhile, decreased 23.3% from the prior quarter to 22.2 billion yen due to a decline in equity agency transaction value.

Global Markets

In Global Markets, net revenue grew from the prior quarter and income before income taxes increased 8.8% quarter-on-quarter to 26.0 billion yen.

Net revenue in Fixed Income jumped 94.8% compared to the prior quarter, as order flow for interest rate and currency-linked structured bonds reached a record level, more than offsetting the 31.2 billion yen loss booked due to deterioration of the US

³ Source: Thomson Financial

residential mortgage-backed securities market.

Net revenue in Equity declined 7.0% from the previous quarter due primarily to a drop in MPO trading revenue.

Global Investment Banking

In Global Investment Banking, the equity underwriting business performed stronger than is normally seen for the first quarter, the M&A-related business enjoyed an increase in activity, and Nomura's international operations contributed to revenue led by Europe, which has been the focus of a strategic build up. These factors combined to produce a record level of first-quarter net revenue since the start of quarterly reporting. Income before income taxes increased 78.2% from the prior quarter to 20.7 billion yen.

In equity financing, Nomura acted as lead manager for such deals as a public offering by Daikin Industries and a secondary offering by Japan Petroleum Exploration.

In M&A, Nomura acted as financial advisor on All Nippon Airways' sale of its hotel business and the business restructuring of Jupiter TV by Sumitomo Corporation.

Internationally, Nomura acted as global coordinator on Russia's largest-ever IPO for PIK Group, a major Russian residential property developer.

Global Merchant Banking

Global Merchant Banking reported income before income taxes of 40.1 billion yen due to the sale of Deutsche Annington, an investee company of Terra Firma in Europe, and Wanbishi Archives, a Nomura Principal Finance investee company.

Asset Management

In Asset Management, net revenue grew from the prior quarter and income before income taxes increased 52.4% quarter-on-quarter to 12.2 billion yen. Sales of the My Story Profit Distribution-type Fund and other funds offering frequent distributions remained strong. The Nomura Global Contrarian Fund and Nomura RAFI® Japan Equity Fund were launched during the quarter for distribution by Nomura Securities.

In the bank channel, sales of investment trusts that invest in REITs increased. Japan Post saw a steady increase in net assets for the Nomura Global Six Assets Diversified Fund and also began selling the Nomura Asset Design Fund.

In the investment advisory business, the balance of advisory contracts continued to increase steadily. As a result, total assets under management in Asset Management increased by 3.6 trillion yen from the end of March to a record 30.6 trillion yen.

Ends

Notes to editors:

Nomura Group

Nomura is a global financial services group dedicated to providing a broad range of financial services for individual, institutional, corporate and government clients. The Group offers a diverse line of competitive products and value-added financial and advisory solutions through its global headquarters in Tokyo, over 150 branches in Japan, and an international network in 30 countries; with regional headquarters in Hong Kong, London, and New York. The Group's business activities include investment consultation and brokerage services for retail investors in Japan, and, on a global basis, brokerage services, securities underwriting, investment banking advisory services, merchant banking, and asset management. For further information about Nomura please visit our website at www.nomura.com.

First quarter of fiscal year ending March 31, 2008 (1)

US GAAP Figures

| | (Billions of yen) | | % change | (Billions of yen) | | % change |
|-----------------------------------|--------------------------------------------------|---------------------------------------------------|--------------|--------------------------------------------------|--------------|----------|
| | June 30, 2007 (2007.4.1- 2007.6.30) (B) | March 31, 2007 (2007.1.1- 2007.3.31) (A) | (B-A)/(A) | June 30, 2006 (2006.4.1- 2006.6.30) (C) | (B-C)/(C) | |
| Net revenue | 380.7 | 311.3 | 22.3 | 205.9 | 84.9 | |
| Non-interest expenses | 237.9 | 228.1 | 4.3 | 172.5 | 37.9 | |
| Income before income taxes | 142.8 | 83.2 | 71.8 | 33.4 | 327.6 | |
| Income tax expense | 66.1 | 50.1 | 32.0 | 13.3 | 398.2 | |
| Net income | 76.7 | 33.1 | 131.9 | 20.1 | 281.1 | |
| Return on equity (ROE) | 13.7% | 6.0% | - | 3.9% | - | |

Total of business segments

| | (Billions of yen) | | % change | (Billions of yen) | | % change |
|-----------------------------------|--------------------------------------------------|---------------------------------------------------|-------------|--------------------------------------------------|--------------|----------|
| | June 30, 2007 (2007.4.1- 2007.6.30) (B) | March 31, 2007 (2007.1.1- 2007.3.31) (A) | (B-A)/(A) | June 30, 2006 (2006.4.1- 2006.6.30) (C) | (B-C)/(C) | |
| Net revenue | 352.7 | 283.6 | 24.4 | 209.8 | 68.1 | |
| Non-interest expenses | 204.9 | - | 1.2 | 155.3 | 31.9 | |
| Income before income taxes | 147.9 | 81.2 | 82.0 | 54.4 | 171.6 | |

First quarter of fiscal year ending March 31, 2008 (2)

(1) Net revenue

| | (Billions of yen) | | % change | (Billions of yen) | | % change |
|----------------------------------------------------------------------------------------|--------------------------------------------------|---------------------------------------------------|-------------|--------------------------------------------------|-------------|----------|
| | June 30, 2007 (2007.4.1- 2007.6.30) (B) | March 31, 2007 (2007.1.1- 2007.3.31) (A) | (B-A)/(A) | June 30, 2006 (2006.4.1- 2006.6.30) (C) | (B-C)/(C) | |
| Business segment information: | | | | | | |
| Domestic Retail | 121.8 | 124.1 | (1.8) | 105.6 | 15.4 | |
| Global Markets | 108.9 | 94.6 | 15.1 | 68.9 | 58.1 | |
| Global Investment Banking | 36.7 | 26.6 | 38.1 | 18.8 | 95.3 | |
| Global Merchant Banking | 43.4 | (0.9) | - | 12.1 | 258.1 | |
| Asset Management | 26.4 | 24.1 | 9.7 | 17.6 | 49.7 | |
| Sub Total | 337.3 | 268.4 | 25.7 | 223.1 | 51.2 | |
| Other | 15.4 | 15.2 | 1.8 | (13.3) | - | |
| Net revenue | 352.7 | 283.6 | 24.4 | 209.8 | 68.1 | |
| Reconciliation items: | | | | | | |
| Unrealized gain (loss) on investments in equity securities held for operating purposes | (2.6) | 0.3 | - | (20.6) | - | |
| Effect of consolidation/deconsolidation of certain private equity investee companies | 30.7 | 27.4 | 12.0 | 16.8 | 82.4 | |
| Net revenue | 380.7 | 311.3 | 22.3 | 205.9 | 84.9 | |

(2) Non-interest expenses

| | (Billions of yen) | | % change | (Billions of yen) | | % change |
|----------------------------------------------------------------------------------------|--------------------------------------------------|---------------------------------------------------|------------|--------------------------------------------------|-------------|----------|
| | June 30, 2007 (2007.4.1- 2007.6.30) (B) | March 31, 2007 (2007.1.1- 2007.3.31) (A) | (B-A)/(A) | June 30, 2006 (2006.4.1- 2006.6.30) (C) | (B-C)/(C) | |
| Business segment information: | | | | | | |
| Domestic Retail | 71.3 | 80.8 | (11.8) | 63.1 | 13.0 | |
| Global Markets | 82.9 | 70.6 | 17.3 | 54.6 | 51.8 | |
| Global Investment Banking | 16.0 | 15.0 | 6.9 | 13.2 | 20.9 | |
| Global Merchant Banking | 3.3 | 4.2 | (21.5) | 2.3 | 42.1 | |
| Asset Management | 14.2 | 16.1 | (11.6) | 12.4 | 14.5 | |
| Sub Total | 187.7 | 186.7 | 0.5 | 145.6 | 28.9 | |
| Other | 17.2 | 15.6 | 10.1 | 9.7 | 77.1 | |
| Non-interest expenses | 204.9 | 202.3 | 1.2 | 155.3 | 31.9 | |
| Reconciliation items: | | | | | | |
| Unrealized gain (loss) on investments in equity securities held for operating purposes | - | - | - | - | - | |
| Effect of consolidation/deconsolidation of certain private equity investee companies | 33.0 | 25.8 | 28.2 | 17.2 | 92.0 | |
| Non-interest expenses | 237.9 | 228.1 | 4.3 | 172.5 | 37.9 | |

(3) Income (loss) before income taxes

| | (Billions of yen) | | % change | (Billions of yen) | | % change |
|----------------------------------------------------------------------------------------|--------------------------------------------------|---------------------------------------------------|-------------|--------------------------------------------------|--------------|----------|
| | June 30, 2007 (2007.4.1- 2007.6.30) (B) | March 31, 2007 (2007.1.1- 2007.3.31) (A) | (B-A)/(A) | June 30, 2006 (2006.4.1- 2006.6.30) (C) | (B-C)/(C) | |
| Business segment information: | | | | | | |
| Domestic Retail | 50.6 | 43.3 | 16.8 | 42.5 | 18.8 | |
| Global Markets | 26.0 | 23.9 | 8.8 | 14.3 | 81.8 | |
| Global Investment Banking | 20.7 | 11.6 | 78.2 | 5.6 | 272.2 | |
| Global Merchant Banking | 40.1 | (5.2) | - | 9.8 | 309.3 | |
| Asset Management | 12.2 | 8.0 | 52.4 | 5.2 | 133.6 | |
| Sub Total | 149.6 | 81.7 | 83.1 | 77.5 | 93.2 | |
| Other | (1.8) | (0.5) | - | (23.0) | - | |
| Income before income taxes | 147.9 | 81.2 | 82.0 | 54.4 | 171.6 | |
| Reconciliation items: | | | | | | |
| Unrealized gain (loss) on investments in equity securities held for operating purposes | (2.6) | 0.3 | - | (20.6) | - | |
| Effect of consolidation/deconsolidation of certain private equity investee companies | (2.4) | 1.6 | - | (0.4) | - | |
| Income before income taxes | 142.8 | 83.2 | 71.8 | 33.4 | 327.6 | |

*The major components

Transactions between operating segments are recorded within segment results on commercial terms and conditions and are eliminated in "Other".
The following table presents the major components of income/(loss) before income taxes in "Other"

| | (Billions of yen) | | % change | (Billions of yen) | | % change |
|--------------------------------------------------------------------------------------|--------------------------------------------------|---------------------------------------------------|-----------|--------------------------------------------------|-----------|----------|
| | June 30, 2007 (2007.4.1- 2007.6.30) (B) | March 31, 2007 (2007.1.1- 2007.3.31) (A) | (B-A)/(A) | June 30, 2006 (2006.4.1- 2006.6.30) (C) | (B-C)/(C) | |
| Net gain/loss on trading related to economic hedging transactions | (14.4) | (1.1) | - | (11.4) | - | |
| Realized gain (loss) on investments in equity securities held for operating purposes | 2.1 | 0.3 | 657.9 | 0.1 | 1,405.0 | |
| Equity in earnings of affiliates | 5.1 | 4.7 | 7.7 | 3.3 | 54.3 | |
| Corporate items | (9.7) | (1.8) | - | (7.2) | - | |
| Others | 15.1 | (2.6) | - | (7.9) | - | |
| Total | (1.8) | (0.5) | - | (23.0) | - | |

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