

**NOMURA**

# **Summary of FY2006 2H Business Strategy**

**September 29, 2006**

**Nomura Holdings, Inc.**

## ■ Changing Business Environment

- Interest returning to bank deposits and savings; Megabank group companies strengthening alliances

## ■ Direction & Initiatives

- Committed to being a group focused on investment while servicing client needs and responding flexibly to market changes
  - Aim to deliver superior services for all forms of investment
  - Nomura Securities strengths lie in developing/expanding the capital markets to create new business opportunities
- Expanding the scope of investing
  - Deliver diverse range of services that go beyond the traditional framework of the securities business
- Expanding functions for investing
  - Securities-backed loans, bridge loans, acquisition finance, collaboration with regional financial institutions
- Recognize position as service industry
  - Improve services from viewpoint of customers who experience services in sectors other than finance

## ■ Direction and initiatives by client category

### ■ Retail clients

- Efficiently combine employee strengths, branch office network, and information technology
- Strengthen and further diversify approach to securities intermediary business

\*Start offering Nomura Fund Wrap on October 10

### ■ Institutional investors

- Strengthen business aimed at hedge funds
  - Number of hedge funds: Increased fifteen-fold from around 600 in 1990 to 9,000 in 2006
  - Hedge fund assets under management: Surged by 30 times from \$39 billion in 1990 to \$1.2 trillion in 2006  
(Source: HFR Industry Report)
- Enhance trading technologies and services
  - Scrutinize costs related to executing client orders
- Asset Management Pan-Asian coverage
  - Till now, separated as Japan equities investment trusts and Asian equities investment trusts
  - Expand Pan-Asia equity investment advisory business for overseas investors
  - Take up wholesaler operations aimed at Asian retail markets

## ■ Direction and initiatives by client category (cont...)

### ■ Corporate sector

- Closely consider enterprise value of companies involved, shareholder value, increase in value for stakeholders, healthy development of the industry and capital markets before acting
- Expand business with private equity funds
- Conflict management

### ■ Employees market

- Defined-contribution pension plans
- Retirement of baby boomers

### ■ Financial products

- Increase range of financial products
  - Speed up approach to credit, fund, commodity products
- Increased liquidation of real-estate

## ■ Reform of Personnel System

- Clarify system under accountability of each division in which employees can be satisfied and ability and performance evaluated fairly

- Introduce division-led personnel system in October
  - Evaluation based on job characteristics to improve employee satisfaction

- Project for working women

- Listen closely to the needs of female employees and reflect in company policies

## ■ Corporate responsibility

- Corporate responsibility is, in effect, Nomura Group's raison d'être; Nomura Group's overall activities are based on CSR
- "Nomura's mission is to enrich the nation through the securities business. This is something we must absolutely see through."

(Tokushichi Nomura)

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