

NOMURA

Profile

Nomura Holdings, Inc. (NHI) and its domestic and overseas subsidiaries, including Nomura Securities Co., Ltd., and Nomura Asset Management Co., Ltd., conduct comprehensive business management as Nomura Group under a unified strategy, with NHI acting as the holding company.

Aiming to carve out a solid position as a globally competitive Japanese financial services group, Nomura Group makes use of its strong domestic and overseas customer base and its global network spanning 28 countries to develop its businesses in securities and related fields.

Nomura Group is engaged in a wide range of business activities, including investment consultation services for domestic retail investors, securities brokerage services, underwriting of stocks and bonds issued by domestic and foreign governments and corporations, M&A and financial advisory services, merchant banking business, asset management including management of investment trusts and pensions, defined contribution pension business and investor education.

As a group, we aim to combine our powers to offer competitive products, high-value-added services and advice, to contribute to the sustainable development of the Japanese economy.

Contents	
Our Founder's Principles	1
Consolidated Financial Highlights	2
To Our Shareholders and Customers	4
Message from the COO	8
Japan's Securities Markets Have Entered a New Growth Phase	9
Business Outline	13
Business Portfolio	14
Domestic Retail	16
Global Wholesale	24
Asset Management	32
Research	38
Nomura Group	41
Corporate Governance	42
Compliance	46
Nomura Group's Contribution to Society	48
Research and Policy Pronouncements	52
Directors and Executive Officers	53
Subsidiaries and Affiliates	54
Domestic Network	57
Financial Section	59
Corporate Data / Share Data	67

Our Founder's Principles

The words of wisdom of the founder, Tokushichi Nomura, were condensed into ten business principles that guide our day-to-day business activities. While remaining true to the principles set out at our founding, we have been evolving dynamically in response to changes in the business environment.



Tokushichi Nomura

- 1. Nomura's raison d'être**
"Nomura's mission is to enrich the nation through the securities business.
This is something we must absolutely see through."
Empirical Research on Investment Trusts, compiled by Nomura Securities Research Department
- 2. Principle of putting the customer first**
"We must place our customers' interests before our own."
100th edition of Osaka Nomura Business News
- 3. Global ambition**
"Nomura is destined to become an active player on the international stage."
"Looking Back at My Life," by Tsunao Okumura
- 4. Emphasis on rigorous research and analysis**
"We have a duty to research scientifically the intrinsic nature of all securities."
Autobiography 'Tsutakatsura'
- 5. Staying one step ahead**
"Always strive to stay one step ahead. Stagnation is retrogressive."
Biography 'Nomura Tokuanden'
- 6. Entrepreneurial spirit**
"If, as an entrepreneur, you can determine something to a 70% certitude, you must have the courage to take up the challenge even though some uncertainty remains."
Capital Market Research
- 7. Human resources**
"Nomura underscores the fact that the development of human resources, acquisition of talented personnel and ability to match the right talent with the most appropriate position are more formidable assets than sheer capital strength."
Autobiography 'Tsutakatsura'
- 8. Emphasis on team work**
"It is the management's task to see that Nomura employees take responsibility and pride in their work and to form a unified team under the control of branch office managers."
Autobiography 'Tsutakatsura'
- 9. Business development frame of mind**
"We must have the courage to boldly follow the path of our convictions."
Autobiography 'Tsutakatsura'
- 10. Customer service mindset**
"If you conduct your work in a mechanical manner, believing simply that your role is over once the deal is done, there is no use in drawing on the strengths of those around you."
Autobiography 'Tsutakatsura'

Consolidated Financial Highlights (U.S. GAAP)

Operating Results:	Millions of yen					Millions of
	2000	2001	2002	2003	2004	U.S. dollars
	(1999.4.1~ 2000.3.31)	(2000.4.1~ 2001.3.31)	(2001.4.1~ 2002.3.31)	(2002.4.1~ 2003.3.31)	(2003.4.1~ 2004.3.31)	(2003.4.1~ 2004.3.31)
Revenue:						
Commissions	¥329,332	¥189,841	¥140,001	¥141,640	¥210,216	\$2,018
Fees from investment banking	93,644	87,160	75,255	81,847	86,994	835
Asset management and portfolio service fees	63,799	144,882	109,985	79,290	66,193	635
Net gain on trading	253,328	307,989	162,228	172,308	229,042	2,199
Interest and dividends	419,742	518,941	500,541	401,924	396,870	3,809
(Loss) gain on investments in equity securities	90,839	(98,968)	(55,860)	(41,288)	55,888	536
Gain from changes in equity of an affiliated company	—	—	3,504	—	—	—
PFG entities product sales	56,476	117,523	294,931	—	—	—
PFG entities rental income	144,005	103,339	177,053	—	—	—
Gain on sales of PFG entities	—	—	116,324	—	—	—
Gain (loss) on private equity investments	—	—	232,472	(14,391)	13,138	126
Other	48,616	98,591	68,965	19,589	41,205	396
Total revenue	1,499,781	1,469,298	1,825,399	840,919	1,099,546	10,554
Interest expense	437,131	553,643	504,048	274,645	296,443	2,845
Net revenue	1,062,650	915,655	1,321,351	566,274	803,103	7,709
Non-interest expenses	690,430	759,483	1,148,379	518,865	520,427	4,996
Income before income taxes and cumulative effect of accounting change	372,220	156,172	172,972	47,409	282,676	2,713
Net income	203,549	57,410	168,046	119,913	172,329	1,654

Balance Sheet Data (period end):

Shareholders' equity	¥1,410,976	¥1,436,428	¥1,604,929	¥1,642,328	¥1,785,688	\$17,140
Total assets	14,610,868	17,146,024	17,758,273	21,169,446	29,752,966	285,592
Return on equity (ROE)⁽¹⁾	15.3%	4.0%	11.1%	7.4%	10.1%	

Per Share Data:

	Yen				U.S. dollars	
Net income—Basic⁽²⁾	¥103.71	¥29.25	¥85.57	¥61.26	¥88.82	\$0.85
Shareholders' equity⁽³⁾	719.93	731.77	816.48	846.40	919.67	8.83
Cash dividends⁽³⁾	15.00	17.50	15.00	15.00	15.00	0.14

Notes:

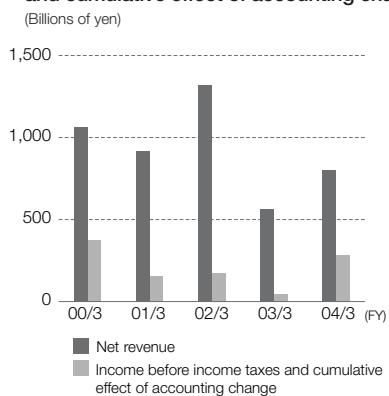
(1) Calculated by dividing net income by average shareholders' equity.

(2) Calculated using the weighted average number of shares outstanding for the year (excluding treasury shares held by us).

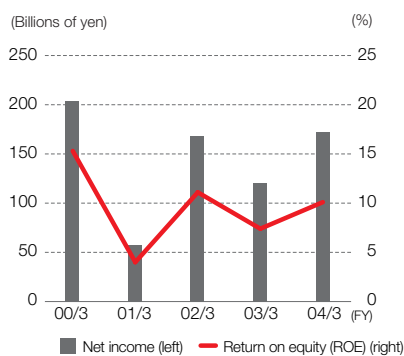
(3) Calculated using the number of shares outstanding (excluding treasury shares held by us) at year end.

(4) Calculated using the yen-dollar exchange rate of U.S.\$1.00=¥104.18, the noon buying rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York on March 31, 2004.

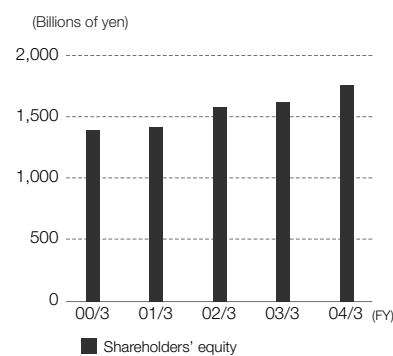
□ Net revenue and Income before income taxes and cumulative effect of accounting change



□ Net income and Return on equity (ROE)



□ Shareholders' equity



Divisional Operating Results:

	Millions of yen					Millions of U.S. dollars
	2000 (1999.4.1~ 2000.3.31)	2001 (2000.4.1~ 2001.3.31)	2002 (2001.4.1~ 2002.3.31)	2003 (2002.4.1~ 2003.3.31)	2004 (2003.4.1~ 2004.3.31)	2004 (2003.4.1~ 2004.3.31)
Domestic Retail:						
Non-interest revenues	¥375,276	¥260,193	¥226,156	¥246,938	¥304,035	\$2,919
Net interest revenue	5,309	6,236	2,949	2,313	1,722	16
Net revenue	380,585	266,429	229,105	249,251	305,757	2,935
Non-interest expenses	194,345	215,638	208,621	213,562	226,213	2,171
Income (loss) before income taxes	186,240	50,791	20,484	35,689	79,544	764
Global Wholesale:						
Non-interest revenues	¥404,947	¥487,644	¥385,430	¥196,675	¥290,845	\$2,792
Net interest revenue	(3,488)	(24,839)	54,505	101,794	74,891	719
Net revenue	401,459	462,805	439,935	298,469	365,736	3,511
Non-interest expenses	198,117	210,062	248,657	207,436	227,227	2,182
Income (loss) before income taxes	203,342	252,743	191,278	91,033	138,509	1,329
Asset Management:						
Non-interest revenues	¥2,154	¥58,237	¥46,840	¥34,828	¥34,300	\$329
Net interest revenue	432	1,810	367	2,232	1,657	16
Net revenue	2,586	60,047	47,207	37,060	35,957	345
Non-interest expenses	2,751	39,537	37,031	33,866	37,004	355
Income (loss) before income taxes	(165)	20,510	10,176	3,194	(1,047)	(10)

* The results of the fiscal year ended March 31, 2000 does not include those of Nomura Asset Management, because it was consolidated effective March 31, 2000.

Japanese Stock Market Data

	2000	2001	2002	2003	2004
TOPIX	1,705.94	1,277.27	1,060.19	788.00	1,179.23
Year-on-Year increase (decrease)	34.6%	(25.1%)	(17.0%)	(25.7%)	49.6%
Nikkei225 (Nikkei Stock Average)	20,337.32	12,999.70	11,024.94	7,972.71	11,715.39
Year-on-Year increase (decrease)	28.4%	(36.1%)	(15.2%)	(27.7%)	46.9%
Tokyo Stock Exchange 1st Section Data					
Trading Volume (Millions of shares)	163,675	167,734	206,250	209,720	344,367
Trading Value (Billions of yen)	¥228,311	¥212,993	¥199,046	¥179,346	¥284,034

To Our Shareholders and Customers

Japan's economy is moving beyond the stage where its recovery was the subject of skeptical debate and into a phase of sustainable growth. For Nomura Group, this offers an unprecedented array of business opportunities. By bridging corporations undergoing continuous restructuring with individuals shifting their financial assets to risk assets, Nomura Holdings, Inc. (NHI), is advancing toward the realization of its group management goal, which is to become a globally competitive Japanese financial services group.

Business environment and results

For two consecutive years, Japan's real GDP growth rate has exceeded 2%. One year ago, the Japanese economy stood at the crossroads of recovery and a slowdown in momentum, but now our view is that it has entered a phase of sustainable growth. The main forces fueling this growth are the recovery in the global economy, particularly in Asia, the progress in corporate restructuring, and the shift of individual financial assets to risk assets.

The macroeconomy is gaining further strength through the recent increase in private capital investment in tandem with the expansion of exports. At the same time, the process of corporate restructuring itself has entered a new and different phase. Defensive restructuring moves such as personnel reductions and withdrawals from unprofitable lines of business have helped to improve profitability at many corporations. These corporations are now focusing management resources on making a transition to progressive restructuring, entering businesses where they are truly competitive and have strong future prospects.

Until recently, individuals in Japan have shown a strong tendency to keep their financial assets in cash and bank deposits, but we are beginning to discern a trend toward shifting these assets to risk assets. This is evident from the increase in the stockholding ratio of individual investors and the growth in the outstanding balances of stock investment trusts. Tax reforms have also been encouraging this trend. For example, last year, while only a temporary measure, the tax rate on capital gains on and dividends of listed stocks was lowered.

In January 2004, the tax rate on dividends of public stock investment trusts



Nobuyuki Koga
President & CEO

was also reduced. In addition, individuals are examining a wide variety of investment opportunities and shifting their assets to seek the right balance of risk and return. Such investment behavior is manifest in the steady increase in popularity of foreign currency bonds.

Responding to these changes in our business environment, through the capital markets we have been able to offer our customers various solutions and investment opportunities, expanding and stabilizing our own profit opportunities in the process by flexibly changing our revenue sources.

As a result, under accounting principles generally accepted in the United States (U.S. GAAP), for the fiscal year ended March 2004, NHI posted consolidated net revenue of ¥803.1 billion, up 42% from a year earlier, and income before income taxes of ¥282.7 billion, up 496%. Net income was ¥172.3 billion, up 44% compared with the previous fiscal year. If the cumulative effect of accounting changes were excluded, however, the gain would be 1,604%. Shareholders' equity increased to ¥1.8 trillion as of the end of March 2004 from ¥1.6 trillion a year earlier, and return on equity (ROE) rose to 10.1% from 7.4%.

Broken down by division, Domestic Retail posted income before income taxes of ¥79.5 billion, an increase of 123% from a year earlier. This division, which handles a wide variety of products, including stocks, investment trusts, foreign currency bonds and Japanese government bonds (JGBs) for individual investors, has now increased its client assets to a level exceeding the previous peak during the bubble era, and it has also greatly expanded its customer base.

In Global Wholesale, income before income taxes totaled ¥138.5 billion. We captured the largest market share of initial public offerings (IPOs), public offerings, convertible bonds (CBs) and euro-yen bonds demonstrating the powerful synergy of our global network and solid customer base.

Asset Management posted a loss of ¥1.0 billion due to a decline in asset management fees and ¥2.8 billion in special charges related to Nomura Asset Management's withdrawal from the Japan Securities Dealers Employees Pension Fund. However, Nomura Asset Management solidified the foundations of its business, as assets under management grew by ¥1.4 trillion, after hitting a trough at the end of March 2003.

Group vision and divisional strategies

Nomura Group's vision is to enhance its position as a globally competitive Japanese financial services group. In quantitative terms, we are aiming to secure an average ROE of 10-15% in the medium- to long-term. Amid the rapid changes in the economic environment, we must successfully deal with three key issues: broadening our client base, cooperating across divisional lines to draw upon our collective Group strengths, and responding as swiftly as possible to changes.

The goals of Domestic Retail are to broaden our customer base and to offer high-quality financial services. Our strategy to achieve this is to make further progress in our unique strategy of "Core Value Formation." To broaden our customer base, we have long aimed to increase client assets. We have strengthened our consulting services in areas such as special accounts for stocks, which have become popular as a result of securities tax reform. We have also offered a wide variety of products, including foreign currency bonds and JGBs for individual investors. As a result, retail client assets grew to ¥35.2 trillion as of the end of March 2004, up 30% from ¥27.1 trillion a year earlier. To provide high-quality financial services, we have long had a system of specialized channels for each customer segment to accumulate expertise on how best to serve the needs of each segment. In November 2003, we started the Hotto Direct Service Department, to serve asset builders. In April 2004, we formed the Financial Management Division to serve wealthy and affluent investors through a structure that transcends the concepts of wholesale and retail. We have also enhanced our financial advisor (FA) capabilities.

The goal of Global Wholesale is to play a key role in our plan to secure a position as a globally competitive financial services group. Our strategies for achieving this are to respond appropriately to market changes, to encourage collaboration

that transcends organizational structures, and to promote our Japan-focused globalization, that is, to use the Japanese market as a pivot in the process of our global expansion. In terms of our response to changing markets, to further strengthen the significant experience we have already built up in securitization, asset finance and derivatives trading, we have started a new business line, Global Markets, which has combined fixed income and equity trading functions along with syndicate functions. Similarly, in Nomura Securities' Capital Market Department, we have combined the stock and bond underwriting functions that were previously separated there. This will help our efforts in securitization and asset finance as well as strengthen our ability both to trade and to underwrite hybrid securities that share some of the characteristics of both stocks and bonds, such as convertible bonds and preferred stocks. Collaborations that transcend organizational structures will synergize the integrated strength of our organization. Through close cooperation between Domestic Retail and Global Wholesale, we were able to achieve robust foreign currency bond sales of ¥2.0 trillion in the fiscal year ended March 2004. We also sold stocks to a wide variety of individual investors, including domestic public offerings aimed at helping corporations expand their individual shareholder base, and China-related offerings in Japan. In terms of progress with our Japan-focused globalization, we have been maximizing the strengths of our global network, and we have commanded top shares in underwriting secondary public offerings of Japanese blue-chip stocks, IPOs, CBs and euro-yen bonds. We have also acted as M&A advisor in several major deals.

The goals of Asset Management are to expand assets under management in the asset management business overall and to expand our products and the number of client companies that entrust us with administration and management in the defined

contribution pension plan business. Our strategy is to strengthen cooperation with other divisions to develop the full strength of Nomura Group, to increase value-added in investment services, to strengthen marketing, and to improve our consulting and investment education services. Nomura Asset Management, the heart of the division, has been steadily engaged in improving value-added in investment services. It has already taken many concrete policy steps, including integrating the investment decision-making process, establishing a team-based management system, and widening its research coverage with a strengthened pool of analysts. Looking forward, outstanding issues in the improvement of value-added in investment services include strengthening the process for continual provision of added value in investment management and enhancing our investment management capacity. At the same time, to strengthen its marketing efforts, Nomura Asset Management has been updating its client service system and strengthening its support structure for sales of existing fund products, while working to develop new products that fulfill clients' needs. As banks have been increasing their retail sales of investment trusts, we intend to expand our product lines and increase assets under management by leveraging our investment expertise at NCRAM (Nomura Corporate Research & Asset Management), Nomura BlackRock and elsewhere. With regard to our defined contribution pension plan business, we aim to increase the number of client companies and expand our product line by further increasing our competitiveness in consulting and investment education services, and promoting cooperation between Asset Management and other divisions.

Nomura Group's mother market has been recovering rapidly. Given this environment, now is the time to strengthen our Japan-focused global business and to increase our presence in global markets. To do this, we must further solidify our cus-

tomers base and, at the same time, strengthen cooperation among our three divisions and bring the full power of Nomura Group to fruition.

Corporate governance system

At the June 2003 General Meeting of Shareholders, NHI and other domestic Group companies amended their articles of incorporation to adopt the Committee System. This change had three aims: to separate execution and oversight functions, to transfer to executive officers the power to execute business activities and to increase management transparency.

Under the Committee System, Junichi Ujiie serves as Chairman of the Board of Directors of NHI and not as CEO. Outside directors form the majority of each committee, and the Nomination Committee, Audit Committee and Compensation Committee are also headed by Board members other than the CEO. The members of the Audit Committee all fulfill the requirements of independent directors as defined under the Sarbanes-Oxley Act of 2002.

Nomura's raison d'être

In my view, the role of Nomura Group is to help expand capital markets by acting as a bridge between individual investors and Japanese corporations that are still in the process of restructuring, and in so doing, to contribute to the sustainable development of the Japanese economy. As Japanese corporations increasingly engage in proactive restructuring, the sustainable growth of the Japanese economy is dependent on making the financial assets of individuals, which are now largely held in cash and bank deposits, available to corporations as risk capital. There is an increasingly important role for Nomura Group to act as a bridge between these two poles. I sincerely hope we may continue to rely on your help and support in this effort.



Nobuyuki Koga
President & Chief Executive Officer
July 2004

Message from the COO

My role as COO (Chief Operating Officer) is to organically coordinate the business strategies of three divisions (Domestic Retail, Global Wholesale and Asset Management) with the efforts of Nomura Group to achieve its business goals.

I have a strong feeling now that the tide is turning for the Japanese economy. Corporate earnings are beginning to show a full-fledged recovery, and factors negatively influencing supply and demand in the stock market, including the large-scale unwinding of cross-shareholdings, have mostly weakened. Japan's stock market and other capital markets are starting to regain their true functions and appeal. In these circumstances, a great change may come about on both the supply side and the demand side of financing. For corporations, as borrowers, the funding needs for capital investment and corporate restructuring are growing visibly. For investors, on the other hand, as providers of funds, due to recent market recovery, securities tax reform as well as the end of the full guarantee on bank deposits slated for April 2005, there are signs that individual investors' financial assets will begin to flow strongly into the securities markets.

My role as COO is to provide direction to ensure that the execution of the business strategies of our three divisions is closely coordinated with the business goals of Nomura Group as a whole. Our management goal of consolidating our position as a globally competitive Japanese financial services group will require a strengthening of the international position of Japan itself, as our mother market. In that sense, the current changes, which appear to be effective in the creation of sustained growth in the Japanese economy, represent an enormous business opportunity for us in the capital markets, an area in which naturally we expect our involvement to grow. Cooperation among our three divisions can help to realize major synergies. By bringing the collective strengths of Nomura Group to fruition, we aspire to help create a virtuous cycle of sustainable growth both for ourselves at Nomura and for Japan.



Hiroshi Toda
Deputy President & COO

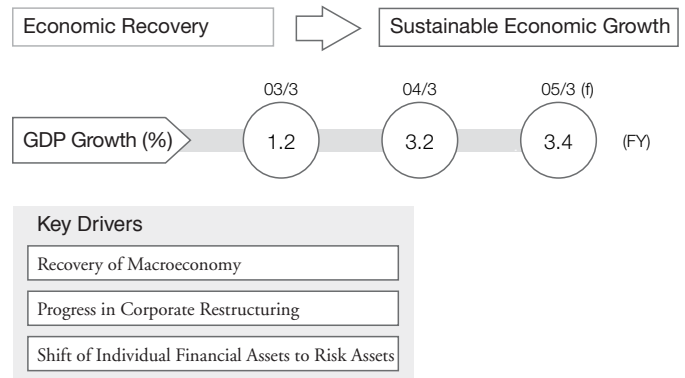
Japan's Securities Markets Have Entered a New Growth Phase

1. Changes in the economic environment

(1) Sustainable growth in the Japanese economy

In our view, Japan's economy has entered a phase of sustainable growth. In the fiscal year ended March 2004, Japan's GDP growth rate accelerated substantially to 3.2% from 1.2% the year before, for which exports and private capital investment were the main drivers. One major factor behind the growth in exports was China. Exports to China doubled between 2000 and 2003, becoming a new growth engine for external demand. Capital investment has increased particularly in the field of digital products, where Japanese companies enjoy a comparative advantage. The scope of the market in digital products, including DVD players, digital cameras, plasma TVs and LCD TVs, is growing rapidly on a global scale.

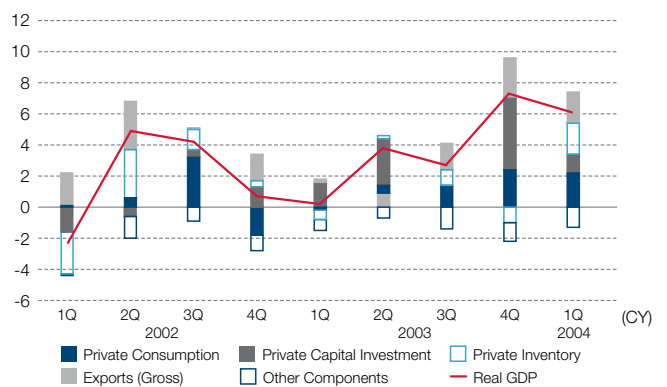
□ Sustainable Economic Growth in Japan



Source: Nomura

□ Breakdown of Japanese Real GDP

(QoQ % change, annualized)



Source: Nomura' using Economic and Social Research Institute (ESRI), Cabinet Office, Government of Japan

(2) Progress in corporate restructuring

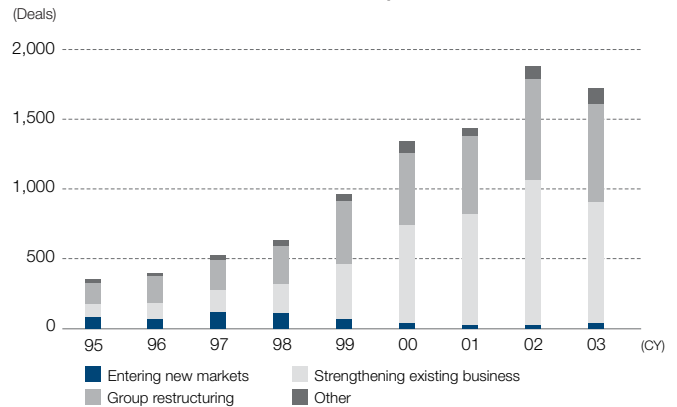
The number of publicly disclosed mergers and acquisitions between Japanese companies rose to 1,719 in 2003, more than five times the level of 1995. Particularly in M&A deals where both parties were Japanese, a large portion of these transactions were for the purpose of strengthening a company's main line of business, whether through group restructuring or by strengthening an existing business area.

Through restructuring, Japanese companies have been both strengthening their balance sheets and raising profitability.

The Nomura Securities Financial & Economic Research Center estimates that in the fiscal year ending March 2005, ROE will rise to 8.9%, returning to a level last seen during the bubble era.

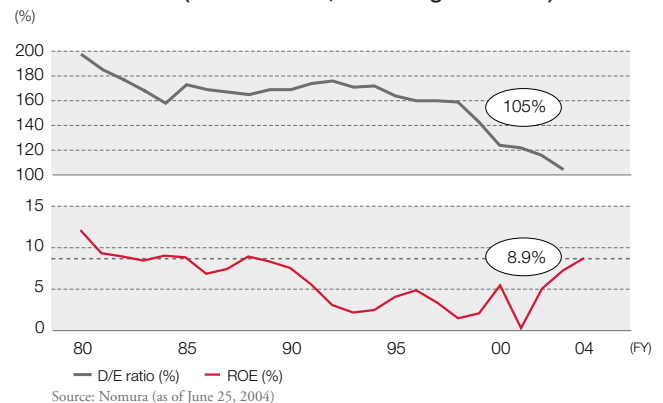
Free cash flow turned negative in the fiscal year ended March 1990 and has been negative ever since, except for a brief period in the fiscal year ended March 2001 due to the so-called IT bubble. Now, however, for the second consecutive year we are expecting to see record levels of positive cash flow since the 1980s. This demonstrates that companies are beginning to generate for themselves the funds necessary for investment ahead of further growth, preparing basic financial conditions to create a virtuous financial cycle where corporate business activities are entering a sustainable expansion phase.

□ M&A Deals between Domestic Companies



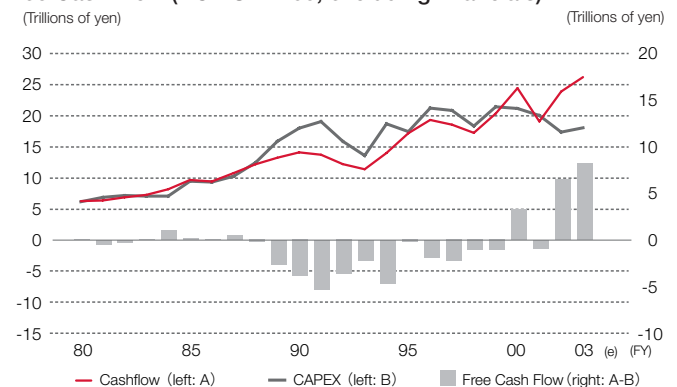
Note: Calculated on calendar year basis, excluding financials
Source: Nomura, using newspaper and magazine data

□ D/E Ratio & ROE (NOMURA400, excluding financials)



Source: Nomura (as of June 25, 2004)

□ Free Cash Flow (NOMURA400, excluding financials)



Note: FY80-FY84: non-consolidated base; from FY85: consolidated base.
Cashflow: Net income + depreciation costs
CAPEX = Increase in tangible assets + depreciation costs (to FY99)
= Announced (FY00-FY01)
= Nikkei Company Database (FY02)
= Nomura estimate (FY03)

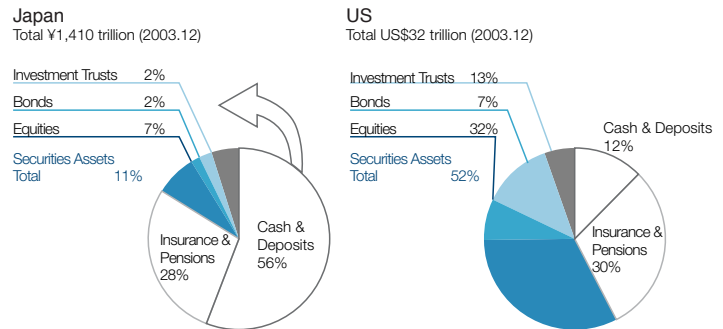
Source: Nomura

2. Changes surrounding securities markets

(1) Shift in individuals' financial assets

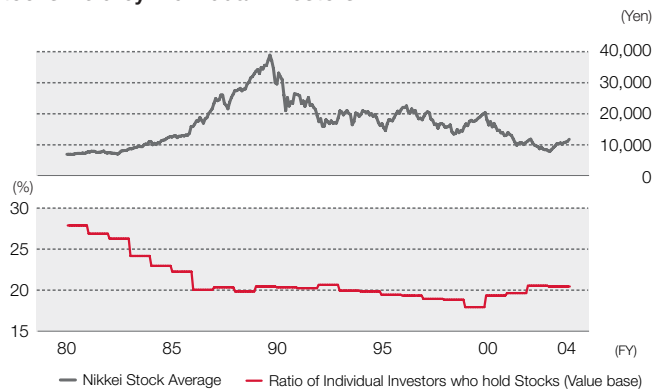
While the outlook for the macroeconomy and corporate profitability are bright, there are limitations on the supply of funds available to support growth momentum for corporations as long as funding is overly dependent on banks, which has traditionally been the case. This will lead to ever greater demands and expectations of the capital markets. In other words, the key to sustainable economic growth in the near future lies in how much of the approximately ¥1,400 trillion in individual financial assets will contribute to corporate financing activities through the capital markets. Comparing individual financial assets in Japan and the U.S., we see that marketable securities make up 52% in the U.S. but only 11% in Japan. Still, there is a clearly visible shift emerging, and individual financial assets are starting to move from cash and deposits into risk assets. The ratio of individual investors who hold stocks had fallen quite steadily till it bottomed out at 18% in 1999. Although the increase is gradual, the recovery trend is certain. As for the shift of individual financial assets to risk assets, this can also be seen in individual holdings of foreign financial assets. At the end of December 2003, individuals' holdings of foreign securities and foreign currency deposits totaled ¥16.4 trillion, having tripled from the ¥5.4 trillion as of the end of 1998.

Comparison of Individual Financial Assets, Japan and the U.S.



Source: Bank of Japan, Flow of Funds Accounts data, FRB "Flow of funds accounts of the United States"

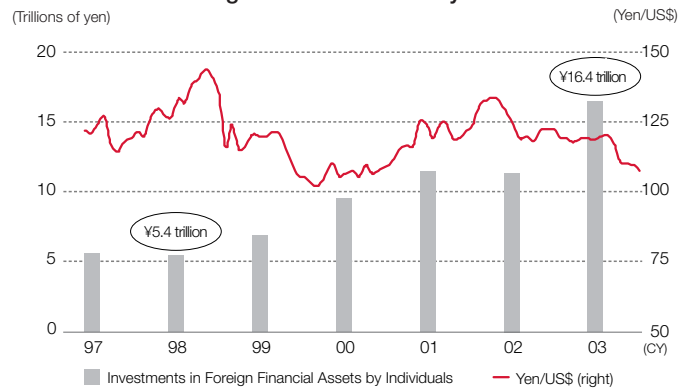
Stocks Held by Individual Investors



* For the companies listed on either of the following stock exchanges: Tokyo, Osaka, Nagoya, Fukuoka, and Sapporo.

Source: Nomura, using Tokyo Stock Exchange's data

Investments in Foreign Financial Assets by Individuals*



* Total foreign currency deposits and foreign securities investments

Source: Nomura, using Bank of Japan, Flow of Funds Accounts data

(2) Securities tax reform

Tax reform has also been progressing. In addition to dividends on stocks, from January 2004, while only for a limited period, the tax rate for dividends on stock investment trusts has been lowered to 10%. From this we can see that the government is seriously trying to build infrastructure to use its tax policy to encourage individual financial assets to flow into the stock market.

In addition to the tax incentives, April 2005 will mark the end of the full government guarantee on bank deposits, which is expected to help accelerate the shift of funds away from bank deposits and into other kinds of financial products.

The role of securities firms, including Nomura Group, is becoming increasingly important in terms of acting as a catalyst to organically bridge these two trends—the recovery of corporate profitability and the shift of individual financial assets into risk assets—and in so doing, to build a large and sustainable virtuous cycle.

□ Tax breaks on stock investment trusts and other products

<ul style="list-style-type: none"> • Tax rate for capital gains on listed stocks (Jan 1, 2003 – Dec 31, 2007) 	20%	⇒	10%
<small>* Tax rate for annual capital gains lowered uniformly to 10% * Losses may be deferred up to three years by filing income tax returns</small>			
<ul style="list-style-type: none"> • Tax rate for dividends of listed stocks (Apr 1, 2003 – Mar 31, 2008) 	20%	⇒	10%
<small>* Uniform withholding tax of 10% regardless of dividend amount (no need for self-assessed taxation)</small>			
<ul style="list-style-type: none"> • Tax rate on dividends of public stock investment trusts (Jan 1, 2004 – Mar 31, 2008) 	20%	⇒	10%
<small>* Uniform withholding tax of 10% regardless of dividend amount (no need for self-assessed taxation) * From 2004, capital gains may be netted against capital gains on stocks by filing income tax returns</small>			



Note: The integration of interest tax is also being discussed by the Government Tax Commission (June 15, 2004), an advisory body to the Prime Minister. The discussion on the integration of interest tax also includes tax on the savings and deposit interest.



Business Outline

Contents

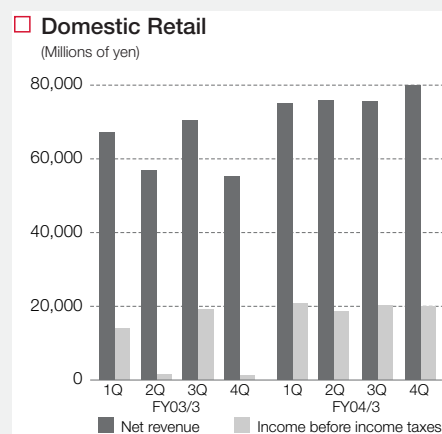
Business Portfolio	14
Domestic Retail	16
Global Wholesale	24
Asset Management	32
Research	38

Business Portfolio

Nomura Group's business portfolio is made up of Domestic Retail, Global Wholesale and Asset Management divisions. The strength of Nomura Group is in tapping its collective strength based on the high level of expertise in each division. Domestic Retail is responsible for meeting customers' diverse investment needs through precise and accurately targeted consultations, and for supplying the products needed. Global Wholesale works with domestic and foreign governments and companies, offering a wide range of financial solutions. Asset Management boasts sophisticated product development and asset management capabilities. Nomura has established its strong presence in markets in Japan and abroad through collaboration among these three divisions.

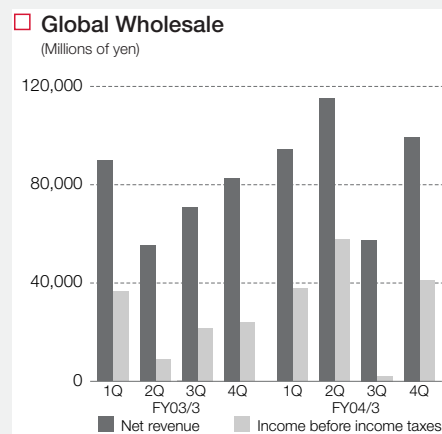
Domestic Retail

Domestic Retail develops our investment consultation services by accurately grasping the nature of the funds available to invest, risk tolerance and customers' lifestyles, analyzing the market environment and economic situation, and offering sound advice on asset-building over the long term. In addition, we are ready to recommend appropriate products and assemble a portfolio quickly from a variety of products including stocks, bonds, investment trusts and variable-annuity pension insurance, based on the values that each of our customers prizes most highly in his or her financial asset management.



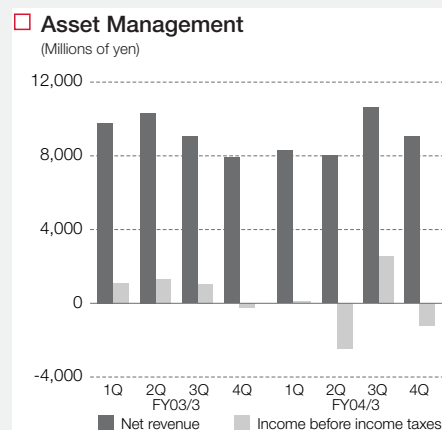
Global Wholesale

Global Wholesale is made up of three business lines: Global Markets, Investment Banking and Merchant Banking. The umbrella concept of Global Markets provides a wide range of market capabilities, including fixed-income (bonds and others) and equities (stocks and others), as well as hybrid products and derivatives. By using this unique and flexible system, as well as our global network that extends to 28 countries, we offer a wide range of financial solutions through capital markets, including sales and trading operations, underwriting, M&A and financial advisory and merchant banking.



Asset Management

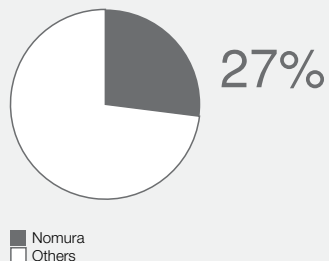
Asset Management supplies a diverse range of investment trust products and investment advisory services to our clients, such as pension funds, leveraging our asset management and product development strengths derived from our global research and leading-edge financial technology. We also provide a comprehensive service in the field of defined contribution pension plans, ranging from support for system introduction to product supply.



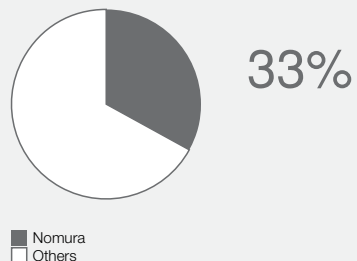
Market shares (April 2003~March 2004)

Primary Market Share Data

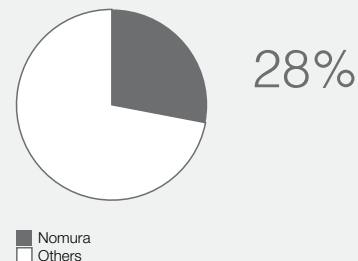
Japanese IPO*



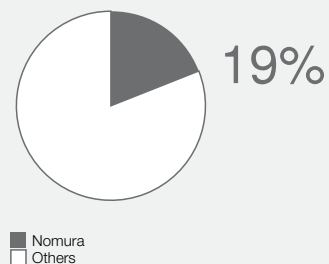
Japanese PO*



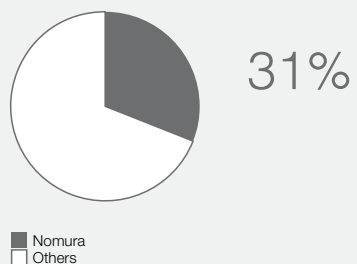
CB*



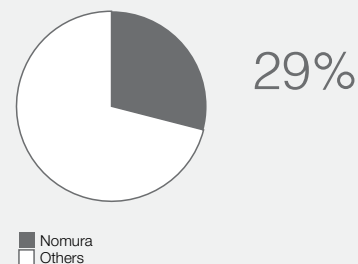
Japanese Straight Bonds*



Euro-Yen Bonds*



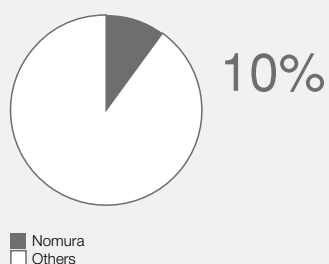
JGBs for individual investors (Total 1st to 6th issue)**



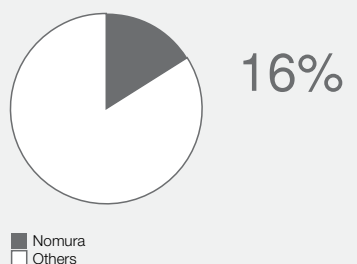
Sources: * Thomson Financial Bookrunner League Tables (Value Base)
** Nomura (Value Base)

Secondary Market Share Data

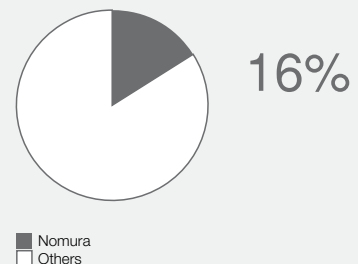
Individual Equity Agency Transactions



Off-floor/Off-exchange Equity Trading



Secondary Bond Trading



Sources: Nomura (Value Base)



Kenichi Watanabe
Senior Managing Director
Head of Domestic Retail

Domestic Retail

Domestic Retail promotes our basic strategy, known as “Core Value Formation,” giving the most appropriate advice and offering optimal products based on the market environment and the economic situation taking into account customers’ core values, having evaluated the nature of funds available to invest, risk tolerance and lifestyle.

Business Results

In the fiscal year ended March 2004, Domestic Retail earned net revenue of ¥305.8 billion, up 23% from ¥249.3 billion the year before. Income before income taxes increased 123%, to ¥79.5 billion from ¥35.7 billion. Both stock brokerage commissions and investment trust distribution fees recovered, and the placement and distribution of foreign currency bonds and Japanese government bonds (JGBs) for individual investors were also strong. Individual investors’ interest in these bonds was particularly strong, and we captured the largest distribution share of the No. 4 through No. 6 JGB issues, which were particularly large.

The number of stock-holding accounts grew to 1.4 million, a rise of 67,000 from the year before.

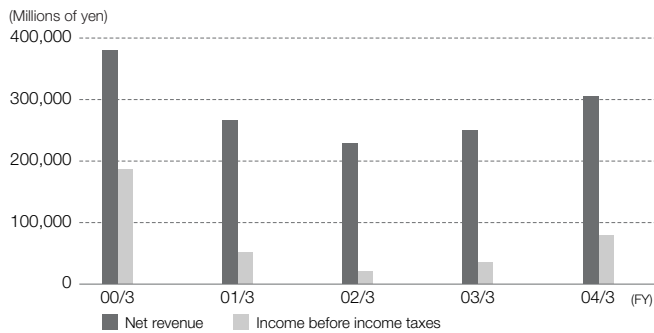
By offering a variety of products in this way, based on customers’ core values, we were able to record client assets, including those from regional financial institutions, totaling ¥40.8 trillion as of the end of March 2004, up 30% from a year earlier, surpassing the peak levels of the bubble era of the late 1980s.

Domestic Retail Division Business Results

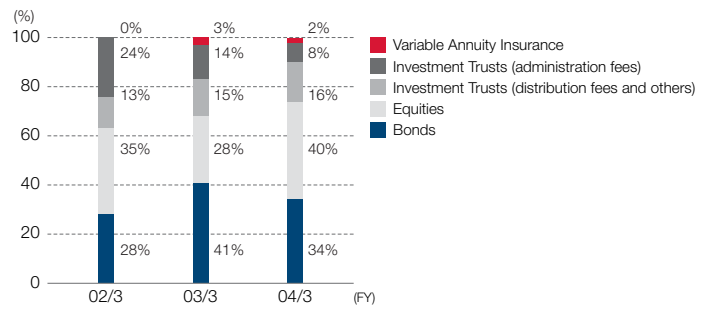
	Years ended March 31				
	2000	2001	2002	2003	2004
Domestic Retail:					
Non-interest revenues	¥375,276	¥260,193	¥226,156	¥246,938	¥304,035
Net interest revenue	5,309	6,236	2,949	2,313	1,722
Net revenue	380,585	266,429	229,105	249,251	305,757
Non-interest expenses	194,345	215,638	208,621	213,562	226,213
Income before income taxes	¥186,240	¥50,791	¥20,484	¥35,689	¥79,544

(Millions of yen)

□ Net Revenue and Income Before Income Taxes



□ Revenue Breakdown



Key Issues and policies for the fiscal year ending March 2005

The goals of Domestic Retail are to broaden our customer base and to offer high-quality financial services. To achieve these, we must make further progress in Core Value Formation. Core value refers to the things that our customers most highly value, and perceive to be worth paying for in terms of financial asset management. Taking into consideration the fact that core values are different from customer to customer, we provide professional financial services through specialized channels for different customer segments, which enables us to respond effectively to the needs of our customers. We have also taken the following strategic measures to respond to increasingly diversified and sophisticated customer needs.

To serve the wealthy investors, we established the Financial Management Division, going beyond the concepts of retail and wholesale to offer these customers finan-

cial services of the highest quality.

To serve the affluent investors, we have appointed an executive officer heading financial advisors, and we have set up an organizational system for training and developing these financial advisors at our branch offices nationwide.

Furthermore, for asset builders, primarily salaried workers, we have set up the Hotto Direct Service Department in addition to Nomura Home Trade to allow trading at nights and weekends, by phone or Internet.

As a new experiment, we have set up our first cashless branch which does not handle cash settlements. This branch specializes in planning and consultations, enabling us to offer high value-added financial services that better match our customers' needs.

Through these kinds of innovations, we aim to broaden our customer base further by discerning the core values of each and every customer.



Odawara branch office entrance



Expanding our customer base

Domestic Retail aims to offer a wide variety of products suitable for all customers, from those who prefer low-risk, low-return investment to those with a taste for high risk and high returns. We aim to grow our customer base by bridging each customer's core values with the appropriate investment opportunities in the capital markets through our optimal consultations.

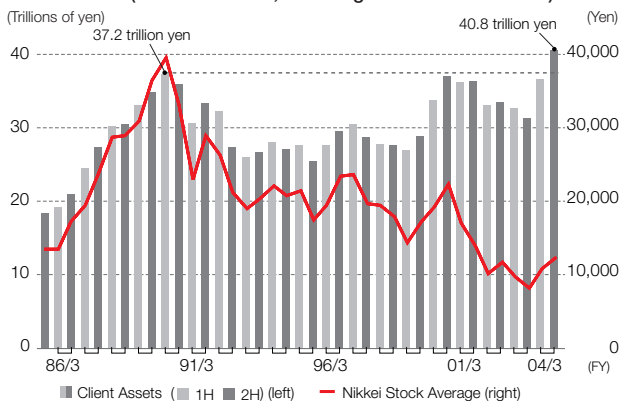
Client assets rise to record levels

In the Japanese stock market, the Nikkei Stock Average still stands at only about one-third of its peak in 1989, but the value of Domestic Retail's client assets (including financial institutions) has now surpassed the previous peak set around that time, reaching ¥40.8 trillion as of the end of March 2004. Until April 2003 the stock market remained in a slump, but we were able to minimize the decline in client assets by offering various products including domestic and foreign bonds and investment trusts. Since the stock market began to rebound, client assets have been growing at a healthy pace.

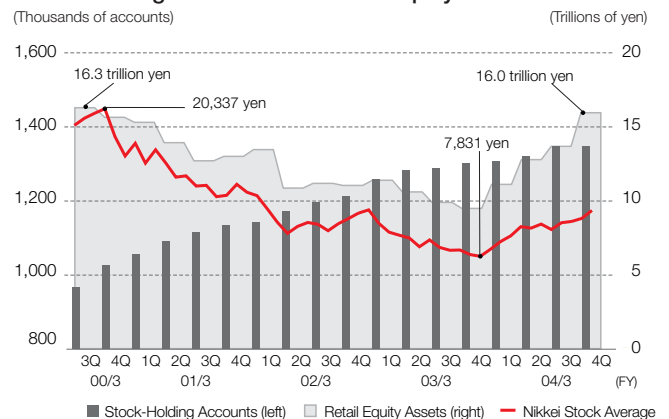
Growth in the number of stock-holding accounts and retail client assets in equities

We have succeeded in steadily increasing the number of stock-holding accounts to broaden our customer base for equity products, even during the long period of stock market weakness. As a result, the number of stock-holding accounts grew to 1.37 million as of the end of March 2004, an increase of 33% from a year earlier. Retail client assets in equities totaled ¥16.0 trillion, recovering nearly to the peak of ¥16.3 trillion seen in the IT bubble era (when the Nikkei Stock Average stood at about ¥20,000). The special accounts for stocks that we started to offer in October 2002 in relation to securities tax reform numbered 1.1 million as of the end of March 2004.

□ Client Assets (Domestic Retail, Including Financial institutions)



□ Stock-Holding Accounts and Retail Equity Assets





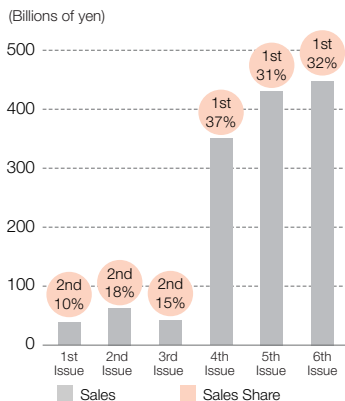
In sales of JGBs to individual investors, Nomura had the top share among all financial institutions

Japanese government bonds for individuals were first launched in 2003 and are an extremely effective tool for stimulating the shift of individual financial assets from cash and bank deposits to securities because they are highly safe and liquid. Also, their variable interest rates, which are adjusted every half-year, will rise if long-term interest rates rise. We have been explaining to many customers the merits of this product because we believe individual investors' needs for JGBs will remain strong even if the prospect of economic recovery sparks expectations of a rise in interest rates. As a result, of the ¥4.8 trillion of these bonds that were sold from issue No. 1 in March 2003 to issue No. 6 in April 2004, we captured an overall share of 29%, more than any other financial institution including Japan Post.

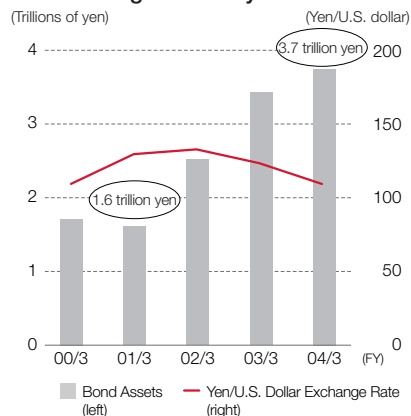
Steady growth of assets in foreign currency bonds

Assets held in foreign currency bonds grew to ¥3.7 trillion as of the end of March 2004, more than double the level of March 2001. Currency movements, which are the biggest risk with such bonds, were volatile, but investors remained strongly attracted by the gap between domestic and foreign interest rates, as well as the need for international portfolio diversification. We were able to boost the balance of client assets held in foreign currency bonds by proactively responding to customers' medium- to long-term investment needs.

□ JGBs for Individual Investors



□ Retail Foreign Currency Bond Assets





The evolution of Core Value Formation

In order for the Core Value Formation strategy to meet the needs of a variety of customers, it must be constantly evolving. In November 2003, we established the Hotto Direct Service Department to serve the needs of asset builders, and as part of our corporate reorganization in April 2004, we established the Financial Management Division to serve wealthy investors through a structure that transcends the concepts of wholesale and retail. We have also strengthened our financial advisor (FA) system.

Different operating systems for different customer segments

Domestic Retail works with the idea of customer segmentation based on the assumed personal financial assets. Each sales channel is clearly targeted at a particular type of customer, offering the best kind of organization to respond to the core values of each customer segment.

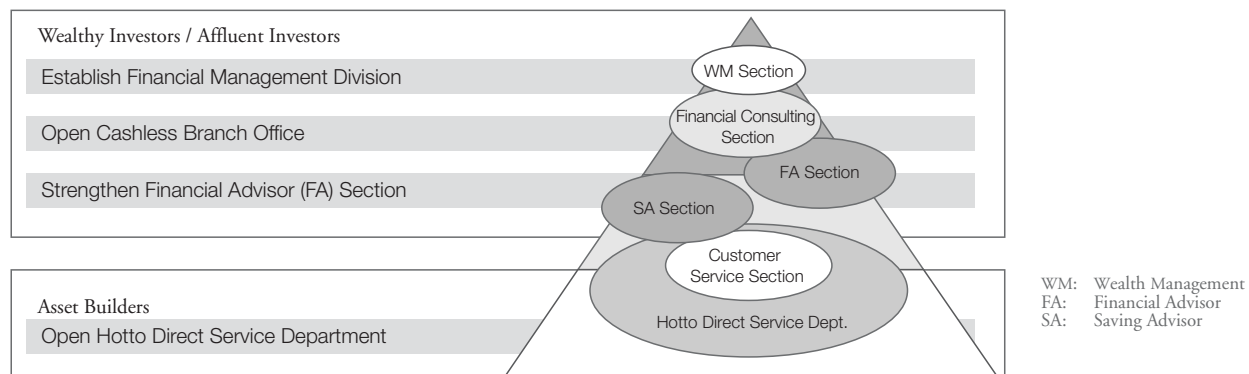
Financial Consulting Section

The Financial Consulting Section targets wealthy investors, who require the highest-quality advice, and offers them comprehensive asset consulting services, ranging from investment consultation and safeguarding to inheritance, thus working to increase the individual assets of our customers. This section is made up of employees with a particularly sophisticated knowledge of tax treatment, a wide variety of financial products and portfolio risk diversification to help customers manage their assets.

Financial Advisor Section and Saving Advisor Section

The Financial Advisor (FA) Section and Saving Advisor (SA) Section are, in principle, staffed by the employees who have a long history in a given local community and have developed strong relationships of trust with their customers. They help in expanding our business by advising senior citizens on life planning and responding to the resultant demand for investment consultation. FA staff, in particular, have been specially trained in sophisticated investment consultation techniques to offer comprehensive consultation services to wealthy and affluent investors. SA staff, meanwhile, work primarily with bonds, investment trusts and other savings-type products, aiming to increase client assets among a broader group of affluent investors.

Further Develop Core Value Formation Strategy





Customer Service Section

About 20,000 to 30,000 customers visit our main office and branch offices each day, for a total of about 6 million visits a year. The Customer Service Section deals with such customers on a daily basis and is responsible for opening about 70% of new accounts. The section helps clarify customer needs, responds directly to requests and offers reassuring advice when needed. For asset builders, they recommend the convenience of IT-based services, while for affluent investors they emphasize face-to-face services, investment seminar planning and telephone marketing. In these ways, the Customer Service Section is striving to efficiently expand our customer base.

A variety of innovative measures

To expand our customer base and increase client assets, we have been fortifying our past efforts, but we must also broaden our customer interface based on new ideas. To that end, we have implemented the following measures.

Establishing the Hotto Direct Service Department

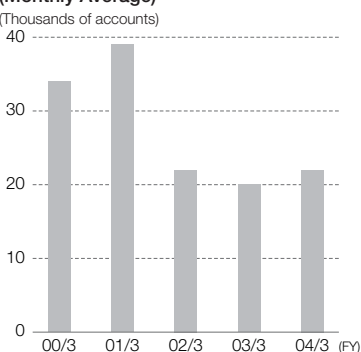
In November 2003, we merged our call centers and Internet services to form a new channel, the Hotto Direct Service Department. The services provided by our highly trained operators are available not only during normal business

hours but also on Saturdays and Sundays, as well as on weekday nights. This department also handles Internet trading, allowing customers to take advantage of our services at their own pace. This service makes it much more convenient for many salaried workers, who might find it hard to visit our offices during normal working hours. We think that this channel will also help us broaden our customer base.

Financial Management Division

In April 2004, we also established the Financial Management Division, which is designed to serve wealthy investors through a structure that transcends the concepts of wholesale and retail, in order to reach a new investor class. To make it possible for this group to act with flexibility, we made it a fully independent division.

□ Number of Newly Opened Accounts (Monthly Average)



Strengthening financial advisors (FAs)

Our financial advisors, with their strong ties to their communities and extended interaction with customers over time, represent in some ways the cornerstone of our efforts to expand our customer base. Our FA staff act as an indispensable part of our strategy to build up our customer base over the medium- to long-term, and it is important for us to offer them our constant support so that they can maintain a high level of expertise. We gave an executive officer special responsibility for supervising FAs and will strive to further enhance our educational programs such as FA training with over a five-year and even a 10-year time horizon.

Cashless branch offices

In March 2004, as a preliminary experiment we set up a branch that receives no cash and makes no payments. We set up our first cashless branch in Odawara, Kanagawa Prefecture, and customers make cash transactions by bank transfer or through ATMs at postal offices and other places. The mission of the cashless branch office is to offer a wide variety of sophisticated advice on customers' assets. With its small staff, our Odawara branch specializes in investment consultation. We think it is important that our customers feel at home and comfortable in the branch when they come to discuss their valuable assets. Looking ahead, we will be flexible in setting up more of this type of branch as part

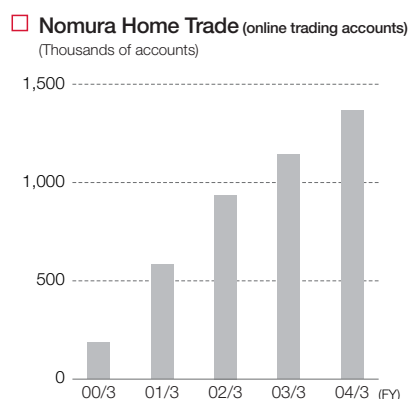
of our efforts to offer our customers better services.

Streamlining the functions of branch offices allows us to offer a truly first-class, personalized atmosphere in which our customers feel they are getting the very best in investment consultation.

Improving efficiency via IT

We have recently come up with the name Nomura iT Support 21 for our services based on information technology, including Nomura Home Trade, Nomura Telephone Answer, Nomura Stock Price Dial and our ATM cooperative agreements with various financial institutions. Our aim is to make our services even more convenient for our customers. The number of Nomura Home Trade accounts has grown steadily to about 1.37 million, giving us the top market share of 28%.

Our IT share rose to 49% by transaction volume and to 23% by transaction value in the fourth quarter of the fiscal year ended March 2004. Internet trading has been growing in proportion to the overall increase in client assets, and IT services are an important complement to over-the-counter sales channels. Internet trading is convenient for our customers, and it is also cost-effective for us, allowing us to free up personnel for other services such as consulting, so that we can offer our customers even higher-quality financial services.



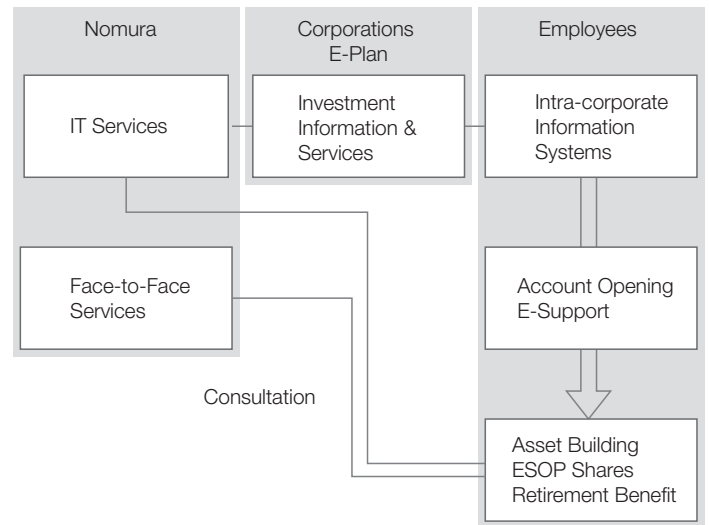


A more active approach to the corporate employees' investment plan market

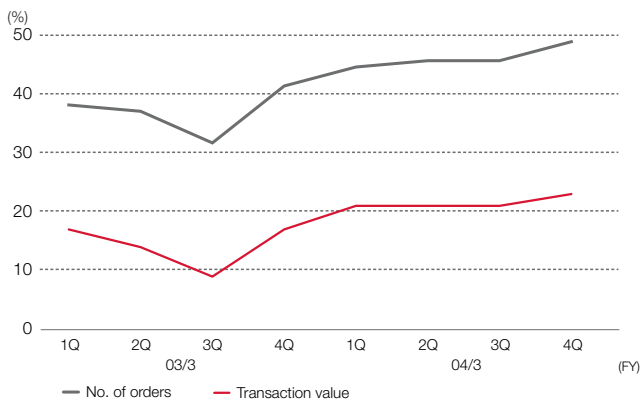
We are entrusted with administrative services in respect of corporate employees' investment plans from approximately 1,400 listed companies and 1,300 unlisted companies. Our share of this market for listed companies is 50%, making us No. 1 in Japan. This market gives us plenty of leads for our defined contribution pension plan business and is another nexus for encouraging new customers among asset builders.

In the market for corporate employees' investment plans, IT transactions are handier than branch visits, so our basic strategy here is to offer services that do not require face-to-face meetings. At the same time, we strive to offer a variety of investment information, which is available through the computer systems of client companies (E-Plan). We are taking active approaches toward this market, which should bring about valuable opportunities for post-retirement asset consultations with these corporate employees.

□ Approach to Corporate Employees' Investment Plan Market



□ IT Share*



* Ratio of domestic stock transactions executed through Nomura Home Trade or Nomura Telephone Answer (excluding odd lot transactions) to total domestic stock transactions



Takashi Yanagiya
Senior Managing Director
Head of Global Wholesale

Global Wholesale

The strategies of Global Wholesale are to respond quickly to the changing market environment, to make use of Nomura Group's integrated strength through collaboration that transcends organizational structures, and to pursue Japan-focused globalization. Under these strategies, we will play a key role in realizing Nomura Group's management goal of becoming a globally competitive Japanese financial services group.

Business Results

Global Wholesale earned net revenue of ¥365.7 billion in the fiscal year ended March 2004, up 23% from ¥298.5 billion the year before. Income before income taxes totaled ¥138.5 billion, up 52% from ¥91.0 billion in the previous fiscal year.

A stock market rebound on the back of a recovery in the domestic economy, greater numbers of public offerings resulting from corporations' efforts to reform shareholder structure and the recovery in equity finance led to a 34% increase in net

revenue in Equity, and a 3% gain in Investment Banking. In Fixed Income, distribution of foreign currency bonds to retail investors led to a strong flow of orders, and net revenue grew 13%. In Merchant Banking, profit from exit transactions, as well as valuation gains, gave us a net revenue of ¥10.7 billion.

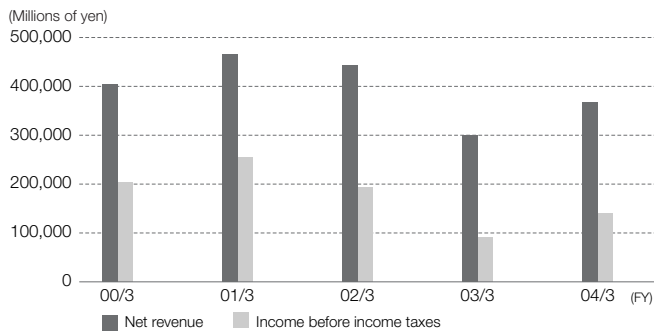
Global Wholesale Division Business Results

	Years ended March 31				
	2000	2001	2002	2003	2004
Global Wholesale:					
Non-interest revenue	¥404,947	¥487,644	¥385,430	¥196,675	¥290,845
Net interest revenue	(3,488)	(24,839)	54,505	101,794	74,891
Net revenue	401,459	462,805	439,935	298,469	365,736
Fixed Income	96,883	78,390	90,753	153,966	173,994
Equity	169,674	241,291	125,076	82,025	110,153
Investment Banking	134,902	143,124	88,349	69,125	70,869
Merchant Banking	—	—	135,757	(6,647)	10,720
Non-interest expenses	198,117	210,062	248,657	207,436	227,227
Fixed Income	58,578	56,171	66,739	76,759	91,810
Equity	78,296	73,617	66,475	65,675	71,494
Investment Banking	61,243	80,274	57,406	56,374	53,703
Merchant Banking	—	—	58,037	8,628	10,220
Income (loss) before income taxes	¥203,342	¥252,743	¥191,278	¥91,033	¥138,509
Fixed Income	38,305	22,219	24,014	77,207	82,184
Equity	91,378	167,674	58,601	16,350	38,659
Investment Banking	73,659	62,850	30,943	12,751	17,166
Merchant Banking	—	—	77,720	(15,275)	500

(Millions of yen)

* Investment Banking and Merchant Banking were separated from one another in October 2001 due to an organizational change. Consequently, through the first half of the fiscal year ended March 2002, figures for Investment Banking include those for Merchant Banking.

Net Revenue and Income Before Income Taxes



Key issues and policies for the fiscal year ending

March 2005

Many Japanese corporations are making efforts to be winners on a global basis. They have been increasing their equity financing activities that are an essential part of their aggressive investment decisions, and accelerating the process of “selection and focus” in the form of business restructuring and industry consolidation to further strengthen corporate competitiveness. In this environment, Global Wholesale has determined three priorities: to respond quickly to a changing market environment, to make use of our integrated strength through collaboration that transcends organizational structures, and to pursue Japan-focused globalization.

One concrete measure designed for this purpose is the creation of Global Markets. Technical progress in financial derivatives has narrowed the differences between the credit market—represented by bonds—and the equity markets. In response to this, we have united our trading operations for stocks and bonds, which were previously separated into Equity and Fixed Income. Also, we have taken syndicate functions that were pre-

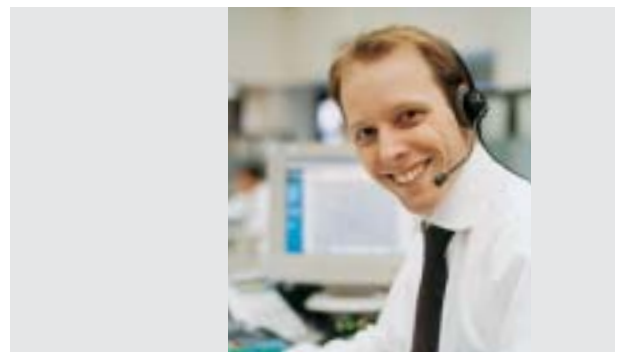
viously divided between Investment Banking and Fixed Income, and we have brought them together in Global Markets. This represents the establishment of an optimal system to pursue further improvement in the quality of our services to provide solutions for issuers in the primary market. We have strengthened our ability to provide market-oriented credit products such as synthetic CDOs, making use of securitization schemes, and we have also built up our ability to engage in asset finance, particularly in the real estate area.

A second measure was the creation of our Capital Market Department, within Investment Banking. We have done away with the walls between debt and equity products, developing a team that specializes in origination. This allows us to offer our clients comprehensive and customized solutions based on flexible thinking and top-grade professional skills.

By responding flexibly to market changes, Global Wholesale is evolving of its own accord; it is vigorously promoting collaboration within the division that goes beyond traditional business lines, and at the same time it is also strengthening its ability to engage in collaboration that extends beyond the division itself.



Equity trading floor (Otemachi)



Evolution of Global Wholesale

Global Markets

Financial technology is evolving rapidly, gradually wearing away at the distinctions to be made between the credit markets—represented by bonds and loans—and the equities market—represented by stocks—to give way to a growing intermediary market of hybrid securities, such as CBs, that possesses the characteristics of both these markets. In response to this change in the marketplace, we have united our Fixed Income, Equity and syndicate functions to form Global Markets.

Our aims in creating Global Markets

- (1) Global Markets strengthens our abilities to deal with hybrid products mainly by, combining Fixed Income's credit derivative trading functions with Equity's derivative trading functions.
- (2) We have also brought into the Global Markets our syndicate functions, previously divided between Investment Banking and Fixed Income, enabling us to put together information about markets and investor needs and construct a system that helps us to further improve our capability to provide solutions for issuers in the primary markets.

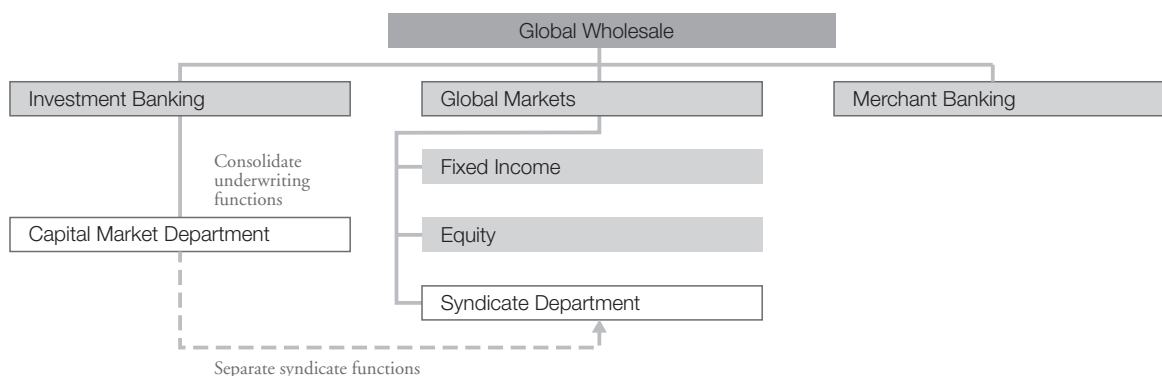
In Global Markets, we will (1) break down the walls between products, strengthening our ability to trade derivative and hybrid products, supply related financial products, and provide information on product ideas in the primary markets; (2) heighten our ability to supply market-oriented credit products, including financing utilizing securitization schemes; and (3) strengthen asset finance business, mainly in real estate.

The main businesses of Fixed Income and Equity that now make up the Global Markets are as follows.

Fixed Income

In Fixed Income, we engage in bond sales and trading, making use of our global network, and also handle origination and product supply as well as asset finance (in cooperation with Investment Banking) primarily in real estate. In bond trading, we handle round-the-clock trading in government bonds of major countries, position management backed by our sophisticated risk management technology, firm capital base and strong risk tolerance to offer the kind of service our clients have come to expect of us.

□ New System of Global Wholesale



Equity

In Equity, we offer sales and trading of domestic and foreign stocks on a global basis, primarily for institutional investors. In equity trading, we handle the global flow of orders from our solid domestic and foreign client base that we have established through the consistent provision of high-quality research and quantitative analyses. It also offers our clients solutions backed by our own positions, including block trades, basket trades and others. We have earned the trust and praise of our clients for the systems we have built that offer rapid execution without making a big impact on the market, even when we are handling a large volume of orders simultaneously.

Investment Banking

In Investment Banking, we are active in all the world's major markets, including Japan, Europe and the U.S., offering a wide variety of investment banking services, such as the underwriting of stocks, bonds and other securities, as well as M&A and financial advisory services. We have acted as lead underwriter for about 65% of the companies listed on Japan's stock markets. We also have teams of investment banking specialists in 40 of our domestic branches, which gives us close relationships with many major Japanese companies throughout

the country. Thus, we have secured a solid position with regard to investment banking deals related to Japanese companies.

We have also built up an extensive track record in overseas and cross-border deals. For example, as representative cross-border deals, we acted as advisor in setting up a soft-drinks joint venture in China involving Asahi Breweries, Itochu and Tingyi (Cayman Islands) Holding; we also assisted in Toyoda Machine Works purchase of the Torsen division from Bosch Automotive System, and Kyocera-Mita purchase of a stake in TA Triumph Adler. We also worked with China Steel and SMIC (Semiconductor Manufacturing International) in public offerings of stock on the Japanese market.

As part of our corporate reorganization in April 2004, we have united into the newly founded Capital Market Department our underwriting functions that were previously separated into bonds and stocks. By specializing in origination, this new department will enable us to offer our clients optimized financial solutions, based on our flexible approach and sophisticated professionalism in the capital markets. In this way, we hope to make our contribution to maximizing corporate value at our client corporations.





Merchant Banking

Merchant Banking operations refer to the private equity business targeting investment opportunities for capital appreciation that will offer attractive-returns on our investments.

In Japan, Nomura Principal Finance Co., Ltd. (“NPF”), founded in 2000, has been active in the field of buy-outs and corporate revitalization. NPF has established a strong presence in Japan through its participation in a management buy-out of Tungaloy (previously Toshiba Tungaloy) and the corporate rehabilitation of Huis Ten Bosch. As the pace of corporate restructuring grows in Japan, we aim to identify additional investment opportunities to realize investment returns, focusing on potential improvements in corporate value. In Europe, the bulk of our private equity business consist of investments now managed by Terra Firma, an independent asset management group.

With respect to venture capital investment, we develop our business through the Nomura Research & Advisory Co., Ltd in Japan and through the London-based Private Equity Group (PEG) overseas. Looking ahead, we aim to continue to participate in high-quality investment opportunities, making use of our global network and backed by our extensive experience.

Aspiring to be a Globally Competitive Japanese Financial Services Group

Expanding asset finance

The securitization business has been expanding, as an increasing number of companies seek to diversify their funds procurement and improve their balance sheets by securitizing real estate and money claims, while the low interest rate environment has been increasingly leading investors to seek reliable, high-return financial products. In these circumstances, we have been raising our profile in the domestic and foreign securitization markets. We securitized subordinated loans for Dai-ichi Mutual Life as well as airline ticket revenues for Korean Airlines. We also handled the financing through securitization for the Akihabara Office Building Development Project, Japan's first securitization for a major Japanese redevelopment project. We also arranged Japan's first large non-recourse financing* for the Catherina Mita Tower Suite Project, an apartment complex.

* Financing where creditors can only claim against the collateral, in case of default

One of the largest block trades ever in the Japanese market

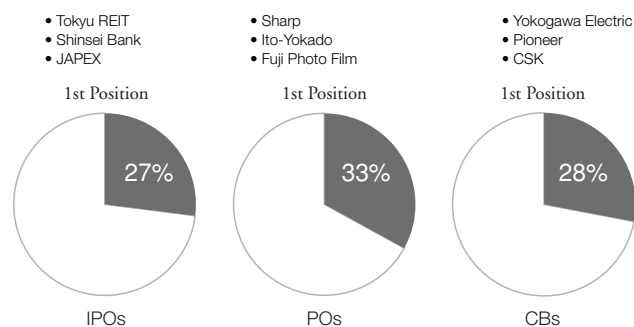
When the Hitachi Group wanted to sell its share in Nitto Denko, which Hitachi owned as a long-term strategic share-

holding, we used our extensive network of domestic and overseas investors to conduct the execution without causing any market disruption. This was one of the largest block trades ever carried out in the Japanese stock market.

Top underwriting position for our three equities-related sectors

We have acted as lead manager for Ito-Yokado, Sharp and other Japanese companies interested in attracting more individual investors. We have also been joint lead manager for Shinsei Bank, a symbolic deal of a company offering stock to the market following corporate revitalization, and for the privatization of Petroleum Resource Development (JAPEX). In the J-REIT market, we were joint lead manager for Tokyu Real Estate, contributing to market product supply. In the convertible bond market, we lead-managed deals of Pioneer, Yokogawa Electric and CSK. In equity underwriting for the fiscal year ended March 2003, we took the top position in all of the three sectors: initial public offerings (IPOs), public offerings (POs) and convertible bonds (CBs).

Major Deals as Lead Manager, and Market Share



Source: Thomson Financial Bookrunner League Tables (2003.4.1–2004.3.31), value base



Developing custom-made equity funds-procurement schemes

We have been active in developing and proposing new funds procurement methods based on tailor-made equity funding schemes. Representative examples would be the solutions we offered through the multiple private offerings (MPOs) we devised for Isuzu Motors and Tokyo Tomin Bank. In the MPOs, which are an innovative financing method, companies issue convertible bonds or warrants to make a third-party allocation to us.

Accumulating track record in underwriting foreign currency bonds in collaboration with Domestic Retail

Japan has a wealth of financial assets in the hands of individuals, which overseas issuers with good credit risk have their eyes on. We have been able to greatly increase our sales of foreign currency bonds by matching these issuers with individual investors who are seeking higher yields. Given our impressive track record in this area, we were able to further solidify our presence in international capital markets by acting as joint lead manager for major bond issues, including European Investment Bank's global dollar bond issue, the Austrian government's euro bond issue, and the Spanish Instituto de Crédito Oficial's issue of euro-dollar bonds.

Acting as advisor in M&A deals

More and more companies are tackling group restructuring, promoting "selection and focus" on their core businesses. In the fiscal year ended March 2004, we acted as advisor for several high-profile transactions, including the transformation of Matsushita Electric Works into a subsidiary of Matsushita Electric Industries through a takeover bid, the merger of the ATM businesses of Omron and Hitachi, and others. In cross-border M&A transactions, we advised on the creation of a Japan-China beverages joint venture involving Tingyi, Asahi Breweries and Itochu. In May 2003, we converted our joint venture in China (formerly known as Nomura-CITIC) to a wholly-owned subsidiary, helping us to expand our business in China and throughout Asia.

Major M&A Deals

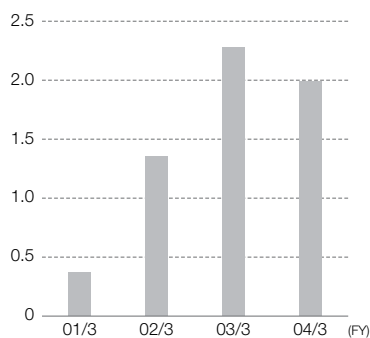
Matsushita Electric Industries* = Matsushita Electric Works (MEI makes MEW into a subsidiary through a tender offer)

Industrial Revitalization Corp. of Japan* = Kanebo (IRCJ acquires Kanebo's cosmetics operations)

Asahi Breweries and Itochu* = Tingyi (Asahi Breweries and Itochu invest in Tingyi-Asahi-Itochu Beverages Holding)

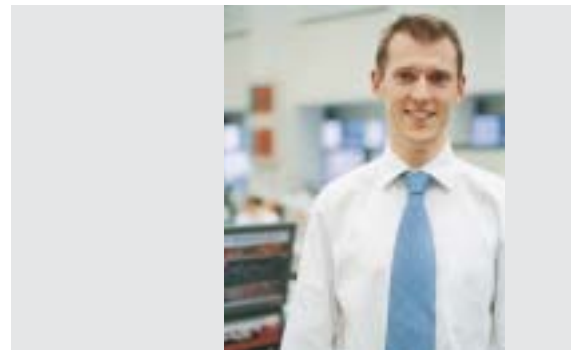
* Nomura served as advisor

□ Retail Foreign Currency Bond Sales (Trillions of yen)



Major Retail Foreign Currency Bond Sales

The International Bank for Reconstruction and Development (May 2003) ¥99.8 billion (denominated in Canadian dollars)
European Investment Bank (September 2003) ¥60.9 billion (denominated in Australian dollars)
Aktiebolaget Svensk Exportkredit (SEK) (November 2003) ¥68.3 billion (denominated in Australian dollars)
Toyota Motor Credit Corp. (January 2004) ¥41.8 billion (denominated in U.S. dollars)
General Electric Capital Corp. (February 2004) ¥80.4 billion (denominated in Australian dollars)



Actively developing principal finance business in Japan

Our principal finance business ranges from management buyout (MBO) plans, where managers and executives buy shares in a company from the current owners or the parent company in an effort to boost the value of the company, and extends to investing in corporate rehabilitations, where an earnings slump or excess indebtedness has led to business failure, but the company is regarded as still worth saving. Nomura Group is able to apply its investment experience and know-how in these cases, investing its own capital to develop this business.

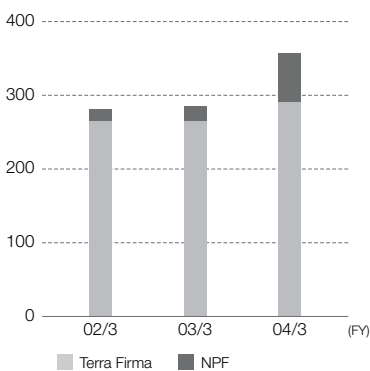
In the fiscal year ended March 2004, we were involved in major projects such as Huis ten Bosch, and Tungaloy (formerly Toshiba Tungaloy). We sold our interest in Daikuma, and we are beginning to see the start of a favorable cycle of new investment and investment returns.

Major Investments

- Daikuma Co., Ltd.
Equity stake sold to Yamada Denki Co., Ltd. (May 2003)
- DOWA WORKS, Ltd.
Equity stake sold to Taihei Co., Ltd. (January 2003)
- MISAWA RESORT CO., LTD.
- WANBISHI ARCHIVES CO., LTD.
- Huis Ten Bosch Co., Ltd.
- Tungaloy Corporation
- SLIONTEC Corporation
- TAIYO ELECTRIC IND.CO., LTD.

Merchant Banking Exposure

(Billions of yen)



Kazutoshi Inano
Deputy President & Co-COO
Head of Asset Management



Asset Management

The aims of Asset Management are to expand assets under management by improving added value in asset management business and strengthening marketing, and to expand our defined contribution pension plan business through improvements in consulting, investment education and other services.

Business Results

In the fiscal year ended March 2004, Asset Management posted net revenue of ¥36.0 billion, down 3% from the year before, while income (loss) before income taxes showed a loss of ¥1.0 billion due to special expenses stemming from our withdrawal from the Japan Securities Dealers Employees Pension Fund, and the consolidation of our pension-related subsidiaries.

At the core company, Nomura Asset Management, assets under management totaled ¥15.7 trillion as of the end of March 2004, an increase of about 11% from ¥14.2 trillion a year earlier. Similarly, the balance of assets under management grew steadily at Nomura BlackRock and Nomura Corporate Research and Asset Management (NCRAM). We were

entrusted with the administration and management of 59 defined contribution pension as of the end of March 2004, up 23 from a year earlier, with 185,000 plan participants, more than any other administrator in Japan. Also, we provided financial products to 153 plans, up 94 from a year earlier.

Key issues and policies for the fiscal year ending March 2005

To improve profitability in Asset Management, we must make use of the full power of the Nomura Group to further expand assets under management in our asset management business, and to strengthen our defined contribution pension plan business by increasing our pension administration share and product lineup.

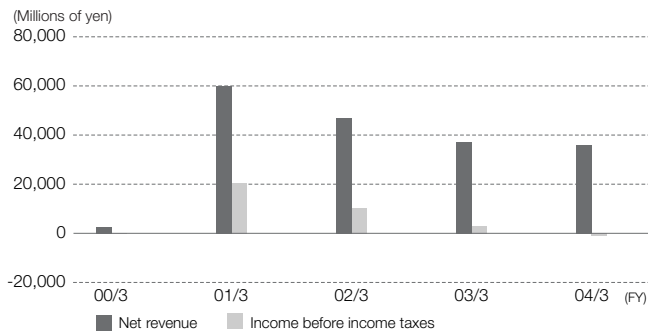
Asset Management Business Results

	Years ended March 31				
	2000	2001	2002	2003	2004
Asset Management:					
Non-interest revenues	¥2,154	¥58,237	¥46,840	¥34,828	¥34,300
Net interest revenue	432	1,810	367	2,232	1,657
Net revenue	2,586	60,047	47,207	37,060	35,957
Non-interest expenses	2,751	39,537	37,031	33,866	37,004
Income (Loss) before income taxes	¥ (165)	¥20,510	¥10,176	¥3,194	¥ (1,047)

(Millions of yen)

* The results of the fiscal year ended March 31, 2000 do not include those of Nomura Asset Management, because it was consolidated effective March 31, 2000.

□ Net Revenue and Income Before Income Taxes



The first things we must do to increase assets under management are to hone our skills and strengths in asset management, and to improve added value in investment management services. In the year ended March 2004, we already integrated our decision-making process, established an investment team structure, and expanded our coverage by increasing the number of analysts. We continue to make efforts to improve added value in asset management services, including strengthening the process of providing perpetually value-added services and enhancing asset management capacity.

Our second focus is to boost our marketing activities as part of our renewed customer service system. With regard to collaboration with Domestic Retail, by strengthening our sales support system, we aim to increase assets in existing funds, and at the same time increase assets in new products such as fund of funds products and alternative investment products. In addition, we intend to expand the scope of financial institutions that sell our investment trust products set up especially for this channel in the fiscal year ended

March 2004 and to launch new products such as funds investing in high coupon bonds and high dividend stocks (high-income products).

Furthermore, by leveraging the asset management skills of NCRAM, Nomura BlackRock and Nomura Funds Research & Technologies America (NFR&TA), we aim to strengthen our investment advisory business, and make further advances in the market for private placement investment trusts.

In the defined contribution pension plan business, we have been working to improve our service. In January 2004, we founded Nomura Pension Support & Service (NSAS) by reorganizing and streamlining our non-marketing functions, to increase our competitiveness in consulting, investment education and other services. By cooperating with the relevant departments in Nomura Securities, we aim to expand our business as a defined contribution pension plan administrator. We are also expanding the range of products we provide, adding foreign currency denominated money market funds (MMFs) and other new products.



Nomura Asset Management headquarters entrance



Top market share in Japan in terms of assets under management

Nomura Asset Management

Nomura Asset Management is Japan's largest asset management company, with a wide range of customers, from individuals to institutional investors in Japan and abroad. As of the end of March 2004, its balance of assets under management was ¥15.7 trillion, an increase of ¥1.4 trillion from a year earlier.

Investment Trust Business

Through over 200 companies, starting with Nomura Securities and including other brokerages, banks, trust banks, life insurance companies and other financial institutions, we offer a wide range of investment trust products, from cash reserve products such as MMF to high-risk/high-return products, including stock investment trusts. In Japan, Nomura Asset Management commands the top position in public bond investment trusts and stock investment trusts with 40% and 19% shares, respectively.

Investment Advisory Business

In our investment advisory business, we offer asset management services to public and private pension funds and institutional investors in Japan and abroad. As of the end of

March 2004, our balance of assets under management under domestic investment advisory contracts was ¥3.0 trillion, an increase of ¥152.6 billion from a year earlier. The balance under overseas investment advisory contracts was ¥1.4 trillion, an increase of ¥692.5 billion, thanks to an increase in mandates for Japanese equities.

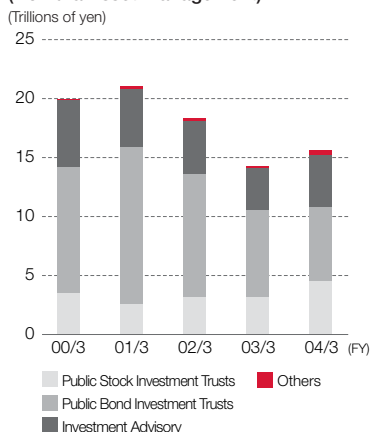
NCRAM

NCRAM is a U.S.-based investment management company offering the Nomura Bond & Loan Fund, the High Yield Bond Open, and the Nomura US High Yield Bond Income fund established in December 2003. As of the end of March 2004, NCRAM's assets under management totaled ¥801.4 billion, up ¥236.8 billion from a year earlier, supported by the continued strong popularity of foreign currency bond funds.

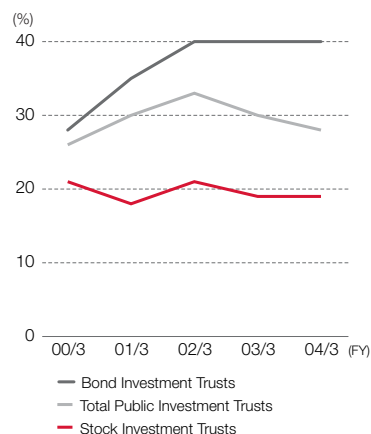
Nomura BlackRock Asset Management

Nomura BlackRock Asset Management is an investment advisory firm formed in April 1999 as a joint venture between Nomura Asset Management and The BlackRock Co., Inc. of the U.S. BlackRock utilizes sophisticated risk management technology, and is recognized as one of the

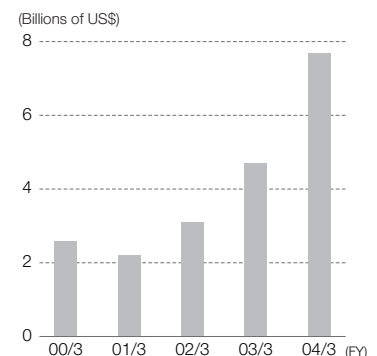
Assets under Management (Nomura Asset Management)



Market Share (Nomura Asset Management)



Assets under Management (NCRAM)





top firms in the U.S., particularly for bond investment management. Nomura BlackRock Asset Management manages the Nomura Short-Term Interest Fund and other products and provides investment advisory services to

financial institutions and pension funds. As of the end of March 2004, the outstanding balance of assets under management was ¥1.2 trillion, an increase of ¥205.9 billion from the year before.

Increasing Our Assets under Management

Strengthening asset management capability

Improving value-added in investment management services

Regarding the need to strengthen our asset management capabilities and improve value-added in our investment management services, we have already enacted many kinds of measures, but these still remain key points of focus for us. Of particular importance are the need to strengthen the process of providing perpetual added value, and the need to build up our asset management capacity to deal with sheer quantitative expansion of assets under management. In the process of providing perpetual added value, as a means of efficiently grasping a wide variety of investment opportunities, it is indispensable to have a sophisticated method of screening securities that are potential investment targets, so we have taken steps to update and improve our screening systems. In strengthening our investment management capacity, to ensure that the growth of assets does not lead to lower management efficiency, which could have a negative impact on investment performance, we will make advances in

strengthening and computerizing our trading functions, and make efforts to increase the efficiency of the execution process, right down to portfolio management.

Marketing strategy

Updating customer service systems

We have updated our customer service systems, as part of strengthening our efforts to expand assets under management. To ensure that our customers and the financial institutions to which we distribute our products are kept fully informed, we have shifted our disclosure functions to the marketing departments, and also reorganized the marketing team to improve services for each customer group. To keep expanding assets in our existing funds, we are strengthening our sales support systems in an effort to provide a continuous flow of information.

We already provide a wide variety of investment trust products, but we are perennially striving to uncover previously unknown investment management needs, to develop products

□ Balances of funds established in FY04/3

Fund name	Manager	Launch date	Balance, end-March 2004
Nomura Australian Bond Fund (A,B,C,D courses)	Nomura Asset Management	September 2003	¥47.9 billion
Nomura Real Growth Open	Nomura Asset Management	October 2003	¥43.1 billion
World Genome Technology Open (A,B courses)	Nomura Asset Management	November 2003	¥97.2 billion
Nomura US High-Yield Bond Income	NCRAM	December 2003	US\$1.68 billion
Nomura Fund Masters Japan Small Capitalization Stock	Nomura Asset Management	March 2004	¥36.5 billion



that stay a step ahead of ongoing changes in the social and market environment. Specifically, we will strive to increase our assets under management by adding to our line of fund of funds products, and offering alternative investment funds that seek certain levels of absolute return.

Focus on sales of investment trusts at banks

As sales of investment trusts at banks have already surpassed ¥10 trillion, tackling this market will be a very important task for us. In the fiscal year ended March 2004, we began offering our Global High Income Stock Fund through Mitsubishi Trust & Banking. We also started offering our US-Euro Bond Income Open through Bank of Yokohama, and both have seen steady gains in assets. In the future, we aim to increase the number of banks that offer our products. We will develop other high-income products and new foreign products, leveraging the management skills of NCRAM, Nomura BlackRock and others; we also plan to launch new funds that invest in REITs.

Strengthening investment advisory services

After hitting a trough in March 2003, Nomura Asset Management's investment advisory assets are on the rebound, thanks mainly to strength in overseas investment advisory assets. The increase in overseas investment advisory assets is the result of strong performance, as well as the cooperation of Nomura Group's overseas network, which has helped to

increase overseas investors' mandates for Japanese equities. In the future, to meet the anticipated increase in funds to invest in the area of public pensions and public funds, we intend to strengthen our penetration with traditional products, and also increase our efforts at cross-sales of NCRAM and Nomura BlackRock's foreign currency bond products, NFR&TA's fund of funds, and other products.

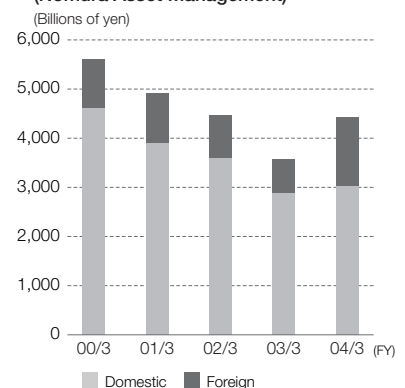
Developing private placement investment trusts through capacity to provide products, and integrated strengths

Our assets under management in the private placement investment trust market have increased to ¥11 trillion, and Nomura Asset Management has also been entrusted with assets from financial institutions, including foreign life insurers, city banks and regional banks. We believe there is still room to increase business with some extremely wealthy individuals and institutional investors. We will strengthen our interaction with customers, to increase our assets under management. In the private placement investment trust market, it is essential to have the capacity to offer order-made products that accurately reflect customers' needs. Nomura Asset Management has established the Structured Products Investment Department, fortifying its ability to supply products that match our customers' needs. Furthermore, we are strengthening cooperation with related departments at Nomura Securities as well in an effort to increase our assets.

□ **List of specialized investment trusts for over-the-counter sales at banks**

Global High Income Stock Fund
US-Euro Bond Income Open
Nomura Japan-US REIT Fund (launched on April 30, 2004)
Hybrid Income Open (launched on June 23, 2004)

□ **Investment Advisory Assets (Nomura Asset Management)**





Defined contribution pension plan business

Pension administration contracts and product supply both increasing

In our defined contribution pension plan business, Asset Management provides a wide variety of services relating to administration starting with support for the introduction and designing of pension plan systems, supply of investment trust products, product selection and information, as well as investment education.

Competition has been intensifying in the defined contribution pension plan business. We have increased the number of pension plans for which we provide these administration and management services on an outsourcing basis to 59 as of the end of March 2004, up 23 from a year earlier. The number of participants in our plans increased to 185,000, giving us the top market share in a total universe of around 700,000 plan participants.

The number of plans we supply products to has grown to 153 as of the end of March 2004, increasing by 94 compared to the previous fiscal year end. The outstanding value of the investment trusts we supply has grown to ¥39.0 billion with an increase of ¥25.4 billion from a year earlier.

Drawing on our collective strengths to increase pension administration contracts

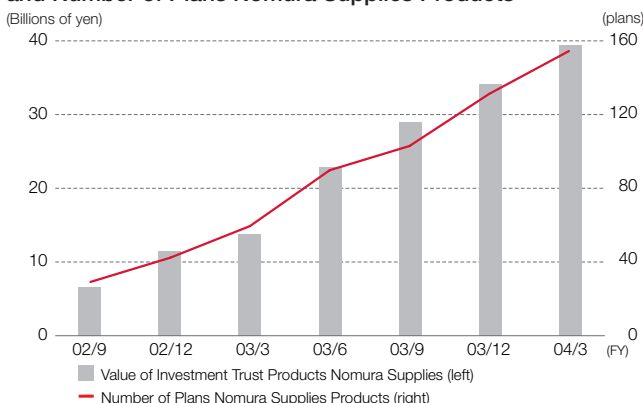
Deregulation in the pension system has been making steady progress, starting with the increase in the tax-free ceiling, the

elimination of the ceiling on the amount that can be transferred from corporate pension plans, and the easing of conditions on early withdrawal. Many corporations that offer pension plans are rethinking their pension and personnel systems, and in the future we expect that the introduction of defined contribution pension plans will be accelerated. In the fiscal year ended March 2004, we reorganized and integrated our non-marketing functions into NSAS, strengthening cooperative relations between our consulting business and service-oriented businesses, such as investment education. We will redouble our efforts to enhance our competitiveness in services, and in an effort to greatly increase our pension administration business, we will strengthen our cooperation with Domestic Retail and Global Wholesale and draw on the collective strength of Nomura Group.

Aggressively providing products

When it comes to providing financial products, we aim to expand our business by providing products not only to pension plans administrated by us but also to those administrated by others. As part of this effort, we will launch new products, including foreign currency denominated MMFs. We are also trying to increase the assets in the products we provide, and thereby improve our own profitability.

□ Value of Investment Trust Products Nomura Supplies and Number of Plans Nomura Supplies Products



Akihito Watanabe
Senior Managing Director
Head of Global Research



Research

Our founder, Tokushichi Nomura, realized from the outset the limitations of securities trading based on intuition and experience alone. He set up the first “research department” in Japan’s securities industry, emphasizing the importance of scientific investment decisions. Our research division, proud to have the longest history and tradition in Japan, is highly ranked by our clients. We are carrying on our founder’s philosophy of research-driven business.

Reorganizing the research functions

Nomura Group reorganized its research functions effective April 1, 2004. Previously divided between Nomura Securities and Nomura Research Institute, our research function has now been consolidated in the Nomura Securities Financial & Economic Research Center (previously named Nomura Securities Financial Research Center), the in-house research arm of Nomura Securities. This move enables us to offer a full line of high-quality research from macroeconomic analysis through equity analysis to investment strategy.

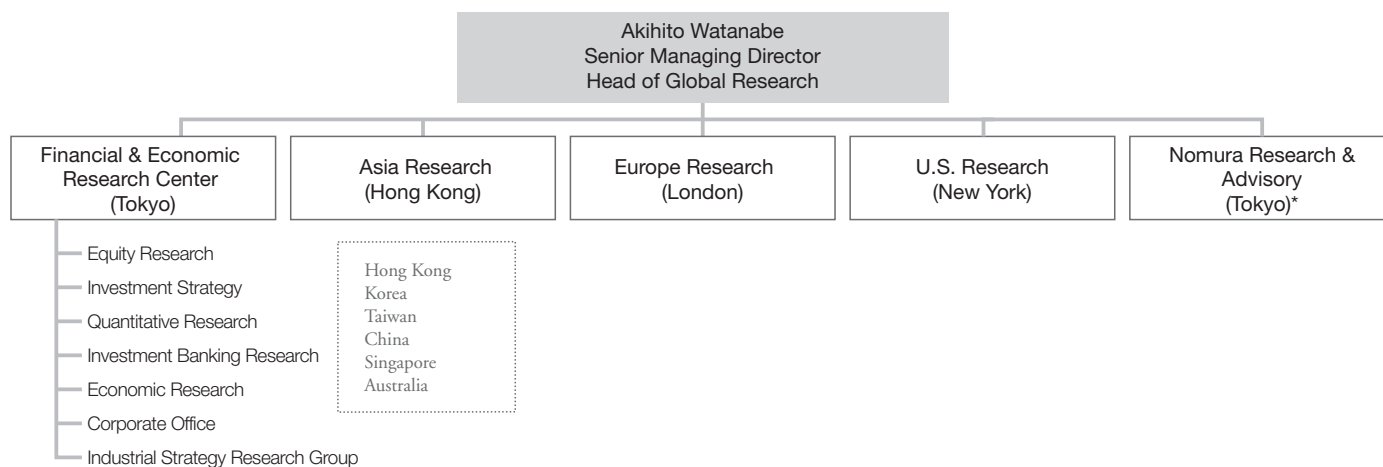
At the same time, research functions relating to studies of financial and capital markets have been moved from

Nomura Research Institute to the newly founded Nomura Institute of Capital Markets Research, a wholly-owned subsidiary of Nomura Holdings. This research institute issues policy statements and proposals independent of Nomura Securities.

Nomura Securities Financial & Economic Research Center

The Nomura Securities Financial & Economic Research Center is made up of five departments: the Equity Research Department, Investment Strategy Department, Quantitative Research Department, Investment Banking Research Department, and the Economic Research

□ Global Research Structure



*Joint management with the Merchant Banking

Department. These five departments conduct studies in their own field of specialty. In analyst rankings by The Nikkei Financial Daily and Institutional Investor, research conducted by the Nomura Securities Financial & Economic Research Center has been consistently in the top class. In October 2001, in light of the importance of global research, we reorganized our research operations in the U.S., Europe and Asia, enhancing research coverage on a global scale.

Equity Research Department

About 60 corporate analysts belong to this department, studying and analyzing listed companies, estimating their investment value and offering this information to investors on a timely basis. Currently, we cover about 600 Japanese companies, accounting for approximately 85% of the market capitalization of the Tokyo Stock Exchange's first and second sections as well as OTC stocks.

Investment Strategy Department

About 20 strategists work in the Investment Strategy Department, studying and analyzing the macroeconomic environment in various countries, and the international flow of funds. Based on these factors as well as microeco-

nomical and earnings analysis from the analysts in the Equity Research Department, the strategists formulate investment strategies that reflect the global investment environment. The monthly publication, Japanese equities investment strategy, publishes our firm's views on investment in Japanese stocks, together with our analyses on macroeconomics, earnings trends for various industries and companies, and market supply and demand conditions. We also publish reports on global asset allocation and stock markets in the U.S., Europe and Asia in a timely manner.

Quantitative Research Department

At Nomura, approximately 50 quantitative analysts engage in cutting-edge financial engineering research, including on derivatives and portfolio theory, and develop databases and systems based on the results. Such research is widely applicable, for example, to asset management, new product development, trading, risk management and corporate finance, and helps Nomura Group stay at the forefront of the finance and securities businesses. In addition to collaboration with our overseas offices in New York, London and Hong Kong, we also have a global research and development network and conduct avant-garde research activities in

the international arena, including joint research projects with leading universities and think tanks.

Investment Banking Research Department

Nearly 10 analysts belong to the Investment Banking Research Department, offering advice to client companies on how to increase their corporate value. For publicly listed companies, we offer advice on fund raising and financial management, group policies, investor relations, dealing with ratings agencies and others.

Economic Research Department

In our Economic Research Department, over 20 economists in Japan collaborate globally in the study and analysis of the macroeconomy and financial trends in various countries as well as foreign exchange markets, publishing the results of their research in various reports destined for investors. This research has a strong reputation for its consistent forecasts covering more than 20 countries and regions, and the depth of its analysis of medium- and long-term social and economic structural problems such as the ageing and decline of birth rate in Japan.

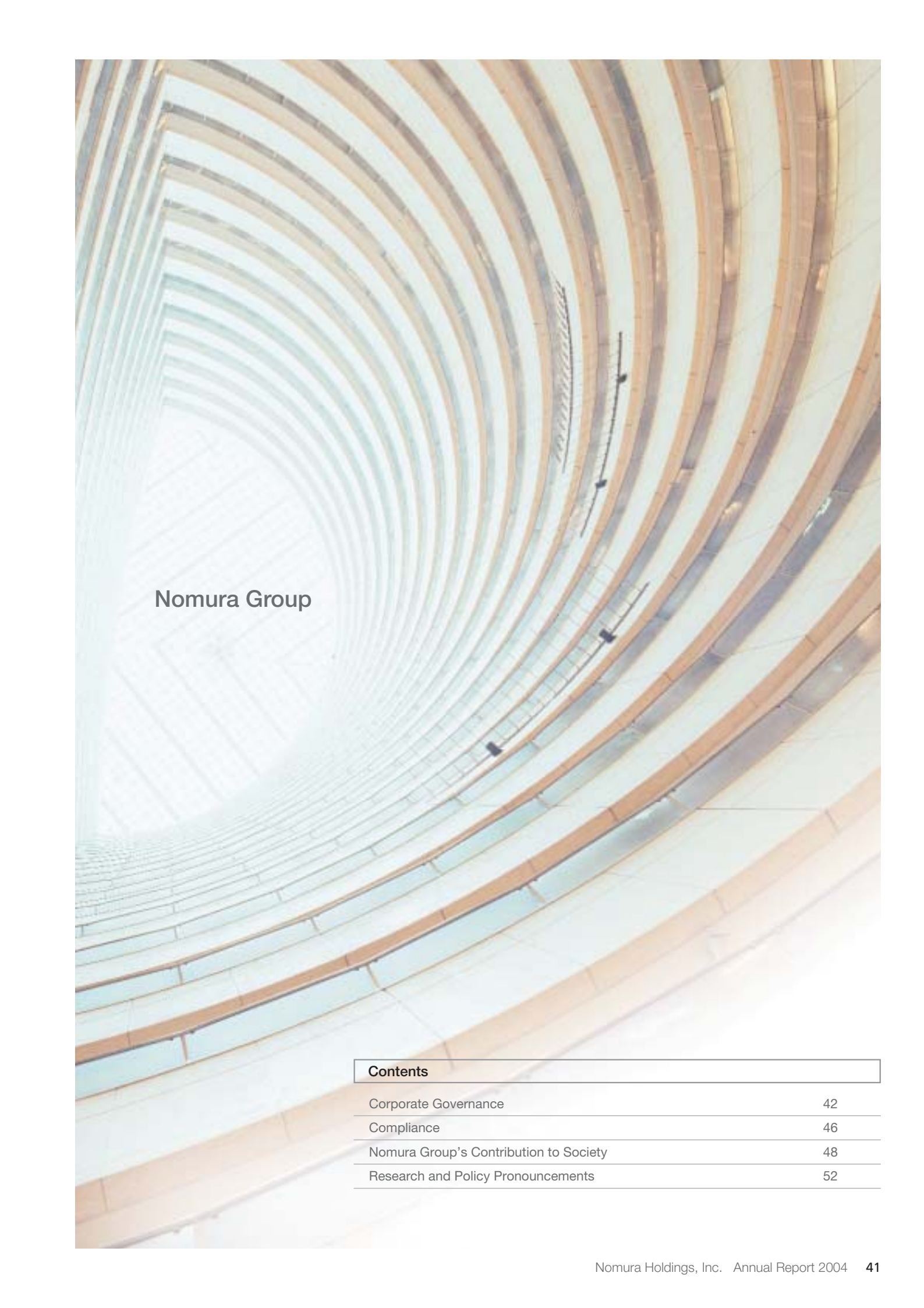
Global Research Structure

To respond to economic and corporate globalization, we have research teams in our overseas offices where they conduct integrated research with the Nomura Securities Financial & Economic Research Center. Including sector analysts, strategists and economists, our global research network comprises approximately 10 professionals both in New York and London, and 40 or so in Asia/Oceania. In quantitative research, we have approximately 30 analysts working at our offices in New York, London and Hong Kong.

Nomura Research & Advisory

Nomura Research & Advisory has approximately 20 analysts and specializes in research of unlisted privately-held companies. It uses its experience and know-how to provide total solutions tailored to industry trends and the growth stages of its client companies. Such services include venture capital business (managing and administering the funds of venture capital partnerships) as well as stock offerings and corporate alliances. Recently, Nomura Research & Advisory has been avidly conducting joint research into industry-university collaboration.





Nomura Group

Contents	
Corporate Governance	42
Compliance	46
Nomura Group's Contribution to Society	48
Research and Policy Pronouncements	52

Corporate Governance

Corporate governance at Nomura Group has won praise around the world; we achieved top placement on various rankings of corporate governance.

Adoption of the Committee System

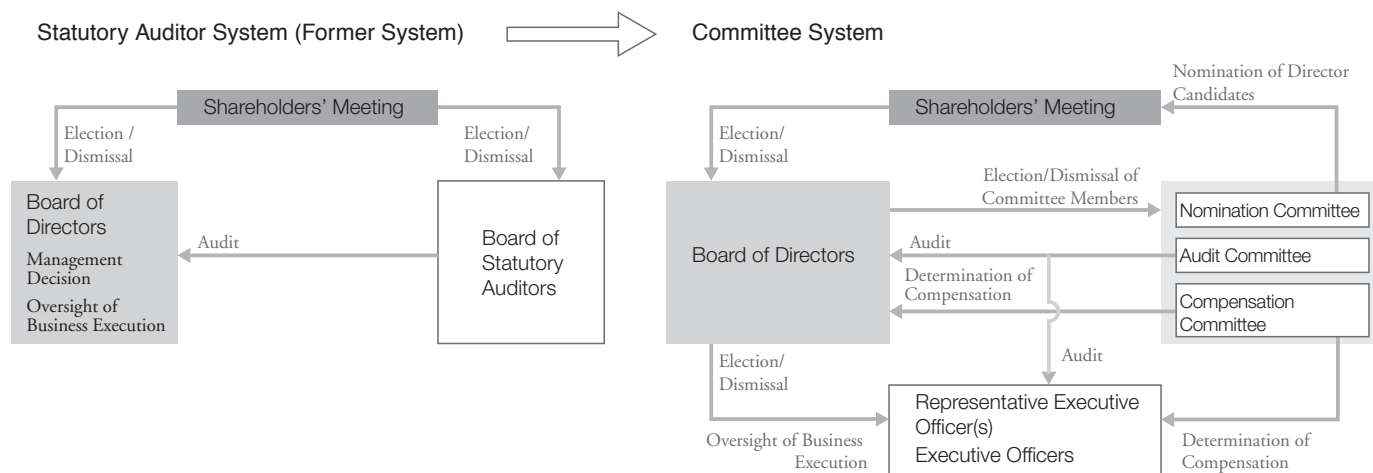
In June 2003, the domestic companies of Nomura Group adopted the Committee System, with the aim of separating executive and oversight functions, transferring business execution power to executive officers, and increasing our management transparency. Under our committee system, management oversight functions are exercised mainly through the actions of the Nomination Committee, Audit Committee and Compensation Committee under the board of directors. Executive officers designated by the Board of Directors receive broad business execution powers from the board, which gives executive officers the authority to make operational decisions. The majority of members of the Nomination Committee, Audit Committee and Compensation Committee are outside directors. At Nomura Holdings (NHI), the chairman of the Audit Committee is an outside director, while the chairmen of the

Nomination Committee and the Compensation Committee is a director who is not the CEO.

The advantages of the Committee System

Since our adoption of the Committee System, business execution powers that were previously concentrated in the hands of the Board of Directors have been more broadly delegated to the executive officers, speeding up the decision-making process. Since the executive officers have business execution power, there is a clear division between the oversight functions of the directors and the business execution functions. Moreover, governance can be expected to improve further because the Board of Directors exercises its management oversight through the Nomination Committee, Audit Committee and Compensation Committee; in each of the three committees the majority of members are outside directors.

□ Adoption of Committee System



Meeting the challenges of corporate governance

- Appointed outside directors (2001)
- Established Internal Controls Committee, in which outside directors also participated (2001)
- Established Compensation Committee, with majority of members outside directors (2001)
- Established Advisory Board (2001)
- Abolished retirement bonuses for directors
- Granted stock options for directors and certain employees (2002)
- Adopted the Committee System (2003)

Corporate governance ranking

Institutional Shareholder Services' (ISS) corporate governance quotient (CGQ) ranks NHI as No. 1 among Japanese companies used in the MSCI EAFE index.* In addition, NHI is ranked No.2 in the Japan Corporate Governance Research Institute's Corporate Governance Index.

Management structure

Operations of the Board of Directors

The Board of Directors is responsible for making decisions on items specified by the Commercial Code. The executive officers must report at least every three months on business conditions as well as matters for deliberation by the Board of Executive Officers and the Executive Management Board. In addition, they must make a monthly financial report to the directors.

Three committees

The Nomination Committee, Audit Committee and Compensation Committee have been given the authority to make decisions on issues including candidates for the Board of Directors, audits, and compensation for directors and executive officers, while the Board of Directors exercises oversight over management decisions.

Nomination Committee

The Nomination Committee is responsible for decisions regarding proposals made to the General Meeting of Shareholders concerning the appointment and dismissal of directors. The majority of the Nomination Committee must be outside directors, and the committee chairman is not the

ISS Corporate Governance Quotient (CGQ)

Index Ranking	Country Ranking	Industry Ranking
90.7	100.0	91.3

* Nomura Holdings Inc. outperformed 90.7% of the companies in the MSCI EAFE Index, 100.0% of Japanese companies and 91.3% of the companies in the Diversified Financial group.

* The MSCI EAFE index is a stock price index computed by Morgan Stanley Capital International, covering Europe, Australia and the Far East, but not North America.

Source: ISS as of July 6, 2004

Japan Corporate Governance Research Institute Corporate Governance Index

	Points
Highest	73
Nomura Holdings	72 (No. 2)
Lowest	12
Average	37.6

Source: Japan Corporate Governance Research Institute (2003)

CEO; the directors who are representative executive officers, including the CEO, are not members of the Nomination Committee.

Audit Committee

The Audit Committee is responsible for auditing the business executions of executive officers, as well as the appointment and dismissal of accounting auditors. The majority of members of the Audit Committee are outside directors, and the committee chairman is an outside director. Its members do not act as a member of the other committees. In addition, the members of the Audit Committee all fulfill the requirements of independent directors as defined under the Sarbanes-Oxley Act.

Compensation Committee

The Compensation Committee makes decisions regarding compensation for directors and executive officers, both in terms of broad policy and specific decisions concerning individual members. The majority of members of the Compensation Committee are outside directors. The committee chairman is a board member other than the CEO. The directors who are representative executive officers, including the CEO, are not members of the Compensation Committee.

Business execution system

NHI is a holding company and it does not engage in any particular business on its own. We believe, however, that the executive officers of NHI, who occupy key positions in the management of Nomura Group, make it possible for the group to devise realistic management strategies, which are to permeate the whole organization and to be carried out in a speedy fashion. At NHI, to ensure that executive officers' business decisions are made smoothly and appropriately, we have the Board of Executive Officers, the Executive Management Board and the Internal Controls Committee, for all of which the CEO acts as chairman.

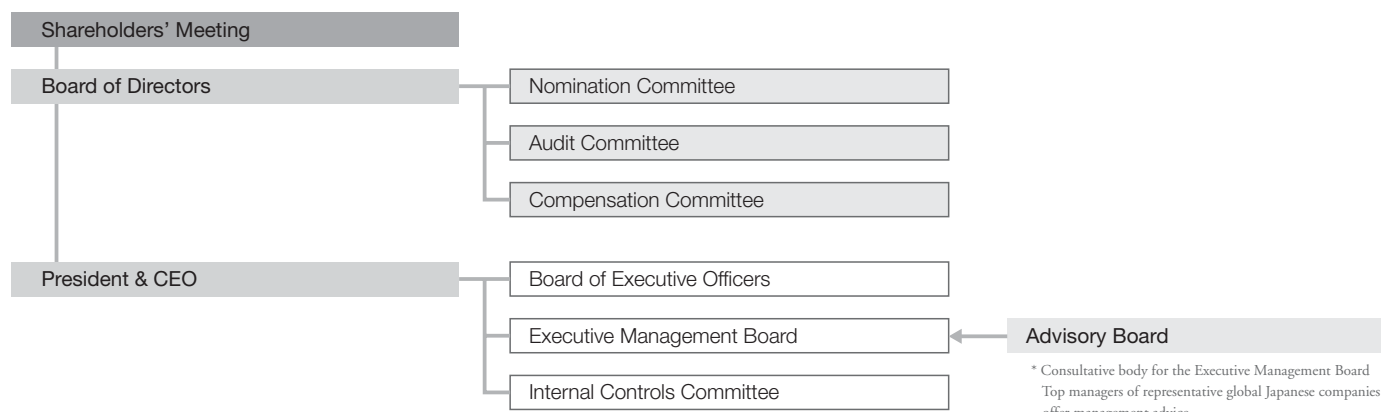
Board of Executive Officers

The Board of Executive Officers is responsible for deliberations and decisions regarding business planning, budgeting, and the allocation of management resources for Nomura Group. The Board of Executive Officers is made up of all the executive officers, currently 31 members.

Executive Management Board

The Executive Management Board formulates the management strategies of Nomura Group, and makes decisions about the fundamental policies for business lines to carry out the execution of their business plans and operations. The Executive

□ **Nomura Holdings Management Structure**



* Consultative body for the Executive Management Board
Top managers of representative global Japanese companies offer management advice

Management Board also monitors each business line on the basis of earnings indicators designed to accurately gauge the state of their operations. Currently, the Executive Management Board is made up of 10 executive officers.

Internal Controls Committee

The Internal Controls Committee is charged with the task of enhancing our internal controls and procedures and promoting proper corporate behavior throughout Nomura Group. Currently, the Internal Controls Committee is made up of four executive officers and two directors, including one outside director.

Internal controls

It is the Audit Committee that has primary responsibility for management supervisory functions in a company that operates under the Committee System. The main members of the Audit Committee are outside directors, but we do designate full-time directors (Audit Mission Directors) who are not an executive officer, but who are intimately familiar with the organization and business operations of Nomura Group, to supplement the Audit Committee's auditing activities and ensure an airtight audit system. Also, we have established the Office of Audit Committee as a specialized team to support

the activities of the Audit Committee, and to ensure that sufficient information is supplied from the Internal Audit Division to the Audit Committee.

Disclosure Committee

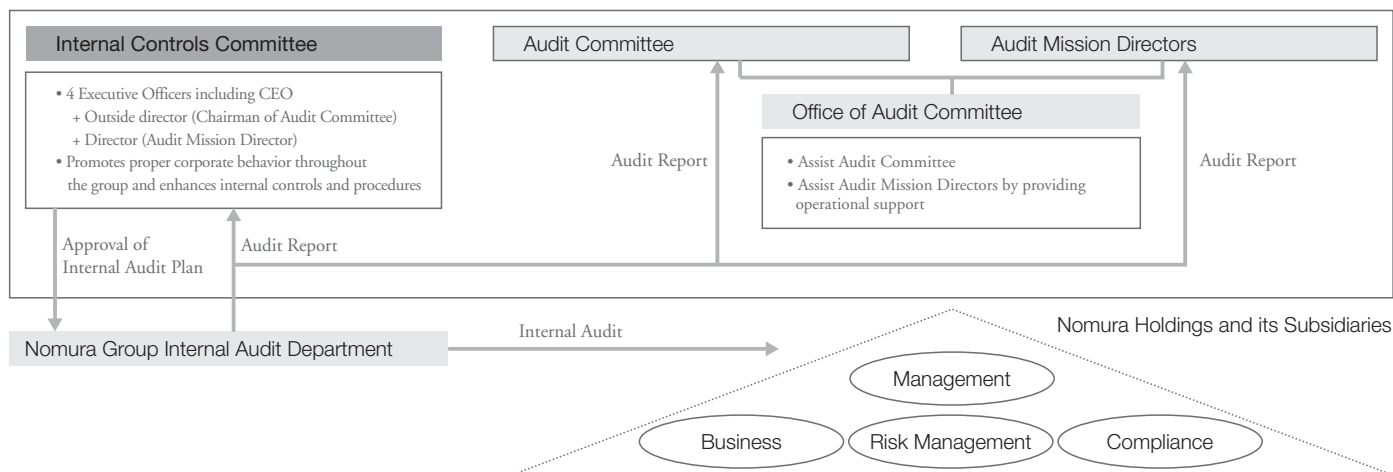
To ensure that we provide investors with opportunities for fair access to information concerning Nomura Group, the group has established "Nomura Group's Statement of Global Corporate Policy regarding Public Disclosure of Information," which sets forth (1) policy directives that protect non-public information concerning Nomura Group companies while at the same time promoting timely and appropriate public disclosures, and (2) the principle of U.S. Regulation FD.

* The U.S. Securities and Exchange Commission (SEC) regulations forbid companies from releasing important information to certain people such as analysts or institutional investors before it is released to the general public

Key points of "Nomura Group's Statement of Global Corporate Policy regarding Public Disclosure of Information"

- Establishment of Disclosure Committee
- Ban on selective disclosure of important information
- Channeling important information through Disclosure Committee
- Designating a single outlet for information disclosure
- Preparing statutory disclosure document by Disclosure Committee

Internal Control System



Compliance

At Nomura Group, we make great efforts to ensure that neither officers nor employees of Nomura Group will engage in behavior that might be seen as illegal. If such a problem occurs, it is to be reported to management without exception and without delay. We are firmly aware of the necessity to create a system for handling such incidents in an appropriate manner.

Establishment of code of ethics at Nomura Group

In March 2004, Nomura Group voluntarily established a code of ethics applicable to all directors, officers and employees, as an ethical guideline on a worldwide basis.

Nomura Group's compliance systems

Based on Nomura Securities' compliance systems, all domestic member companies of Nomura Group must designate a Compliance Officer and report all relevant information to the designated executive officer of the Group. The compliance officers must participate in a joint training course once a year.

Beginning in October 2002, Nomura Group set up a Compliance Hotline, allowing Nomura Group employees

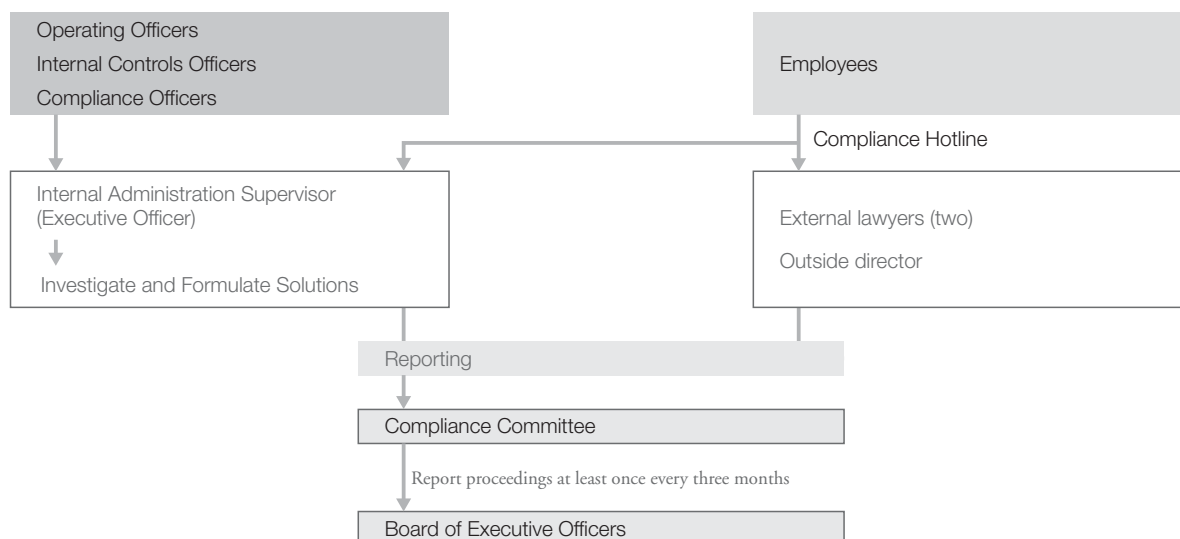
to make reports directly to an executive officer or outside director designated by NHI's Board of Directors. The information provided via the Compliance Hotline is reviewed by the Internal Controls Committee.

Nomura Securities' compliance systems

Establishment of Compliance Committee

The Compliance Committee is made up of 13 executive officers, including the president & CEO and the Internal Administration Supervisor, plus two outside lawyers who act as legal supervisors. In principle, this committee meets twice a month to discuss internal administrative systems and compliance rules, as well as other important matters relating to compliance.

□ Nomura Securities' Compliance Structure



Installation of Compliance Officer in all departments and branch offices

We have installed a Compliance Officer to further ensure that internal administrative measures are firmly in place in all locations, and to ensure that all employees are mindful of their obligation to respect the law.

Establishment of Compliance Hotline

The Compliance Hotline is an internal information system for use by employees who discover acts contrary to the law or Company regulations, or other anti-social behavior. We have also set up contact points outside Company offices.

We have set up systems to ensure that persons who supply information are completely protected from any negative consequences of supplying that information. We have also taken steps to ensure that employees are able to supply information directly to the responsible internal administrators, external lawyers, and/or an outside director.

Activities undertaken to ensure compliance with the law

Compliance manuals designed to ensure a clear understanding of laws and regulations are made available via the Intranet. We have established a compliance training system, in which all directors, officers and employees are required to participate.

Compliance training materials are prepared and distributed on a monthly basis for use in branch offices. Each branch office conducts monthly training sessions based on these materials and reports to administrators on the implementation of these sessions.

Nomura Group's Contribution to Society

Concerning Nomura Securities' raison d'être, our founder Tokushichi Nomura once said, "Nomura's mission is to enrich the nation through the securities business. This is something we must absolutely see through." In keeping with these words, Nomura Group believes the healthy development of the economy is necessary for an affluent society. To this end, we are actively engaged in promoting educational opportunities to broaden understanding of financial and securities markets. Since we also believe in the importance of hearty attitude towards society, we are active supporters of academia, culture, the arts and sports.

Lessons on the economy and securities markets

Individuals are beginning to rethink the way they manage their assets, and people are becoming very interested in learning more about the economy and finance. To promote the dissemination of financial knowledge, we believe in the need to provide programs for people who are especially keen. We are making great efforts to create opportunities for people to learn more about the economy and securities markets, from educational programs for children who will be the next generation of investors, to older citizens.

Securities education courses at universities

The students of today will support Japan's economy of the future. To give these students a better picture of how the economy really works, we provide universities across Japan with courses about capital markets, securities markets and

the global securities business. In the fiscal year ended March 2004, more than 400 our executives and employees taught such classes based on their own experience. The classes were attended by more than 20,000 students at over 110 universities.

We did not stop with Japan. We offered similar securities education courses in Asia, to promote understanding of Japan's capital markets and financial systems. In 2003, we offered a course at Chulalongkorn University in Thailand.

Providing courses on securities

The economy, finance and money have deep connections to our everyday life, but formal opportunities to learn about them are rare. To rectify this situation, we offer courses on finance and securities in regional communities and at various workplace adult education venues.

□ Education Program

	Elementary schools	Junior high schools	Senior high schools	Universities	Adults Company employees Communities
Publications	The Secret of Money				Activities to disseminate defined-contribution pension plan scheme
		The Book for a Happy Economy			
Events				Nomura Money Fair	
Lectures				Seminars at Nomura Securities' branches	
				Securities education programs	Securities learning programs
Education programs		Special sponsor of Nikkei Stock League			
		Nikkei Education Program			
			Nikkei Education Forum		
Internet		Educational contents on the Internet			
CATV stations		Doki Doki Waku Waku Okane no Hanashi			
				Nomura Free School	



Chulalongkorn University



The Nikkei Stock League

In these courses, we introduce the concepts of life planning and money planning in an effort to teach people in a way that is easily understandable even for beginners so that they can create a comfortable life for themselves and a comfortable retirement. In 2003, about 10,000 people participated in these courses.

Special Sponsor of the Nikkei Stock League

The Nikkei Stock League is a portfolio training and reporting contest aimed at junior and senior high school, and college students, sponsored by the Nihon Keizai Shimbun, Inc. Since the first contest, held in the fiscal year ended March 2001, over 17,000 participants have so far taken part.

The contest involves Internet-based buying and selling of virtual stocks. Teams can build virtual portfolios based on their own investment themes, and create reports about them. This experience is aimed at helping participants sharpen their understanding of the mechanisms of our financial and economic systems. Teams are judged based on their investment performance and reporting, and the best team wins a study trip to the U.S.

Direct contact with finance and economy via 'man@bow' (Let's learn!)

To help a broad spectrum of people deepen their understanding of the economy and finance, we have worked with the Nihon Keizai Shimbun to set up the economics web site man@bow. The name is based on the Japanese word for "learning." The site includes easy-to-understand explanations of topics related to economics, investment, current events and market trends. People can use the site as a self-education tool for investment management.

(<http://manabow.com>)

Educational support for junior and senior high school students

We also offer our help and support for the Nikkei Education Forum, a series of events aimed at helping senior high school students learn about society, the economy and industry from people who are actually active in business. The forum is held during summer vacation each year, under the main theme of "Innovation." In 2003, our course focused on the mechanisms of the stock market, role-play to illustrate how entrepreneurs create innovations, the role of the investors who support them, and how individual investors can build their assets.

We also participate in the Nikkei Education Program, which was started in April 2003. The Nikkei Education Program is aimed at junior and senior high school students, helping them learn about the facts of the economy and society, and develop a zest for participating in society. These courses aim at encouraging students to think about what the job is, who they are, and what kind of life they want to lead. We make our contribution as one of the companies offering "corporate access courses" that help students understand more about occupations and what companies do, through various experiences related to corporate life.

Educational television programs on finance

About 150 cable television stations around Japan carry the financial education program "Doki Doki Waku Waku Okane no Hanashi," which deals with the importance of managing assets. Thinking about the future is important for everyone, and it is important to prepare early and correctly. This program offers a nationwide audience reports on a wide range of subjects, from the fundamental concepts of money to investment techniques to Q&As on money. Some reports cover such things as students' first adventures in investing, and the program offers a corner where viewers can discuss their questions about money.



Oxford University

Cooperation between universities and industry, and other forms of support for education

Nomura Foundation for Academic Promotion

Nomura Foundation for Academic Promotion was established in 1986 to commemorate Nomura Securities' 60th anniversary. The fund was created to promote academic research and education in Japan, as well as international exchanges. It focuses its support mainly on the fields of law, political science and economics.

To date, in its support for research projects the fund has supported 365 projects, and in its support for international exchanges it has helped possible research trips and meetings for 700 individuals.

Cooperation with universities

We work with the following universities, helping to promote leading-edge academic research in the field of finance.

Oxford University	The Nomura Centre for Quantitative Finance was established within the university. We provide a practical course on derivatives, and offer support for leading-edge research in financial engineering.
University of Tokyo	At the University of Tokyo's Office of University Corporate Relations, we worked on the first joint research project, "Development of a Model for Industry-University Collaboration Based on Market Principles." The University of Tokyo's Office of University Corporate Relations was opened in November 2002 as the University's sole contact point for joint research.
Kyoto University	Established in 2001, the Research Section for Application of Financial Engineering (Contributed by we Group) at the Institute of Economic Research, Kyoto University conducts research on various topics, including broad applications for financial engineering, improving corporate value through business risk management, increasing the sophistication of asset management, and financial sector structural reform.
Hitotsubashi University	Established the Financial and Capital Markets Research Center as a venue to encourage the exchange of opinions and research among officials from academia, government and industry.

Columbia University

We support, as lead corporate sponsor, the alternative investment program at the Columbia University Center on Japanese Economy and Business. This program is unprecedented in that research is conducted and published focusing primarily on alternative investment in Japan. The main contact point is Nomura Funds Research and Technologies.

Support for culture and the arts

Nomura Cultural Foundation

In May 1990 we founded the Nomura Cultural Foundation to realize true mutual understanding in international society, and with the aim of supporting personal education and international exchanges in music and the visual arts.

The foundation supports about 80 projects each year, including lectures, exhibitions, and symposia aimed at international exchanges, and training for young artists. We also offer support for foreign students in Japan, who are expected to form future bridges between Japan and other countries.

Pacific Music Festival (PMF)

The late Leonard Bernstein founded the Pacific Music Festival in 1990, as an international music festival aimed at the spread and development of musical culture through music education.

The festival takes place for about one month each year starting in early July and is held primarily in Hokkaido. About 100 young musicians assemble from all over the world to take part in educational programs led by world-class artists such as the principals from the Vienna Philharmonic Orchestra. The festival publishes the results of its work, and includes open lessons for local schoolchildren and music teachers.

Together with the Nomura Cultural Foundation, we have supported the Pacific Music Festival since its inception, as an opportunity for the training of young musicians, and for the development of music on the world stage. We offer special



Awards Ceremony for the Nomura Prize held at the Tokyo National University of Fine Arts and Music

financial support to ensure the smooth execution of the programs. In 1999, our efforts were recognized by the Association for Corporate Support of the Arts, which accorded us its Japan Mecenat Award given for outstanding corporate philanthropic activities.

The Nomura Prize

In 1996, to mark the 70th anniversary of the founding of Nomura Securities and the 5th anniversary of the Nomura Cultural Foundation, we established the Nomura Prize at the Tokyo National University of Fine Arts and Music (Art Museum); the prize was awarded for the first time in 1998. The aim of the prize is to foster the development of figurative art in Japan, to support young sculptors, and to support museum work in collecting, preserving and presenting works to the public.

The prize is aimed mainly at doctoral candidates in figurative art at the Tokyo National University of Fine Arts and Music. It is awarded to particularly outstanding students, and the fund is used to purchase their works for the university museum's collection. We make our contribution by regularly purchasing works by outstanding young sculptors, as well as by offering scholarships for young artists.

Other activities

JOC official partnership

Since the 2000 Olympics in Sydney, we have also offered our support as an official partner of the Japan Olympic Committee, which organizes Japan's athletes and acts to promote the ideals of Olympism in Japan. We hope that our support for the JOC and its "Good luck Japan" campaigns will also support the further development of the Japanese economy.

Expo 2005 Aichi Japan

We are also a supporter of Expo 2005 Aichi Japan, scheduled to take place from March 25 to September 25, 2005. The theme of the expo is "Nature's Wisdom," aiming for cultural innovation and the participation of many countries from around the world.

In keeping with the concept of Expo 2005, Nomura Group's Tokai Three Prefectures Project "Discover Tokai" was recognized as a partnership project and refers to the three prefectures that make up the region: Aichi, Gifu, and Mie.

1) Project to support the strengthening of technological and industrial competitiveness in the three prefectures of the Tokai region

This project highlights and analyzes the sources of the Tokai region's industrial competitiveness, examining how the region's various industries have influenced one another to create the current prosperity, aiming to uncover the historical background and regional distinctions that made this possible. As one element of this project, we held a first seminar in May 2003 entitled "Discover Tokai, Rediscover the Region." A second seminar was held in September, and further events will be held regularly in the future.

2) Tokai capital markets research committee

Regional groups, financial institutions, universities and local government bodies will be invited to discuss the region's financial and capital markets, with a special focus on the financial problems confronting entrepreneurs in the three prefectures of the Tokai region. We will research these topics, in keeping with the concept of Expo 2005, to realize new kinds of growth in the 21st century, from the perspective of financial and capital markets.

3) Asset consulting fair for the three prefectures of the Tokai region

The three prefectures of the Tokai region enjoy an abundance of personal financial assets, and the people of the region exhibit a strong interest in asset consultation. We

Research and Policy Pronouncements

held an asset consulting fair in Nagoya in September 2003, allowing individual investors in the region to come in contact with the latest investment information, for which we received warm feedback. We plan to continue to provide useful corporate information and investment information to be of assistance to the people of the region.

Survey on household budgets and the costs of raising children

With the rise in standards of living, the Engel's Coefficient was falling year by year, but the costs of raising children continued to rise until 1993. After that, however, the impact of the economic slump caused these costs to fall. Child-raising costs became an important barometer of the relationship between the economy and household budgets.

We have conducted this survey every other year since it started in 1989. For the past 15 years, we have studied quantitative economic data on the state of household budgets from the perspective of child-raising costs. We discovered the importance of this principle and named it the "Angel Coefficient" (the proportion of child-raising costs to total household budgets), which is now widespread in Japanese society.

The Nomura Institute of Capital Markets Research

The Nomura Institute of Capital Markets Research, which opened its doors on April 1, 2004, with the aim of producing objective, highly expert and practicable research and policy pronouncements, following in the Nomura Research Institute's tradition since 1965, of research into systems, structures and trends regarding financial and capital markets as well as financial institutions.

The mission of the Nomura Institute of Capital Markets Research

More people are rapidly becoming aware that in order for Japan's economy to develop, a money flow structure leveraging market mechanisms is urgently required. Today, the most important role of the institute is to conduct research that contributes to reforms of financial systems and securities markets aimed at the establishment of market-based finance. At the same time, we are engaged in research that focuses not only on Japan but also on global, leading-edge topics in other market economies. We also see as an important part of our mission our engagement in comparative research on the best ways to manage financial and capital markets in China and emerging nations, firmly based on the analysis of the fundamentals and the study on past experiences in Japan, Europe and the U.S.

We publish some of the results of our research in Japanese in the *Capital Markets Quarterly*, and also in the English-language *Capital Research Journal*, for distribution in Japan and throughout the world.



Directors and Executive Officers

Directors	Executive Officers	
Chairman	Senior Managing Director	
Junichi Ujiie	Junichi Ujiie	
Directors	President & CEO (Representative Executive Officer)	Chief Executive Officer (CEO)
Nobuyuki Koga	Nobuyuki Koga	
Hiroshi Toda	Deputy President & COO (Representative Executive Officer)	Chief Operating Officer (COO)
Kazutoshi Inano	Hiroshi Toda	
Nobuyuki Shigemune	Deputy President & Co-COO (Representative Executive Officer)	Co-Chief Operating Officer and Head of Asset Management
Shozo Kumano	Kazutoshi Inano	
Masaharu Shibata*		
Hideaki Kubori*		
Haruo Tsuji*		
Fumihide Nomura		
Koji Tajika*		
*Outside director	Senior Managing Director	
	Takashi Tsutsui	
	Takashi Yanagiya	Head of Global Wholesale
	Kenichi Watanabe	Head of Domestic Retail
	Takumi Shibata	Head of Corporate
	Hiroshi Yamaji	Regional Management of Europe Region
	Manabu Matsumoto	
	Yoshifumi Kawabata	Head of Global Merchant Banking
	Shogo Sakaguchi	
	Masanori Itatani	Head of Internal Audit
	Yoshimitsu Oura	
	Yusuke Yamada	
	Hitoshi Tada	
	Yasuo Agemura	Head of Global Markets
	Akihiko Nakamura	Head of Global IT&Operations
	Hideyuki Takahashi	Regional Management of Americas Region
	Hiroshi Tanaka	Head of Global Corporate Communications and in charge of General Affairs Dept.and Secretariat
	Noriyuki Ushiyama	Head of Global Investment Banking
	Noriyasu Yoshizawa	Regional Management of Asia&Oceania Region
	Yasuo Yoshihara	In charge of Ethics & Discipline Dept.
	Akira Maruyama	Chief Financial Officer, Head of Global Risk Management/ Treasury/ Controller/ IR and in charge of Tax Management Dept.
	Akihito Watanabe	Head of Global Research
	Tetsu Ozaki	Head of Global Equity
	Shigesuke Kashiwagi	Head of Global Fixed Income
	Yugo Ishida	Co-Regional Management of Europe Region
	Kamezo Nakai	
	Takahide Mizuno	
	Atsushi Yoshikawa	

Subsidiaries and Affiliates

(As of March 31, 2004)

Major Subsidiaries

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Otemachi Head Office:

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NOMURA ASSET MANAGEMENT CO., LTD.

1-12-1, Nihonbashi, Chuo-ku
Tokyo 103-8260, Japan
Tel: 81 (3) 3241-9511
Fax: 81 (3) 3241-8275

THE NOMURA TRUST & BANKING CO., LTD.

2-2-2, Otemachi, Chiyoda-ku
Tokyo 100-0004, Japan
Tel: 81 (3) 5202-1600
Fax: 81 (3) 3275-0760

NOMURA BABCOCK & BROWN CO., LTD.

1-11-1, Nihonbashi, Chuo-ku
Tokyo 103-0027, Japan
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Fax: 81 (3) 3281-0215

NOMURA CAPITAL INVESTMENT CO., LTD.

2-2-2, Otemachi, Chiyoda-ku
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Tel: 81 (3) 3278-5151
Fax: 81 (3) 3278-1432

NOMURA INVESTOR RELATIONS CO., LTD.

1-26-2, Nishi-Shinjuku, Shinjuku-ku
Tokyo 163-0537, Japan
Tel: 81 (3) 3340-0300
Fax: 81 (3) 3340-0308

NOMURA PRINCIPAL FINANCE CO., LTD.

2-2-2, Otemachi, Chiyoda-ku
Tokyo 100-8130, Japan
Tel: 81 (3) 3278-0243
Fax: 81 (3) 3271-2498

NOMURA FUNDS RESEARCH AND TECHNOLOGIES CO., LTD.

2-2-2, Otemachi, Chiyoda-ku
Tokyo 100-8130, Japan
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Fax: 81 (3) 3275-9360

NOMURA PENSION SUPPORT & SERVICE CO., LTD.

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Fax: 1 (415) 445-3891

São Paulo Representative Office:

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Fax: 1 (212) 667-1095

NOMURA DERIVATIVE PRODUCTS, INC.

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Fax: 1 (212) 667-1400

NOMURA GLOBAL FINANCIAL PRODUCTS, INC.

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Europe & Middle East

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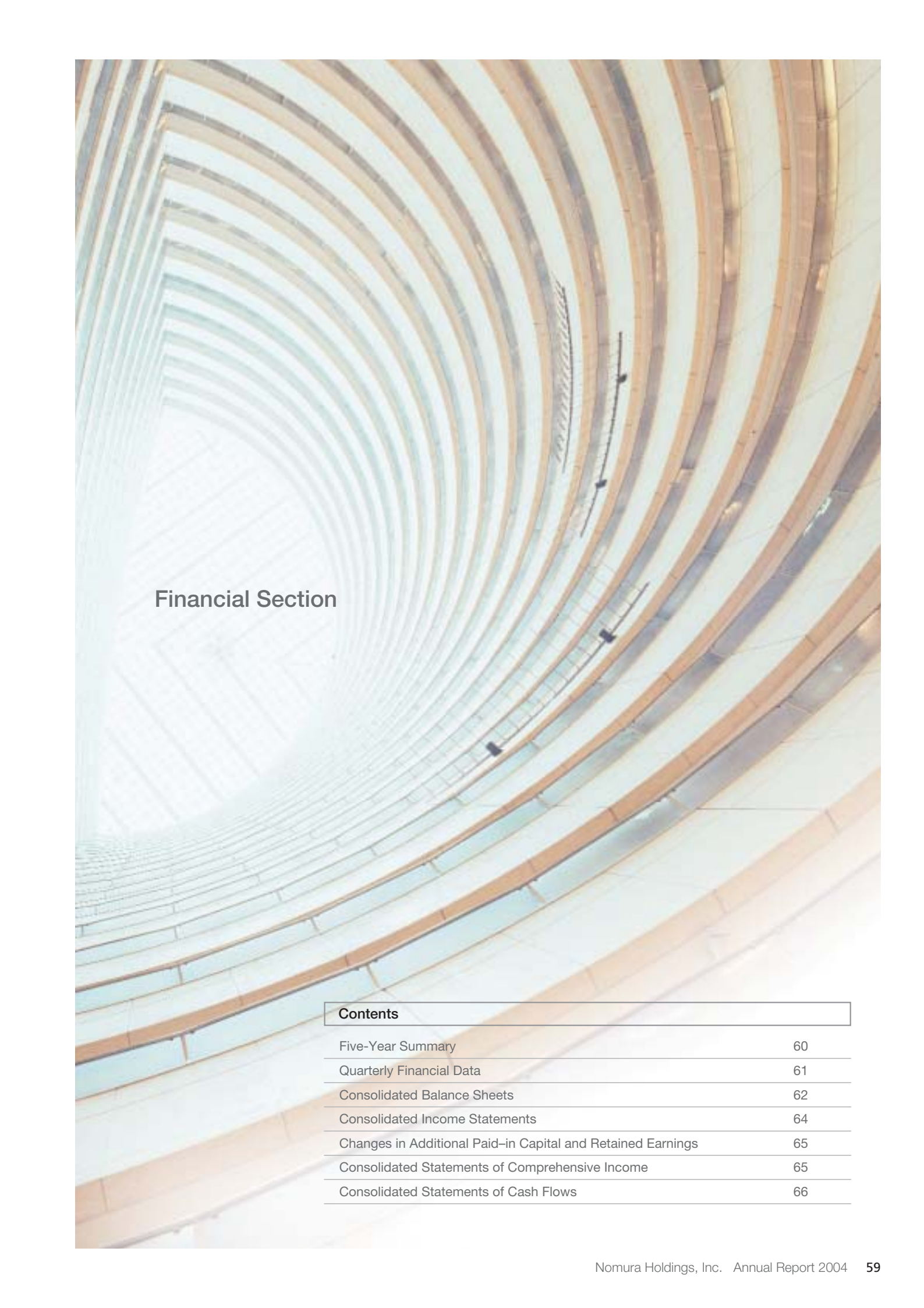
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Domestic Network (Alphabetical order for each region)

(As of April 1, 2004)

	Office Name	Telephone	Address
	Head Office	81 (3) 3211-1811	1-9-1, Nihonbashi, Chuo-ku, Tokyo 103-8011
■ Hokkaido	Asahikawa Branch Office	81 (166) 23-1181	1 Migi, 9 Gojo-dori, Asahikawa-shi, Hokkaido 070-0035
	Hakodate Branch Office	81 (138) 26-8111	7-15, Wakamatsu-cho, Hakodate-shi, Hokkaido 040-0063
	Kushiro Branch Office	81 (154) 23-1171	12-1-4, Kitaodori, Kushiro-shi, Hokkaido 085-0015
	Sapporo Branch Office	81 (11) 261-7211	4, Kitasanjo-nishi, Chuo-ku, Sapporo-shi, Hokkaido 060-0003
■ Tohoku	Akita Branch Office	81 (18) 831-2111	4-2-7, Nakadori, Akita-shi, Akita 010-0001
	Aomori Branch Office	81 (17) 723-4111	2-6-29, Shin-machi, Aomori-shi, Aomori 030-0801
	Fukushima Branch Office	81 (24) 522-2111	4-1, O-machi, Fukushima-shi, Fukushima 960-8041
	Koriyama Branch Office	81 (24) 923-8711	2-5-12, Ekimae, Koriyama-shi, Fukushima 963-8002
	Morioka Branch Office	81 (19) 653-5000	2-2-18, Odori, Morioka-shi, Iwate 020-0022
	Sendai Branch Office	81 (22) 221-3111	2-1-1, Chuo, Aoba-ku, Sendai-shi, Miyagi 980-8730
	Yamagata Branch Office	81 (23) 622-1313	1-7-30, Toka-machi, Yamagata-shi, Yamagata 990-0031
■ Kanto	Aobadai Branch Office	81 (45) 985-1171	2-6-1, Aobadai, Aoba-ku, Yokohama-shi, Kanagawa 227-0062
	Atsugi Branch Office	81 (46) 224-8666	2-2-20, Naka-cho, Atsugi-shi, Kanagawa 243-0018
	Chiba Branch Office	81 (43) 227-2161	1-14-13, Fujimi, Chuo-ku, Chiba-shi, Chiba 260-0015
	Fujisawa Branch Office	81 (466) 25-1311	1-5-10, Kugenumaishigami, Fujisawa-shi, Kanagawa 251-0025
	Funabashi Branch Office	81 (47) 433-2211	2-1-33, Hon-cho, Funabashi-shi, Chiba 273-0005
	Hiratsuka Branch Office	81 (463) 21-2111	2-14, Beniya-cho, Hiratsuka-shi, Kanagawa 254-0043
	Kashiwa Branch Office	81 (4) 7163-2011	1-4-29, Kashiwa, Kashiwa-shi, Chiba 277-8769
	Kawagoe Branch Office	81 (49) 225-5151	105, Wakita-machi, Kawagoe-shi, Saitama 350-1122
	Kawaguchi Branch Office	81 (48) 256-3811	3-10-1, Sakae-cho, Kawaguchi-shi, Saitama 332-0017
	Kawasaki Branch Office	81 (44) 233-6751	5-2, Higashida-cho, Kawasaki-ku, Kawasaki-shi, Kanagawa 210-8604
	Kofu Branch Office	81 (55) 237-1781	1-17-10, Marunouchi, Kofu-shi, Yamanashi 400-0031
	Matsudo Branch Office	81 (47) 362-1221	1281-29, Matsudo, Matsudo-shi, Chiba 271-0092
	Mito Branch Office	81 (29) 224-5231	1-3-37, Miya-machi, Mito-shi, Ibaraki 310-0015
	Odawara Branch Office	81(465) 24-8511	1-6-1, Sakae-cho, Odawara-shi, Kanagawa 250-0011
	Omiya Branch Office	81 (48) 641-8111	1-24, Daimon-cho, Omiya-ku, Saitama-shi, Saitama 330-0846
	Saitama Branch Office	81 (48) 645-8100	2-155, Sakuragi-cho, Omiya-ku, Saitama-shi, Saitama 330-0854
	Shinyurigaoka Branch Office	81 (44) 953-6511	1-5-3, Kamiaso, Aso-ku, Kawasaki-shi, Kanagawa 215-0021
	Takasaki Branch Office	81 (27) 323-9111	58-1, Yashima-cho, Takasaki-shi, Gunma 370-0849
	Tama Plaza Branch Office	81 (45) 902-1122	5-1-2, Utsukushigaoka, Aoba-ku, Yokohama-shi, Kanagawa 225-0002
	Tokorozawa Branch Office	81 (4) 2923-3811	10-19, Hiyoshi-cho, Tokorozawa-shi, Saitama 359-1123
	Totsuka Branch Office	81 (45) 881-1181	489-1, Kamikurata-cho, Totsuka-ku, Yokohama-shi, Kanagawa 244-0816
	Tsuchiura Branch Office	81 (29) 821-8811	1-10-8, Kawaguchi, Tsuchiura-shi, Ibaraki 300-0033
	Urawa Branch Office	81 (48) 833-1881	2-13-8, Takasago, Saitama-shi, Saitama 330-0063
	Utsunomiya Branch Office	81 (28) 636-2181	2-1-1, Babadori, Utsunomiya-shi, Tochigi 320-0026
	Yokohama Branch Office	81 (45) 641-2101	4-52, Onoe-cho, Naka-ku, Yokohama-shi, Kanagawa 231-0015
	Yokohama-eki Nishiguchi Branch Office	81 (45) 311-1671	1-5-10, Kitasaiwai, Nishi-ku, Yokohama-shi, Kanagawa 220-0004
	Yokosuka Branch Office	81 (46) 823-2550	1-9, Odaki-cho, Yokosuka-shi, Kanagawa 238-0008
■ Tokyo metropolitan area	Chofu Branch Office	81 (424) 98-6011	1-36-9, Fuda, Chofu-shi, Tokyo 182-0024
	Fuchu Branch Office	81 (42) 369-8111	1-8-1, Fuchu-cho, Fuchu-shi, Tokyo 183-8691
	Gotanda Branch Office	81 (3) 3491-9101	1-5-1, Nishi-Gotanda, Shinagawa-ku, Tokyo 141-0031
	Hachioji Branch Office	81 (426) 46-3811	11-6, Asahi-cho, Hachioji-shi, Tokyo 192-0083
	Ikebukuro Branch Office	81 (3) 3983-1111	1-27-10, Minami-Ikebukuro, Toshima-ku, Tokyo 171-0022
	Ikebukuro Metropolitan Plaza Branch Office	81 (3) 3988-1181	1-11-1, Nishi-Ikebukuro, Toshima-ku, Tokyo 171-0021
	Jiyugaoka Branch Office	81 (3) 3718-3371	2-10-9, Jiyugaoka, Meguro-ku, Tokyo 152-0035
	Kamata Branch Office	81 (3) 3783-5101	5-15-8, Kamata, Ota-ku, Tokyo 144-0052
	Kichijoji Branch Office	81 (422) 22-8181	2-2-16, Kichijoji-honcho, Musashino-shi, Tokyo 180-0004
	Koiwa Branch Office	81 (3) 3657-1141	7-22-6, Minami-Koiwa, Edogawa-ku, Tokyo 133-0056
	Kokubunji Branch Office	81 (42) 328-6011	2-12-2, Hon-cho, Kokubunji-shi, Tokyo 185-0012
	Machida Branch Office	81 (42) 725-2111	6-3-9, Haramachida, Machida-shi, Tokyo 194-0013
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	Nakano Branch Office	81 (3) 3228-7755	5-65-3, Nakano, Nakano-ku, Tokyo 164-0001
	Nerima Branch Office	81 (3) 3994-7711	5-17-10, Toyotama-kita, Nerima-ku, Tokyo 176-0012
	Ogikubo Branch Office	81 (3) 3392-6011	1-8-8, Kamiogi, Suginami-ku, Tokyo 167-0043
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	Shibuya Branch Office	81 (3) 3400-7111	1-14-16, Shibuya, Shibuya-ku, Tokyo 150-0002
	Shinbashi Branch Office	81 (3) 3572-0111	1-9-6, Shinbashi, Minato-ku, Tokyo 105-0004
	Shinjuku Branch Office	81 (3) 3205-1001	5-17-9, Shinjuku, Shinjuku-ku, Tokyo 163-8691
	Shinjuku-eki Nishiguchi Branch Office	81 (3) 3342-1281	1-6-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo 163-1590
	Shinjuku Nomura Building Branch Office	81 (3) 3348-8211	1-26-2, Nishi-Shinjuku, Shinjuku-ku, Tokyo 163-0502
	Tachikawa Branch Office	81 (42) 524-1111	2-5-1, Akebono-cho, Tachikawa-shi, Tokyo 190-0012
	Tamagawa Branch Office	81 (3) 3708-1811	3-7-18, Tamagawa, Setagaya-ku, Tokyo 158-0094
	Tokyo Branch Office	81 (3) 3211-2411	1-8-2, Marunouchi, Chiyoda-ku, Tokyo 100-0005
	Toranomon Branch Office	81 (3) 3583-2301	2-1-1, Toranomon, Minato-ku, Tokyo 105-0001

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■ Chubu/Hokuriku	Ueno Branch Office	81 (3) 3831-9211	2-1-8, Ueno, Taito-ku, Tokyo 110-8501
	Fukui Branch Office	81 (776) 22-8011	3-4-1, Ote, Fukui-shi, Fukui 910-0005
	Gifu Branch Office	81 (58) 262-3101	7-15, Kanda-machi, Gifu-shi, Gifu 500-8833
	Hamamatsu Branch Office	81 (53) 454-3151	330-5, Tamachi, Hamamatsu-shi, Shizuoka 430-0944
	Kanayama Branch Office	81 (52) 322-1261	1-12-14, Kanayama, Naka-ku, Nagoya-shi, Nagoya, Aichi 460-0022
	Kanazawa Branch Office	81 (76) 221-3145	3-25, Takaoka-machi, Kanazawa-shi, Ishikawa 920-0864
	Matsumoto Branch Office	81 (263) 33-6781	2-1-34, Chuo, Matsumoto-shi, Nagano 390-0811
	Nagano Branch Office	81 (26) 228-1811	1361, Suehiro-cho, Minami-Nagano, Nagano-shi, Nagano 380-8640
	Nagoya Branch Office	81 (52) 201-2311	2-19-22, Nishiki, Naka-ku, Nagoya-shi, Aichi 460-8689
	Nagoya-ekimae Branch Office	81 (52) 561-5251	3-22-8, Mei-eki, Nakamura-ku, Nagoya-shi, Aichi 450-8666
	Niigata Branch Office	81 (25) 225-7777	1215-7, Rokuban-cho, Kamiokawamaedori, Niigata-shi, Niigata 951-8068
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Toyota Branch Office	81 (565) 33-1300	1-200, Nishi-machi, Toyota-shi, Aichi 471-0025	
Tsu Branch Office	81 (59) 223-2111	371, Hadokoro-cho, Tsu-shi, Mie 514-0009	
Yokkaichi Branch Office	81 (593) 53-2141	1-15, Suwasakae-machi, Yokkaichi-shi, Mie 510-0086	
■ Kinki	Akashi Branch Office	81 (78) 918-1155	2-1-26, Hon-machi, Akashi-shi, Hyogo 673-0892
	Higashiosaka Branch Office	81 (6) 6783-5241	2-2-18, Chodo, Higashiosaka-shi, Osaka 577-0056
	Himeji Branch Office	81 (792) 22-6101	18, Shirogane-cho, Himeji-shi, Hyogo 670-0902
	Hirakata Branch Office	81 (72) 846-2511	5-15, Okahigashi-machi, Hirakata-shi, Osaka 573-0032
	Kishiwada Branch Office	81 (724) 38-8188	6-10, Sujikai-cho, Kishiwada-shi, Osaka 596-0057
	Kobe Branch Office	81 (78) 321-2201	1-5-32, Sannomiya-cho, Chuo-ku, Kobe-shi, Hyogo 650-0021
	Kyoto Branch Office	81 (75) 221-7211	Sakai-machi kado, Shijo-dori, Shimogyo-ku, Kyoto-shi, Kyoto 600-8006
	Nanba Branch Office	81 (6) 6632-5081	4-1-15, Nanba, Chuo-ku, Osaka-shi, Osaka 542-0076
	Nara Branch Office	81 (742) 22-0351	45, Hayashikoji-cho, Nara-shi, Nara 630-8227
	Nishinomiya Branch Office	81 (798) 64-8181	1-3-8, Kofuen, Nishinomiya-shi, Hyogo 662-0832
	Osaka Branch Office	81 (6) 6201-1281	2-5-4, Kitahama, Chuo-ku, Osaka-shi, Osaka 540-8604
	Otsu Branch Office	81 (77) 526-3131	3-1-27, Nagara, Otsu-shi, Shiga 520-0046
	Sakai Branch Office	81 (72) 221-9241	59, Miyukidori, Mikunigaoka, Sakai-shi, Osaka 590-0028
	Senri Branch Office	81 (6) 6831-1661	1-1-5, Shin-senrihigashi-machi, Toyonaka-shi, Osaka 560-0082
	Takatsuki Branch Office	81 (72) 681-2111	3-1-101, Konya-cho, Takatsuki-shi, Osaka 569-0804
	Tennoji-eki Branch Office	81 (6) 6779-1431	10-48, Hidenin-cho, Tennoji-ku, Osaka-shi, Osaka 543-0055
	Toyonaka Branch Office	81 (6) 6845-8401	1-2-33, Hon-machi, Toyonaka-shi, Osaka 560-0021
	Tsukaguchi Branch Office	81 (6) 6421-1400	1-10-20, Tsukaguchi-cho, Amagasaki-shi, Hyogo 661-0002
Uehonmachi Branch Office	81 (6) 6772-1261	6-5-28, Uehonmachi, Tennoji-ku, Osaka-shi, Osaka 543-0001	
Umeda Branch Office	81 (6) 6313-3431	2-4, Komatsubara-cho, Kita-ku, Osaka-shi, Osaka 530-0018	
Wakayama Branch Office	81 (73) 431-2111	9-2, Juban-cho, Wakayama-shi, Wakayama 640-8152	
■ Chugoku/Shikoku	Fukuoka Branch Office	81 (84) 921-3111	3-1, Higashisakura-machi, Fukuoka-shi, Hiroshima 720-0065
	Hiroshima Branch Office	81 (82) 247-4131	2-23, Tate-machi, Naka-ku, Hiroshima-shi, Hiroshima 730-0032
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	Kurashiki Branch Office	81 (86) 421-1511	3-9-10, Achi, Kurashiki-shi, Okayama 710-0055
	Matsue Branch Office	81 (852) 22-1515	484-16, Asahi-machi, Matsue-shi, Shimane 690-0003
	Matsuyama Branch Office	81 (89) 941-0131	5-7-3, Chifune-machi, Matsuyama-shi, Ehime 790-8691
	Okayama Branch Office	81 (86) 224-1181	6-24, Nishiki-machi, Okayama-shi, Okayama 700-8640
	Shimonoseki Branch Office	81 (832) 31-3211	1-3-15, Hosoe-cho, Shimonoseki-shi, Yamaguchi 750-8691
	Takamatsu Branch Office	81 (87) 851-4111	10-5, Furushin-machi, Takamatsu-shi, Kagawa 760-0025
	Tokushima Branch Office	81 (88) 623-0161	3-14, Yaoya-machi, Tokushima-shi, Tokushima 770-0841
	Tokuyama Branch Office	81 (834) 22-0811	1-3, Hon-machi, Shunan-shi, Yamaguchi 745-0036
	Yonago Branch Office	81 (859) 34-2851	1-27-13, Kakuban-cho, Yonago-shi, Tottori 683-0812
■ Kyushu/Okinawa	Fukuoka Branch Office	81 (92) 771-3111	2-14-8, Tenjin, Chuo-ku, Fukuoka-shi, Fukuoka 810-0001
	Kagoshima Branch Office	81 (99) 226-8141	1-4, Sennichi-cho, Kagoshima-shi, Kagoshima 892-0843
	Kitakyushu Branch Office	81 (93) 521-7581	3-1-1, Kyo-machi, Kokurakita-ku, Kitakyushu-shi, Fukuoka 802-0002
	Kumamoto Branch Office	81 (96) 352-3181	12-30, Hanabata-cho, Kumamoto-shi, Kumamoto 860-8604
	Kurume Branch Office	81 (942) 33-7151	24-18, Hiyoshi-machi, Kurume-shi, Fukuoka 830-0017
	Miyazaki Branch Office	81 (985) 24-7191	4-1-2, Tachibanadori-higashi, Miyazaki-shi, Miyazaki 880-8607
	Nagasaki Branch Office	81 (95) 821-1161	6-5, Doza-machi, Nagasaki-shi, Nagasaki 850-8691
	Naha Branch Office	81 (98) 864-2471	1-1-19, Matsuyama, Naha-shi, Okinawa 900-0032
	Oita Branch Office	81 (97) 535-1211	1-3-20, Chuo-machi, Oita-shi, Oita 870-0035
	Saga Branch Office	81 (952) 22-7111	3-15, Ekiminami-honmachi, Saga-shi, Saga 840-0816



Financial Section

Contents

Five-Year Summary	60
Quarterly Financial Data	61
Consolidated Balance Sheets	62
Consolidated Income Statements	64
Changes in Additional Paid-in Capital and Retained Earnings	65
Consolidated Statements of Comprehensive Income	65
Consolidated Statements of Cash Flows	66

Five-Year Summary (U.S. GAAP)

Operating Results:	Millions of yen					Millions of U.S. dollars
	2000 (1999.4.1~ 2000.3.31)	2001 (2000.4.1~ 2001.3.31)	2002 (2001.4.1~ 2002.3.31)	2003 (2002.4.1~ 2003.3.31)	2004 (2003.4.1~ 2004.3.31)	2004 (2003.4.1~ 2004.3.31)
Revenue:						
Commissions	¥329,332	¥189,841	¥140,001	¥141,640	¥210,216	\$2,018
Fees from investment banking	93,644	87,160	75,255	81,847	86,994	835
Asset management and portfolio service fees	63,799	144,882	109,985	79,290	66,193	635
Net gain on trading	253,328	307,989	162,228	172,308	229,042	2,199
Interest and dividends	419,742	518,941	500,541	401,924	396,870	3,809
(Loss) gain on investments in equity securities	90,839	(98,968)	(55,860)	(41,288)	55,888	536
Gain from changes in equity of an affiliated company	—	—	3,504	—	—	—
PFG entities product sales	56,476	117,523	294,931	—	—	—
PFG entities rental income	144,005	103,339	177,053	—	—	—
Gain on sales of PFG entities	—	—	116,324	—	—	—
Gain (loss) on private equity investments	—	—	232,472	(14,391)	13,138	126
Other	48,616	98,591	68,965	19,589	41,205	396
Total revenue	1,499,781	1,469,298	1,825,399	840,919	1,099,546	10,554
Interest expense	437,131	553,643	504,048	274,645	296,443	2,845
Net revenue	1,062,650	915,655	1,321,351	566,274	803,103	7,709
Non-interest expenses:						
Compensation and benefits	286,268	305,190	379,540	244,167	259,336	2,489
Commissions and floor brokerage	21,342	26,393	20,962	20,844	19,169	184
Information processing and communications	54,961	70,998	87,252	77,389	80,031	768
Occupancy and related depreciation	71,191	65,319	73,787	57,152	54,221	520
Business development expenses	20,418	29,940	26,652	24,361	23,100	222
PFG entities cost of goods sold	37,408	84,004	200,871	—	—	—
PFG entities expenses associated with rental income	51,706	43,760	111,529	—	—	—
Other	147,136	133,879	247,786	94,952	84,570	813
Total non-interest expenses	690,430	759,483	1,148,379	518,865	520,427	4,996
Income before income taxes and cumulative effect of accounting change	372,220	156,172	172,972	47,409	282,676	2,713
Income tax expense:						
Current	12,866	53,693	61,898	25,519	108,434	1,041
Deferred	155,805	45,069	(56,972)	11,776	1,913	18
Total tax expense	168,671	98,762	4,926	37,295	110,347	1,059
Income before cumulative effect of accounting change	203,549	57,410	168,046	10,114	172,329	1,654
Cumulative effect of accounting change	—	—	—	109,799	—	—
Net income	¥203,549	¥57,410	¥168,046	¥119,913	¥172,329	\$1,654

Cash Flow:	Millions of yen					Millions of U.S. dollars
Net cash (used in) provided by operating activities	¥599,968	¥366,237	¥(1,303,384)	¥34,113	¥(1,825,894)	\$(17,526)
Net cash (used in) provided by investing activities	(326,099)	(271,403)	(52,182)	134,053	45,471	436
Net cash (used in) provided by financing activities	(72,386)	(101,396)	1,195,507	(24,612)	1,945,536	18,675
Cash and cash equivalents at end of the year	¥522,970	¥503,676	¥356,635	¥491,237	¥637,372	\$6,118

Balance Sheet Data (period end):	Millions of yen					Millions of U.S. dollars
Cash and cash deposits	¥1,074,691	¥828,649	¥775,734	¥955,509	¥930,637	\$8,933
Loans and receivables	6,812,323	9,811,149	10,690,291	13,100,242	19,128,028	183,605
Trading assets and private equity investments	4,365,382	3,625,195	4,877,257	5,926,700	8,609,096	82,637
Other assets	2,358,472	2,881,031	1,414,991	1,186,995	1,085,205	10,417
Total assets	14,610,868	17,146,024	17,758,273	21,169,446	29,752,966	285,592
Short-term borrowings	1,059,275	948,269	1,471,384	1,183,535	3,024,341	29,030
Payables and deposits	6,256,084	8,732,502	9,497,084	11,773,794	16,164,637	155,161
Trading liabilities	3,068,711	2,857,316	2,693,746	3,888,720	5,976,966	57,371
Other liabilities	556,441	609,557	518,156	411,699	415,865	3,992
Long-term borrowings	1,712,124	1,692,738	1,972,974	2,269,370	2,385,469	22,898
Non-recourse PFG entities loans and bonds	547,257	869,214	—	—	—	—
Total liabilities	13,199,892	15,709,596	16,153,344	19,527,118	27,967,278	268,452
Total shareholders' equity	1,410,976	1,436,428	1,604,929	1,642,328	1,785,688	17,140
Total liabilities and shareholders' equity	¥14,610,868	¥17,146,024	¥17,758,273	¥21,169,446	¥29,752,966	\$285,592

Quarterly Financial Data

	Millions of yen							
	2003				2004			
	1Q (2002.4.1~ 2002.6.30)	2Q (2002.7.1~ 2002.9.30)	3Q (2002.10.1~ 2002.12.31)	4Q (2003.1.1~ 2003.3.31)	1Q (2003.4.1~ 2003.6.30)	2Q (2003.7.1~ 2003.9.30)	3Q (2003.10.1~ 2003.12.31)	4Q (2004.1.1~ 2004.3.31)
Revenue:								
Commissions	¥46,091	¥34,685	¥34,303	¥26,561	¥33,752	¥55,967	¥57,590	¥62,907
Fees from investment banking	15,632	18,281	16,937	30,997	14,498	19,860	24,408	28,228
Asset management and portfolio service fees	24,190	21,905	17,541	15,654	13,735	17,022	16,792	18,644
Net gain on trading	36,964	29,185	48,340	57,819	80,432	67,097	33,800	47,713
Interest and dividends	91,065	115,848	107,190	87,821	113,844	104,036	78,333	100,657
(Loss) gain on investments in equity securities	(3,325)	(7,094)	(21,912)	(8,957)	16,168	15,601	2,788	21,331
Gain (loss) on private equity investments	3,037	(5,929)	(1,991)	(9,508)	(669)	7,267	(2,105)	8,645
Other	3,317	6,401	3,729	6,142	8,030	6,738	5,845	20,592
Total revenue	216,971	213,282	204,137	206,529	279,790	293,588	217,451	308,717
Interest expense	74,305	72,533	71,990	55,817	79,703	78,901	67,220	70,619
Net revenue	¥142,666	¥140,749	¥132,147	¥150,712	¥200,087	¥214,687	¥150,231	¥238,098
Non-interest expenses:								
Compensation and benefits	¥63,595	¥57,688	¥59,472	¥63,412	¥65,903	¥67,686	¥61,823	¥63,924
Commissions and floor brokerage	4,477	5,553	3,564	7,250	4,904	4,625	3,482	6,158
Information processing and communications	18,176	19,233	18,801	21,179	18,890	19,520	19,155	22,466
Occupancy and related depreciation	14,563	14,537	14,118	13,934	13,319	13,506	12,929	14,467
Business development expenses	5,895	7,782	4,823	5,861	4,983	5,428	5,495	7,194
Other	17,589	13,690	12,379	51,294	20,788	15,971	17,416	30,395
Total non-interest expenses	124,295	118,483	113,157	162,930	128,787	126,736	120,300	144,604
Income (loss) before income taxes and cumulative effect of accounting change	18,371	22,266	18,990	(12,218)	71,300	87,951	29,931	93,494
Income tax expense (benefit):								
Current	15,100	(1,256)	2,085	9,590	27,093	38,418	15,265	27,658
Deferred	(4,775)	10,297	1,934	4,320	5,159	1,895	(1,065)	(4,076)
Total tax expense	10,325	9,041	4,019	13,910	32,252	40,313	14,200	23,582
Income (loss) before cumulative effect of accounting change	8,046	13,225	14,971	(26,128)	39,048	47,638	15,731	69,912
Cumulative effect of accounting change	109,799	—	—	—	—	—	—	—
Net income (loss)	¥117,845	¥13,225	¥14,971	¥(26,128)	¥39,048	¥47,638	¥15,731	¥69,912
Per share of common stock:								
Basic								
	Yen							
Income (loss) before cumulative effect of accounting change	¥4.09	¥6.73	¥7.65	¥(13.46)	¥20.14	¥24.58	¥8.10	¥36.01
Cumulative effect of accounting change	55.86	—	—	—	—	—	—	—
Net income (loss)	¥59.95	¥6.73	¥7.65	¥(13.46)	¥20.14	¥24.58	¥8.10	¥36.01
Diluted								
Income (loss) before cumulative effect of accounting change	¥4.09	¥6.73	¥7.65	¥(13.46)	¥20.14	¥24.58	¥8.10	¥36.01
Cumulative effect of accounting change	55.86	—	—	—	—	—	—	—
Net income (loss)	¥59.95	¥6.73	¥7.65	¥(13.46)	¥20.14	¥24.58	¥8.10	¥36.01

Consolidated Balance Sheets

	Millions of yen		Millions of U.S.dollars
	2003 (2003.3.31)	2004 (2004.3.31)	2004 (2004.3.31)
ASSETS			
Cash and cash deposits:			
Cash and cash equivalents	¥491,237	¥637,372	\$6,118
Time deposits	422,570	248,737	2,388
Deposits with stock exchanges and other segregated cash	41,702	44,528	427
Total	955,509	930,637	8,933
Loans and receivables:			
Loans receivable	436,371	543,894	5,221
Receivables from customers	404,388	10,744	103
Receivables from other than customers	311,665	464,776	4,461
Receivables under resale agreements and securities borrowed transactions	8,603,170	12,881,752	123,648
Securities pledged as collateral	3,359,807	5,232,640	50,227
Allowance for doubtful accounts	(15,159)	(5,778)	(55)
Total	13,100,242	19,128,028	183,605
Trading assets and private equity investments:			
Securities inventory	5,152,393	7,837,663	75,232
Derivative contracts	503,417	479,659	4,604
Private equity investments	270,890	291,774	2,801
Total	5,926,700	8,609,096	82,637
Other assets:			
Office buildings, land, equipment and facilities (net of accumulated depreciation and amortization of ¥177,374 million in 2003 and ¥182,449 million (\$1,751 million) in 2004	184,868	200,700	1,926
Lease deposits	65,211	64,764	622
Non-trading debt securities	270,120	202,896	1,948
Investments in equity securities	138,084	169,459	1,627
Investments in and advances to affiliated companies	223,970	207,668	1,993
Deferred tax assets	112,313	105,901	1,017
Other	192,429	133,817	1,284
Total	1,186,995	1,085,205	10,417
Total assets	¥21,169,446	¥29,752,966	\$285,592

Millions of yen

Millions of
U.S.dollars

2003 (2003.3.31)	2004 (2004.3.31)	2004 (2004.3.31)
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LIABILITIES AND SHAREHOLDERS' EQUITY

Short-term borrowings	¥1,183,535	¥3,024,341	\$29,030
Payables and deposits:			
Payables to customers	180,565	772,964	7,420
Payables to other than customers	384,910	355,429	3,412
Payables under repurchase agreements and securities loaned	10,952,135	14,780,541	141,875
Time and other deposits received	256,184	255,703	2,454
Total	11,773,794	16,164,637	155,161
Trading liabilities:			
Securities sold but not yet purchased	3,401,715	5,559,598	53,365
Derivative contracts	487,005	417,368	4,006
Total	3,888,720	5,976,966	57,371
Other liabilities:			
Accrued income taxes	28,608	93,538	898
Accrued pension and severance costs	86,582	86,439	830
Other	296,509	235,888	2,264
Total	411,699	415,865	3,992
Long-term borrowings	2,269,370	2,385,469	22,898
Total liabilities	19,527,118	27,967,278	268,452
Shareholders' equity:			
Common stock			
Authorized—6,000,000,000 shares			
Issued—1,965,919,860 shares at March 31, 2003 and 2004	182,800	182,800	1,755
Additional paid-in capital	151,328	154,063	1,479
Retained earnings	1,407,028	1,550,231	14,880
Accumulated other comprehensive (loss) income:			
Minimum pension liability adjustment	(41,558)	(34,221)	(328)
Cumulative translation adjustments	(22,329)	(34,380)	(331)
Subtotal	(63,887)	(68,601)	(659)
Total	1,677,269	1,818,493	17,455
Less—Common stock held in treasury, at cost—25,556,340 shares and 24,263,831 shares at March 31, 2003 and 2004, respectively	(34,941)	(32,805)	(315)
Total shareholders' equity	1,642,328	1,785,688	17,140
Total liabilities and shareholders' equity	¥21,169,446	¥29,752,966	\$285,592

Consolidated Income Statements

	Millions of yen		(%)	Millions of U.S. dollars
	2003	2004	YoY increase (decrease)	2004
	(2002.4.1~2003.3.31)	(2003.4.1~2004.3.31)		(2003.4.1~2004.3.31)
Revenue:				
Commissions	¥141,640	¥210,216	48.4	\$2,018
Fees from investment banking	81,847	86,994	6.3	835
Asset management and portfolio service fees	79,290	66,193	(16.5)	635
Net gain on trading	172,308	229,042	32.9	2,199
Interest and dividends	401,924	396,870	(1.3)	3,809
(Loss) gain on investments in equity securities	(41,288)	55,888	—	536
Gain (loss) on private equity investments	(14,391)	13,138	—	126
Other	19,589	41,205	110.3	396
Total revenue	840,919	1,099,546	30.8	10,554
Interest expense	274,645	296,443	7.9	2,845
Net revenue	566,274	803,103	41.8	7,709
Non-interest expenses:				
Compensation and benefits	244,167	259,336	6.2	2,489
Commissions and floor brokerage	20,844	19,169	(8.0)	184
Information processing and communications	77,389	80,031	3.4	768
Occupancy and related depreciation	57,152	54,221	(5.1)	520
Business development expenses	24,361	23,100	(5.2)	222
Other	94,952	84,570	(10.9)	813
Total	518,865	520,427	0.3	4,996
Income before income taxes and cumulative effect of accounting change	47,409	282,676	496.2	2,713
Income tax expense (benefit):				
Current	25,519	108,434	324.9	1,041
Deferred	11,776	1,913	(83.8)	18
Total	37,295	110,347	195.9	1,059
Income before cumulative effect of accounting change	10,114	172,329	1,603.9	1,654
Cumulative effect of accounting change	109,799	—	—	—
Net income	¥119,913	¥172,329	43.7	\$1,654
Per share of common stock:				
	Yen		(%)	U.S. dollars
Basic—				
Income before cumulative effect of accounting change	¥5.17	¥88.82	1,618.0	\$0.85
Cumulative effect of accounting change	56.09	—	—	—
Net income	¥61.26	¥88.82	45.0	\$0.85
Diluted—				
Income before cumulative effect of accounting change	¥5.17	¥88.82	1,618.0	\$0.85
Cumulative effect of accounting change	56.09	—	—	—
Net income	¥61.26	¥88.82	45.0	\$0.85

Changes in Additional Paid-in Capital and Retained Earnings

	Millions of yen		Millions of U.S. dollars
	2003	2004	2004
	(2002.4.1~ 2003.3.31)	(2003.4.1~ 2004.3.31)	(2003.4.1~ 2004.3.31)
Additional paid-in capital			
Balance at beginning of year	¥150,979	¥151,328	\$1,453
Gain on sales of treasury stock	—	1,807	17
Issuance of common stock options	349	928	9
Balance at end of year	¥151,328	¥154,063	\$1,479
Retained earnings			
Balance at beginning of year	¥1,316,221	¥1,407,028	\$13,506
Net income	119,913	172,329	1,654
Cash dividends	(29,106)	(29,126)	(280)
Balance at end of year	¥1,407,028	¥1,550,231	\$14,880

Consolidated Statements of Comprehensive Income

	Millions of yen		Millions of U.S. dollars
	2003	2004	2004
	(2002.4.1~ 2003.3.31)	(2003.4.1~ 2004.3.31)	(2003.4.1~ 2004.3.31)
Net income	¥119,913	¥172,329	\$1,654
Other comprehensive (loss) income:			
Change in cumulative translation adjustments, net of tax	(2,644)	(12,051)	(116)
Minimum pension liability adjustment	(16,586)	7,337	71
Total other comprehensive (loss) income	(19,230)	(4,714)	(45)
Comprehensive income	¥100,683	¥167,615	\$1,609

Consolidated Statements of Cash Flows

	Millions of yen		Millions of U.S.dollars
	2003	2004	2004
	(2002.4.1~ 2003.3.31)	(2003.4.1~ 2004.3.31)	(2003.4.1~ 2004.3.31)
Cash flows from operating activities:			
Net income	¥119,913	¥172,329	\$1,654
Adjustments to reconcile net income to net cash (used in) provided by operating activities:			
Cumulative effect of accounting change	(109,799)	—	—
Depreciation and amortization	31,249	33,706	324
Loss (gain) on investments in equity securities	41,288	(55,888)	(536)
Deferred income tax (benefit) expense	11,776	1,913	18
Changes in operating assets and liabilities:			
Time deposits	(36,585)	174,331	1,673
Deposits with stock exchanges and other segregated cash	(6,271)	(7,485)	(72)
Trading assets and private equity investments	(1,167,700)	(2,836,906)	(27,231)
Trading liabilities	1,242,333	2,152,243	20,659
Receivables under resale agreements and securities borrowed transactions	(2,315,743)	(4,812,090)	(46,190)
Payables under repurchase agreements and securities loaned transactions	3,236,698	4,533,150	43,513
Loans, receivables and securities pledged as collateral, net of allowance	(590,802)	(1,838,725)	(17,650)
Time and other deposits received and other payables	(477,756)	592,779	5,690
Accrued income taxes, net	(31,738)	80,273	771
Other, net	87,250	(15,524)	(149)
Net cash (used in) provided by operating activities	34,113	(1,825,894)	(17,526)
Cash flows from investing activities:			
Payments for purchases of office buildings, land, equipment and facilities	(45,235)	(39,303)	(377)
Proceeds from sales of office buildings, land, equipment and facilities	690	1,341	13
Payments for purchases of investments in equity securities	(10,299)	(61)	(1)
Proceeds from sales of investments in equity securities	30,067	24,309	233
Decrease in non-trading debt securities	152,209	61,705	592
Decrease in other investments and other assets	6,621	(2,520)	(24)
Net cash provided by investing activities	134,053	45,471	436
Cash flows from financing activities:			
Increase in long-term borrowings	654,407	712,675	6,841
Decrease in long-term borrowings	(324,232)	(551,897)	(5,298)
Increase (decrease) in short-term borrowings, net	(290,775)	1,824,501	17,513
Proceeds from sales of common stock	—	8,027	77
Payments for repurchases of common stock	(34,527)	(4,084)	(39)
Payments for cash dividends	(29,485)	(43,686)	(419)
Net cash provided by (used in) financing activities	(24,612)	1,945,536	18,675
Effect of exchange rate changes on cash and cash equivalents	(8,952)	(18,978)	(182)
Net increase in cash and cash equivalents	134,602	146,135	1,403
Cash and cash equivalents at beginning of the year	356,635	491,237	4,715
Cash and cash equivalents at end of the year	¥491,237	¥637,372	\$6,118

Corporate Data / Share Data

Corporate Data

Type of Business

Nomura Holdings, Inc., is a holding company with controlling stakes in companies that conduct investment and financial services businesses with an emphasis on securities businesses.

Date of Incorporation

December 25, 1925

Representative

Nobuyuki Koga, President and Chief Executive Officer

Capital

¥182,799,788,854 (As of March 31, 2004)

Number of Common Stock Issued

1,965,919,860 shares (As of March 31, 2004)

Number of Shareholders

196,734 (Unit shareholders: 154,273) (As of March 31, 2004)

Listings

The common shares of Nomura Holdings, Inc. are listed on the Tokyo, Osaka, Nagoya and Singapore stock exchanges. The shares are also listed on the New York Stock Exchange in the form of American Depositary Receipts and on the Amsterdam Stock Exchange (Euronext) both through the Amsterdam Securities Account System and in the form of Continental Depositary Receipts.

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Transfer Agent and Registrar

UFJ Trust Bank Limited

Corporate Agency Department 81 (3) 5683-5111

Depository for American Depositary Receipt (ADRs)

The Bank of New York

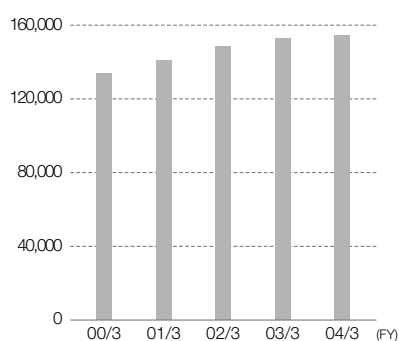
ADR Division 1 (212) 815-2042

<http://www.adrbny.com>

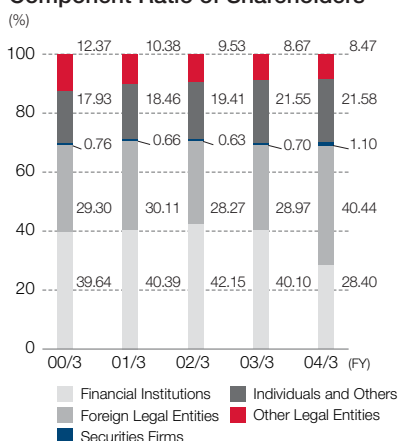
Ratio: 1 ADR = 1 ordinary share

Share Data

Number of Unit Shareholders



Component Ratio of Shareholders



For further information, please contact:
Investor Relations Department
Nomura Group Headquarters
Nomura Securities Co., Ltd.

1-9-1, Nihonbashi, Chuo-ku, Tokyo 103-8011, Japan

Tel: 81 (3) 3211-1811

URL: <http://www.nomura.com>

Credit Ratings

	Nomura Holdings, Inc.		Nomura Securities Co., Ltd.	
	Long-term	Short-term	Long-term	Short-term
S&P	BBB	A-2	BBB+	A-2
Moody's	Baa1	—	A3	P-2
R&I	A+	a-1	A+	a-1
JCR	AA	—	AA	—

*As of July 14, 2004

