

# **NOMURA**

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## **INVESTOR PRESENTATION**

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**President & CEO, Nomura Holdings, Inc.**

**May 2002**

# Outline of the Presentation

- Results of Operations
- Business Environment
- Group Vision & Business Execution
- Strategies by Business
- Corporate Governance

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## Results of Operations

**Summary**

**Segment Information**

## Results of Operations (1)

### Summary

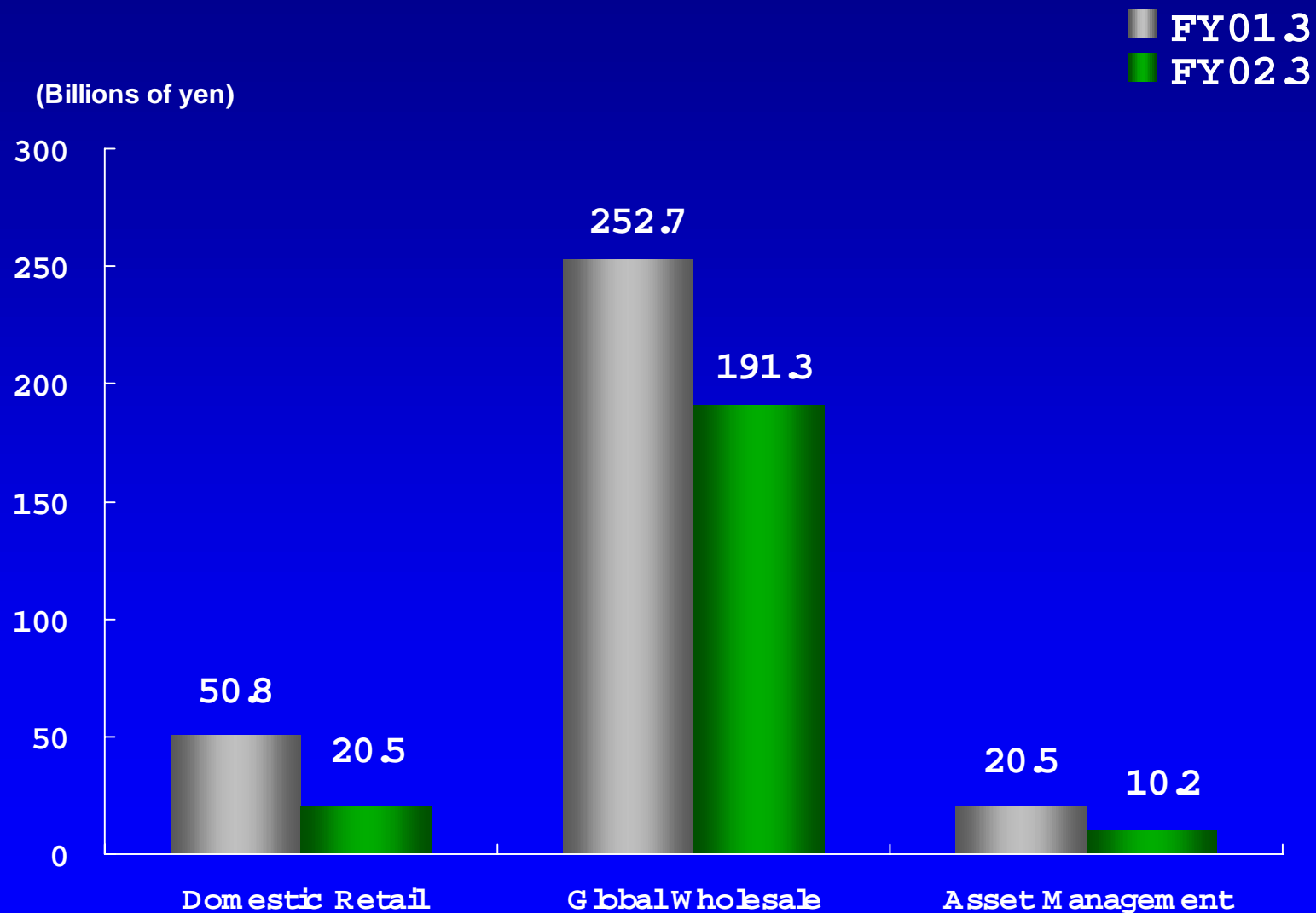
#### Fiscal Year ended March 2002 (US GAAP)

➤ Income before Income Taxes	173.0 billion yen	(+11%*)
➤ Net Income	168.0 billion yen	(+193%*)
➤ Total Assets	17,758.3 billion yen	(+612.2 billion yen**)
➤ Shareholders' Equity	1,604.9 billion yen	(+168.5 billion yen**)
➤ Leverage	11.1 times	(previous term 11.9 times)

➤ ROE	11.1% (4.0%)
	Three-year Average ROE 10.1% (Mar.00 – Mar.02)

## Results of Operations (2)

### Segment Information (Income before Income Taxes)



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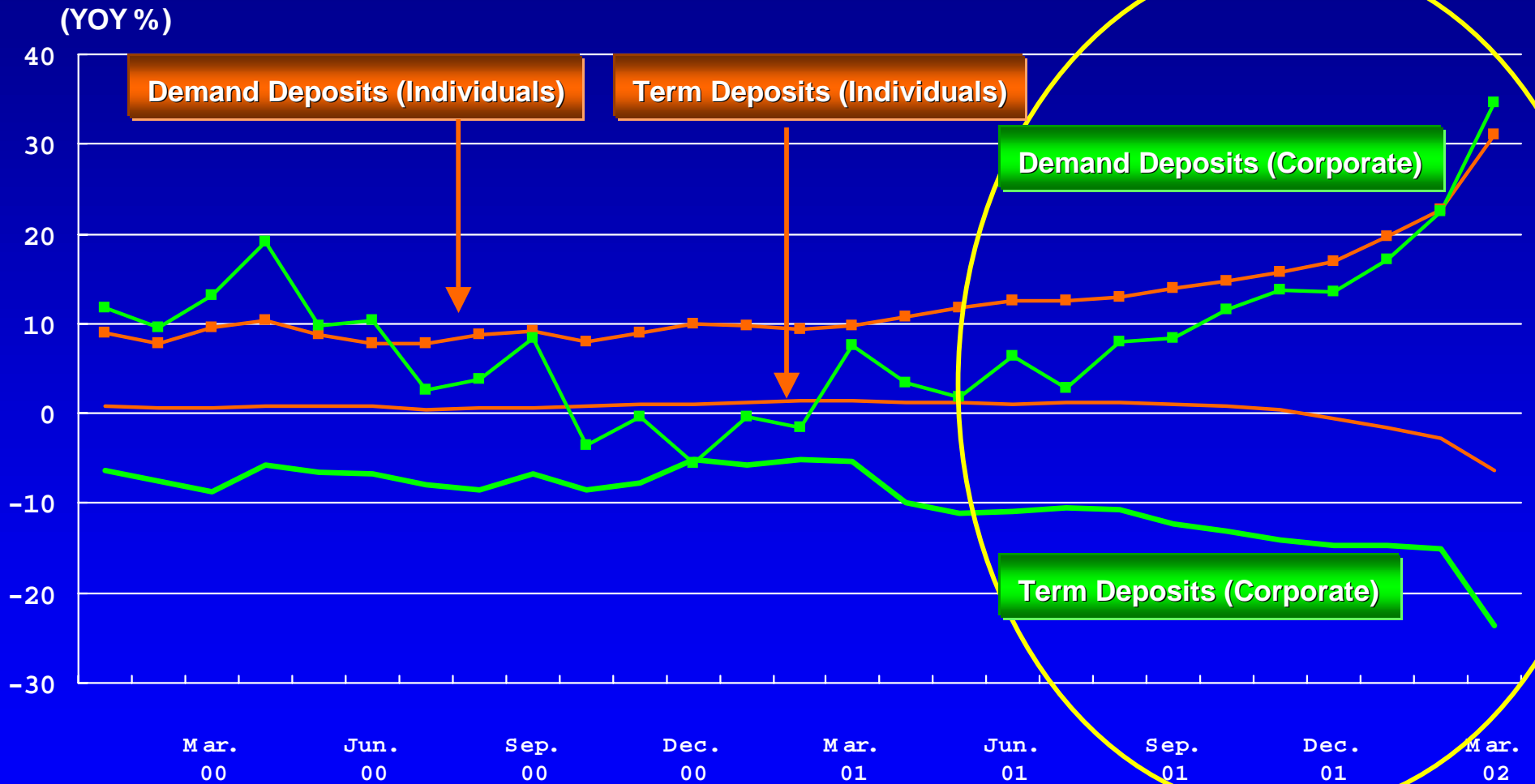
**Business Environment**

**Shift of Financial Assets**

**Acceleration of Corporate Restructuring**

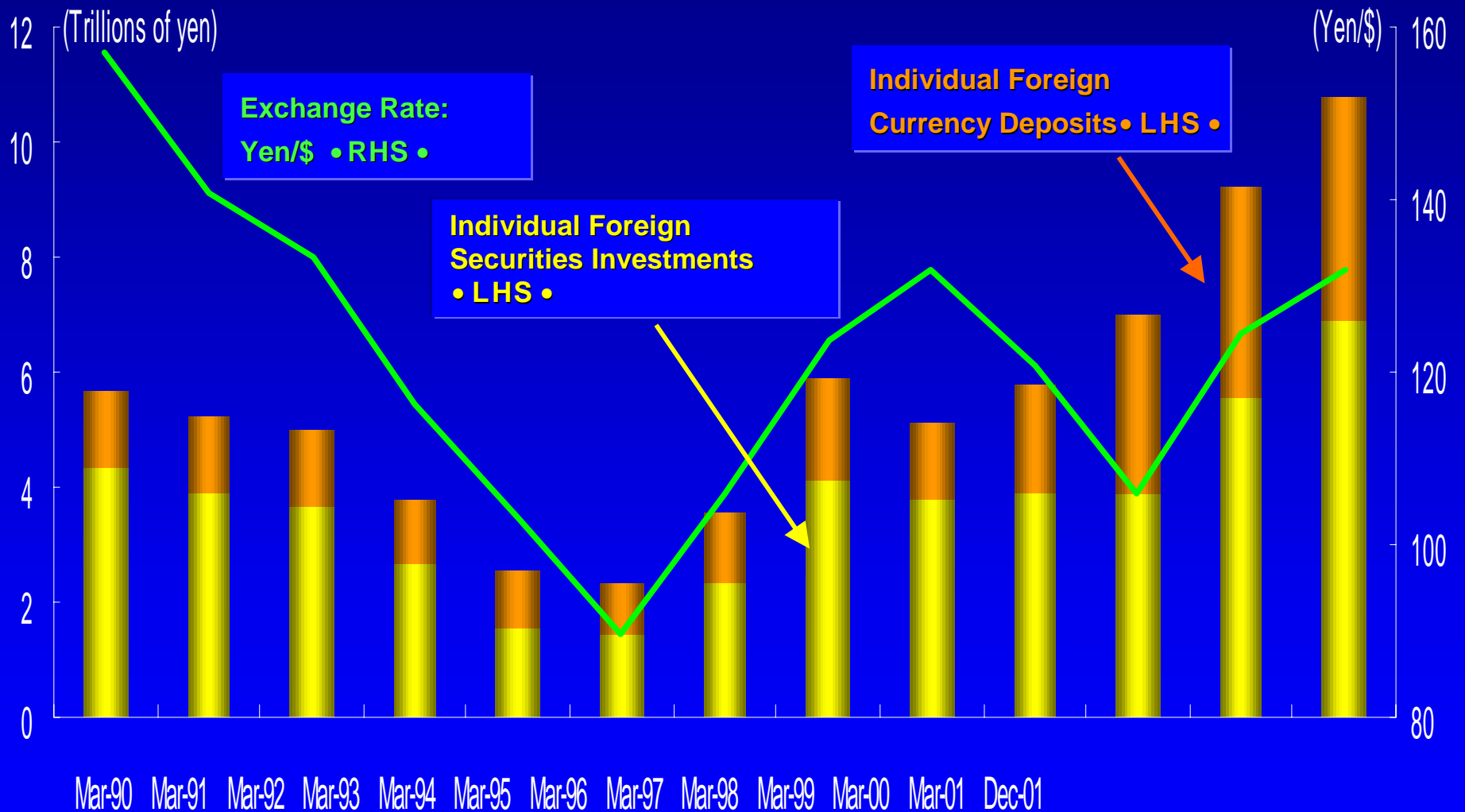
# Business Environment

## Shift of Financial Assets (1)



# Business Environment

## Shift of Financial Assets ( 2 )

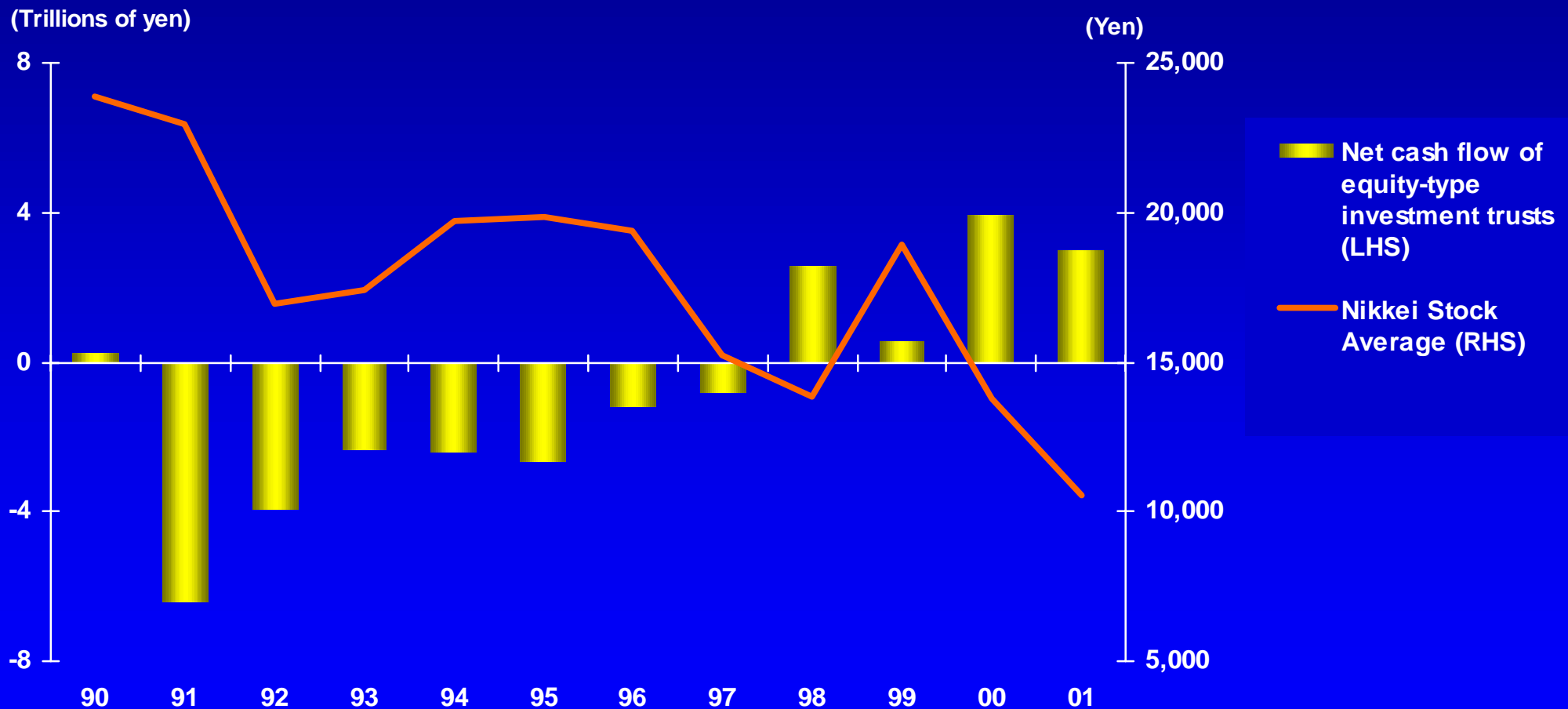




Business Environment

Shift of Financial Assets (3)

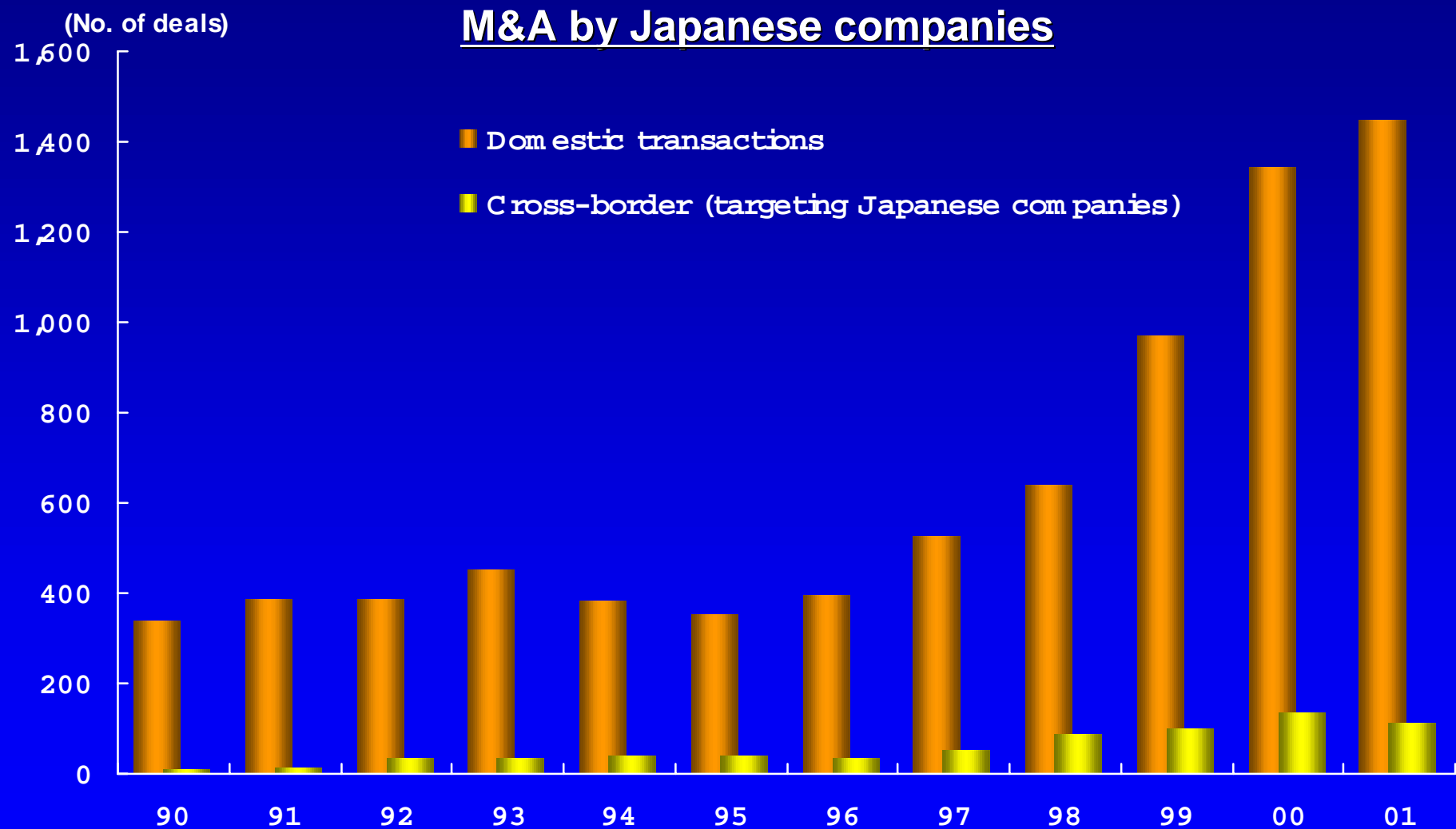
Net Cash Flow of Equity-type Investment Trusts



Source: The Investment Trusts Association, Japan

## Business Environment

### Acceleration of Corporate Restructuring (1)



Source: Nomura Securities Financial Research Center

## Business Environment

### Acceleration of Corporate Restructuring (2)



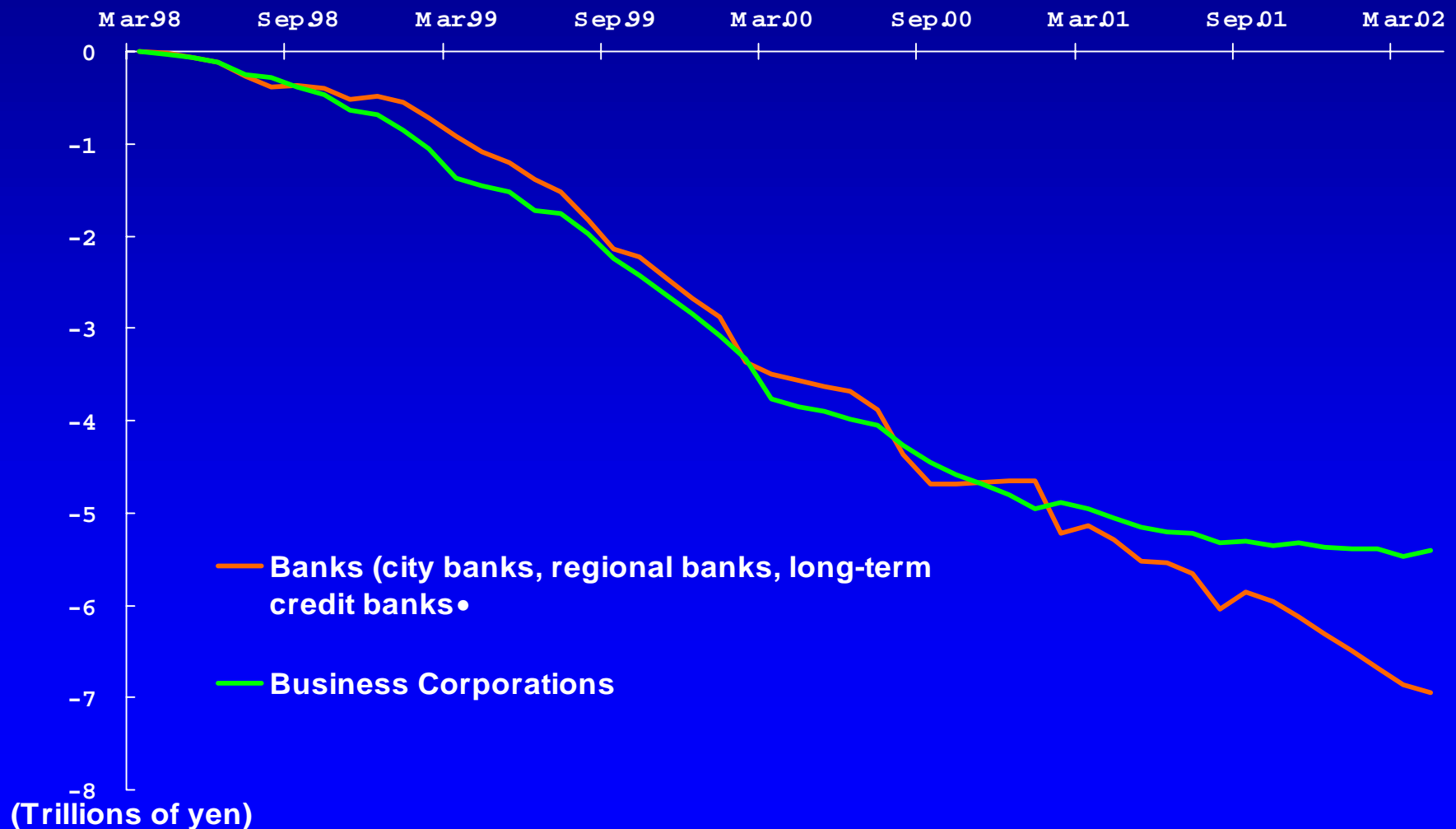
- Share buy-backs include write-off purposes and issuance of stock options

Source: Nomura Securities Financial Research Center

## Business Environment

### Acceleration of Corporate Restructuring(3)

#### Net Aggregated Balance of Equity Transactions



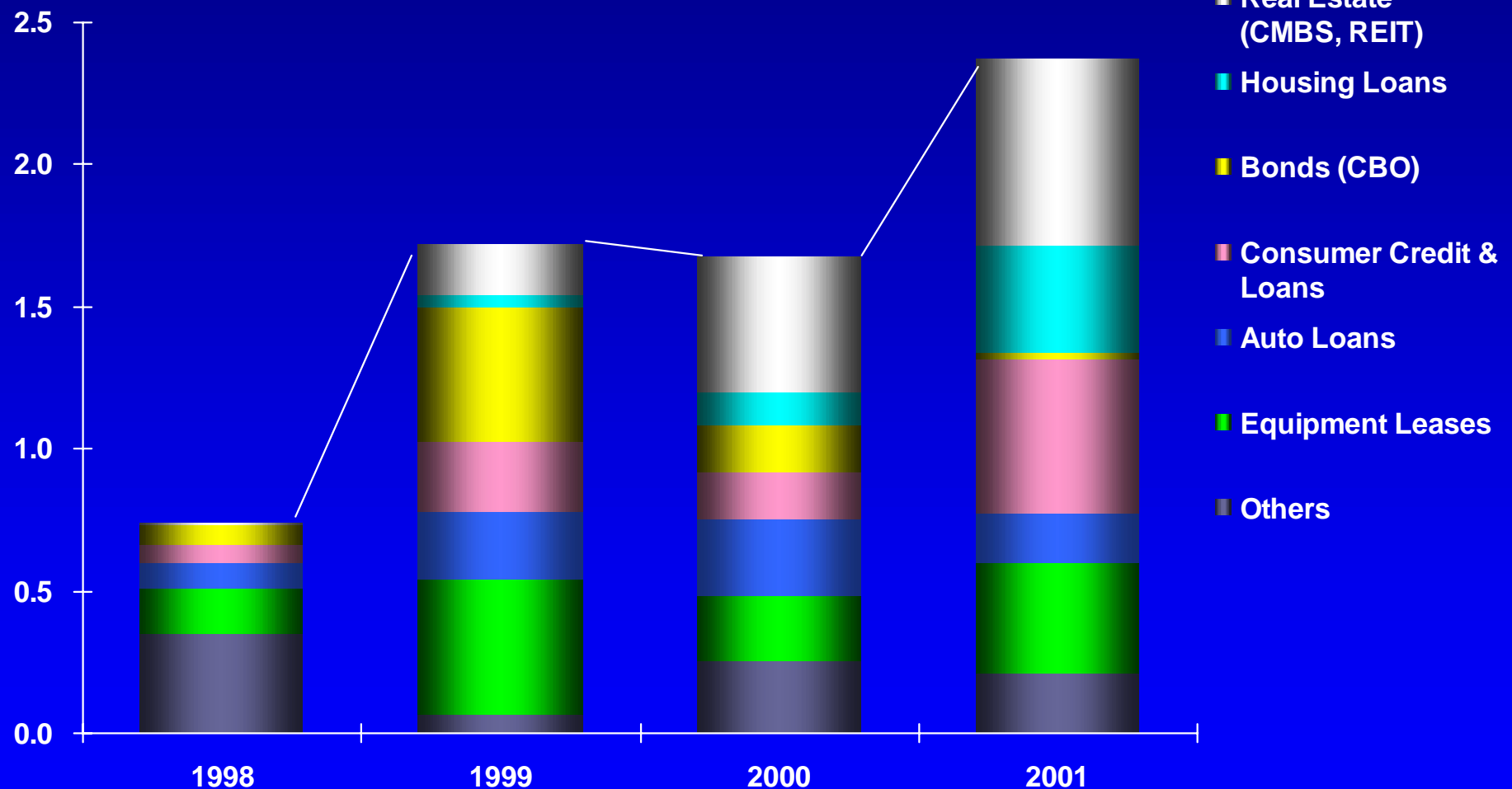
Source: Nomura Securities Financial Research Center

## Business Environment

### Acceleration of Corporate Restructuring (4)

#### Securitization in Japan

(Trillions of yen)



Source: Nomura Securities

# NOMURA

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## Group Vision & Business Execution

**Group Vision**

**Business Execution Structure**

## Group Vision

**Globally Competitive Japanese Financial Services Group**

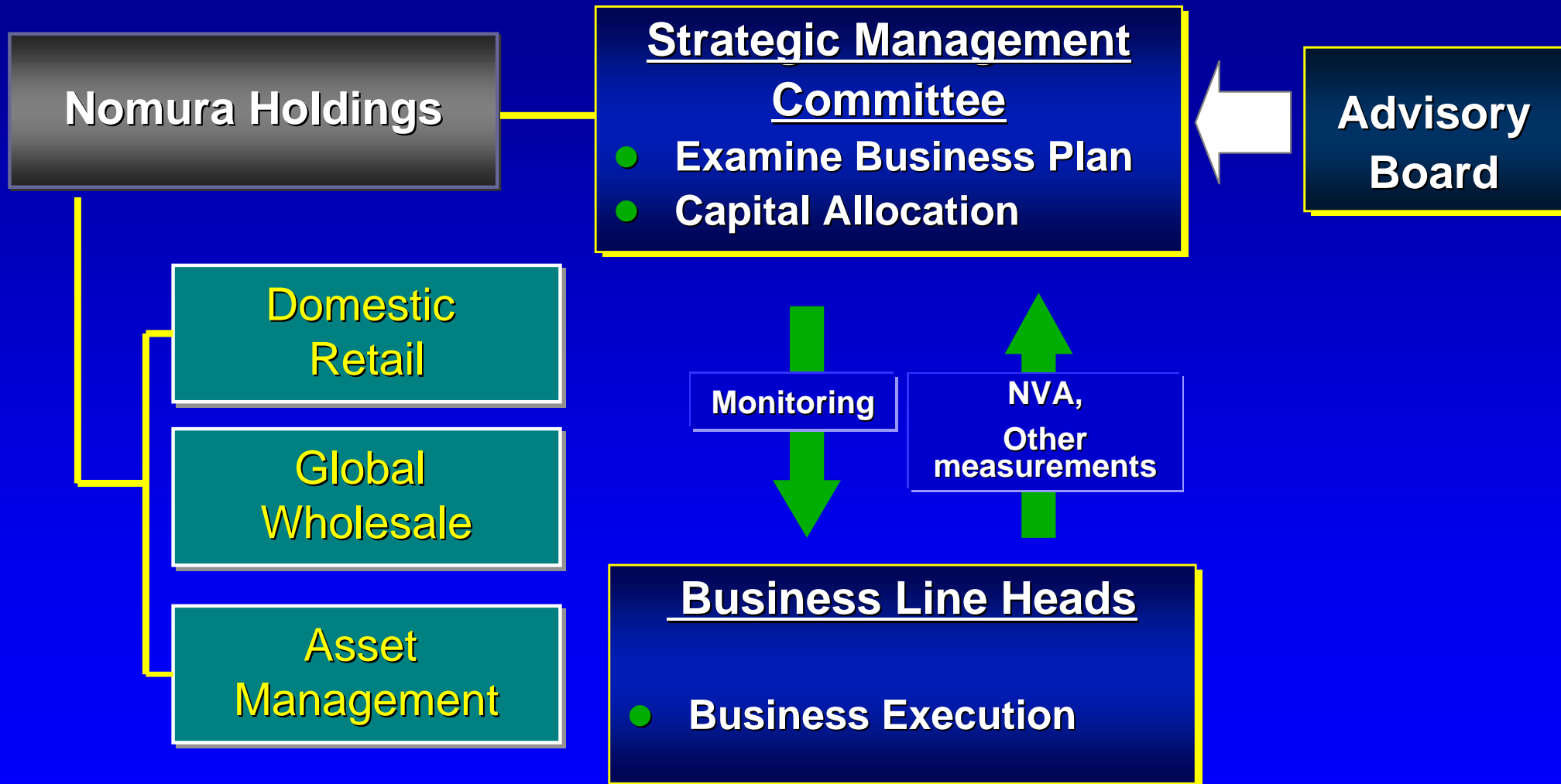
### Focus

- Broadening Business in Mother Market
- Promotion of Japan-Focused Globalization
- Enhancement of Asset Management Business

### Financial Target

Average ROE of 10-15% over mid to long term

# Business Execution Structure





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## Strategies by Business

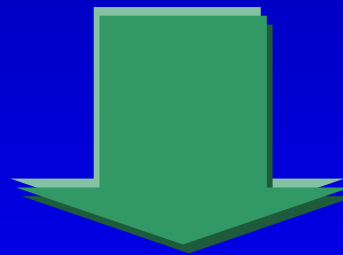
**Domestic Retail**

Global Wholesale

Asset Management

**Domestic Retail  
Goals & Strategy**

**Establish Strong Domestic Sales Base  
& Stable Profit Structure**



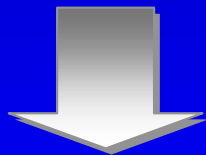
- Broaden Client Base**
- Diversify Product Mix**

## Domestic Retail

### Broaden Client Base (1)

#### Method to Broaden Client Base

Strengthen Consulting Business



Improve Productivity  
by Utilizing IT

Enlarge Asset Builder  
&  
Corporate Employee Client Base

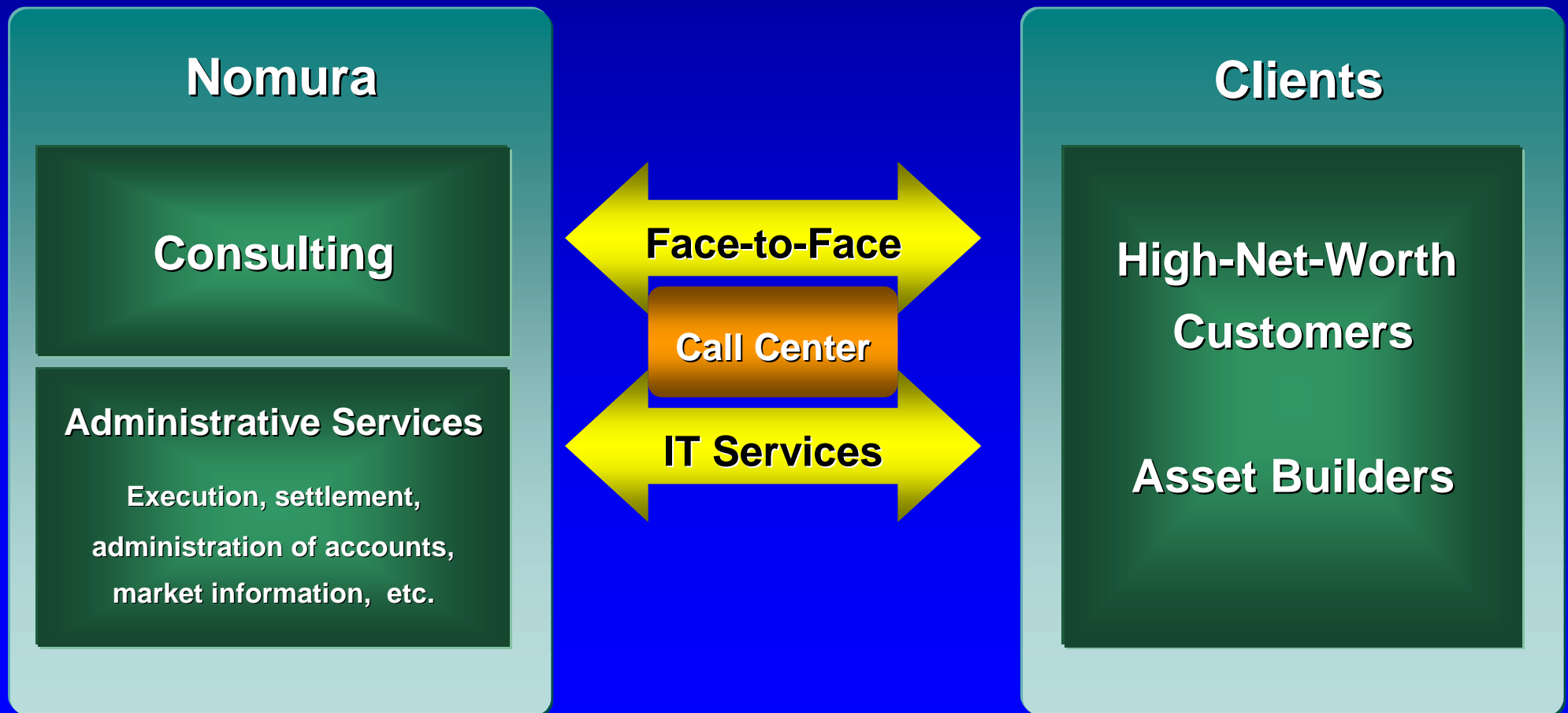


Approach via  
Corporate Channel

**Domestic Retail**

**Broaden Client Base (2)**

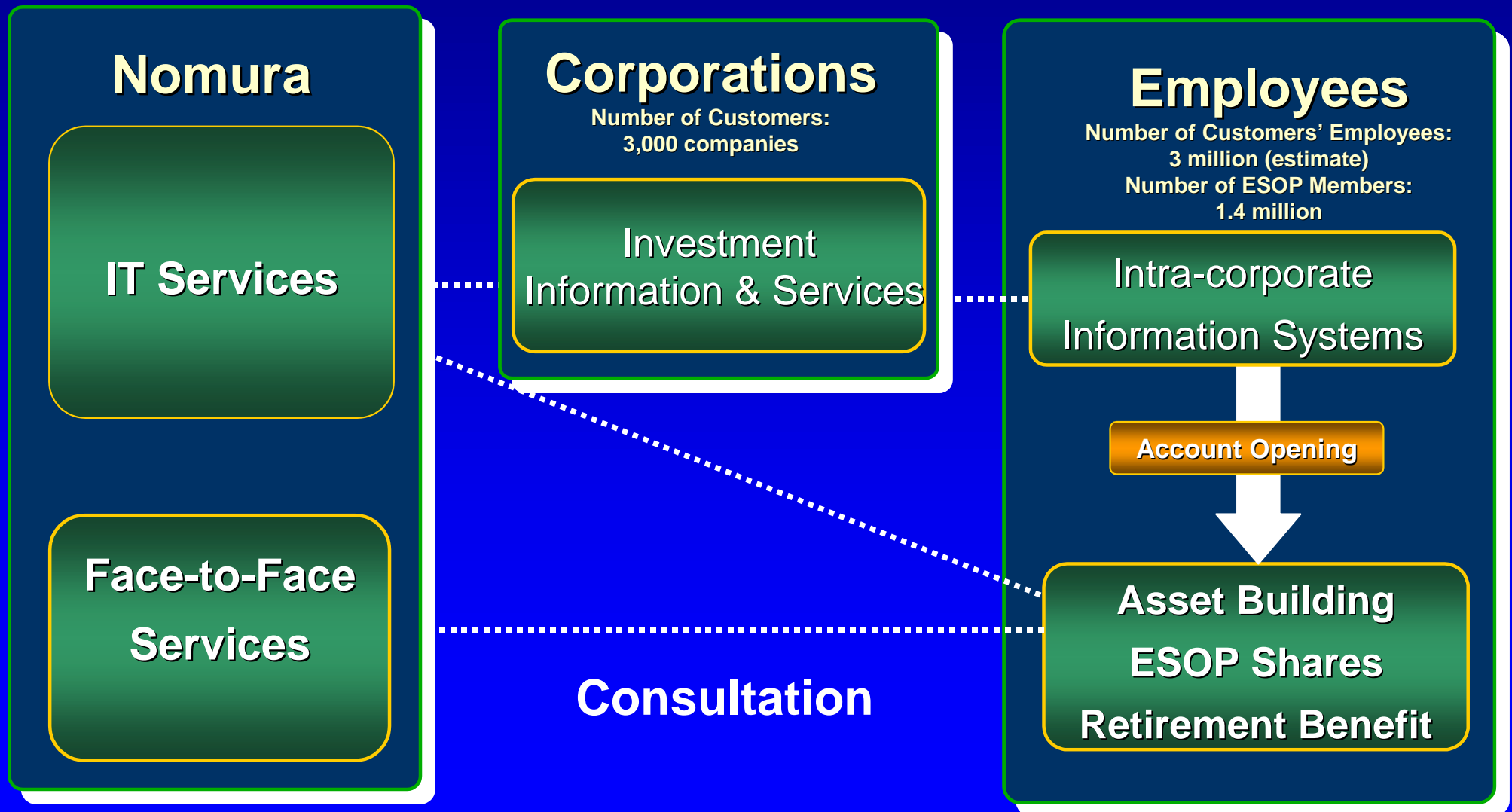
**Improving Productivity by Utilizing IT**



**Domestic Retail**

**Broaden Client Base (3) – Approach via Corporate Channels (1)**

**Our Approach via Employee Stock Ownership Plan (ESOP)**



## Domestic Retail

### Broaden Client Base (4) – Approach via Corporate Channels (2)

Emergence of New Business Chances through Corporate Restructuring

- Business Re-organization
- Change of Employment System



New Investment Needs  
arising from  
Corporate Restructuring

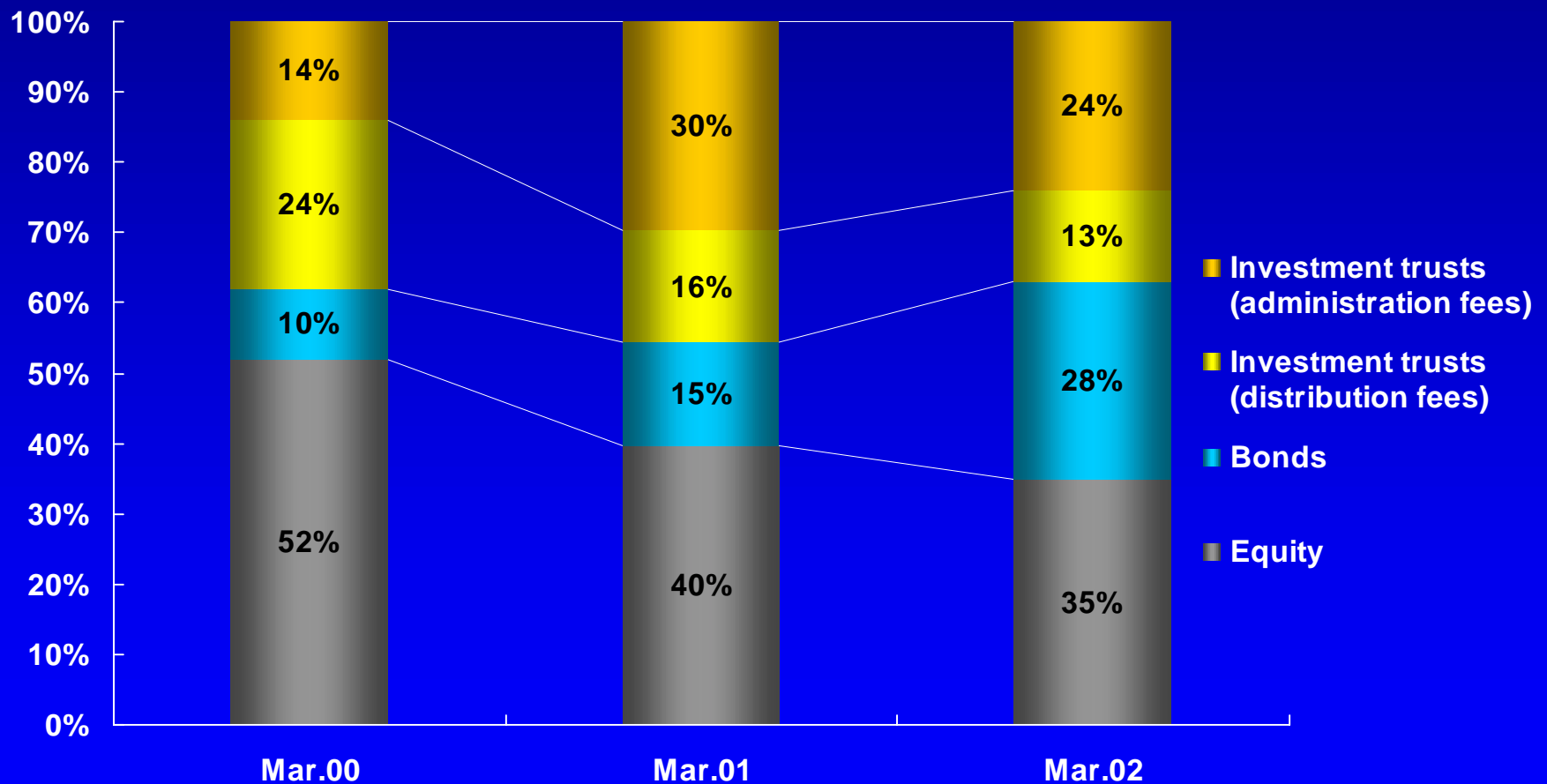


Cooperation with Global Wholesale

Domestic Retail

Diversify Product Mix (1)

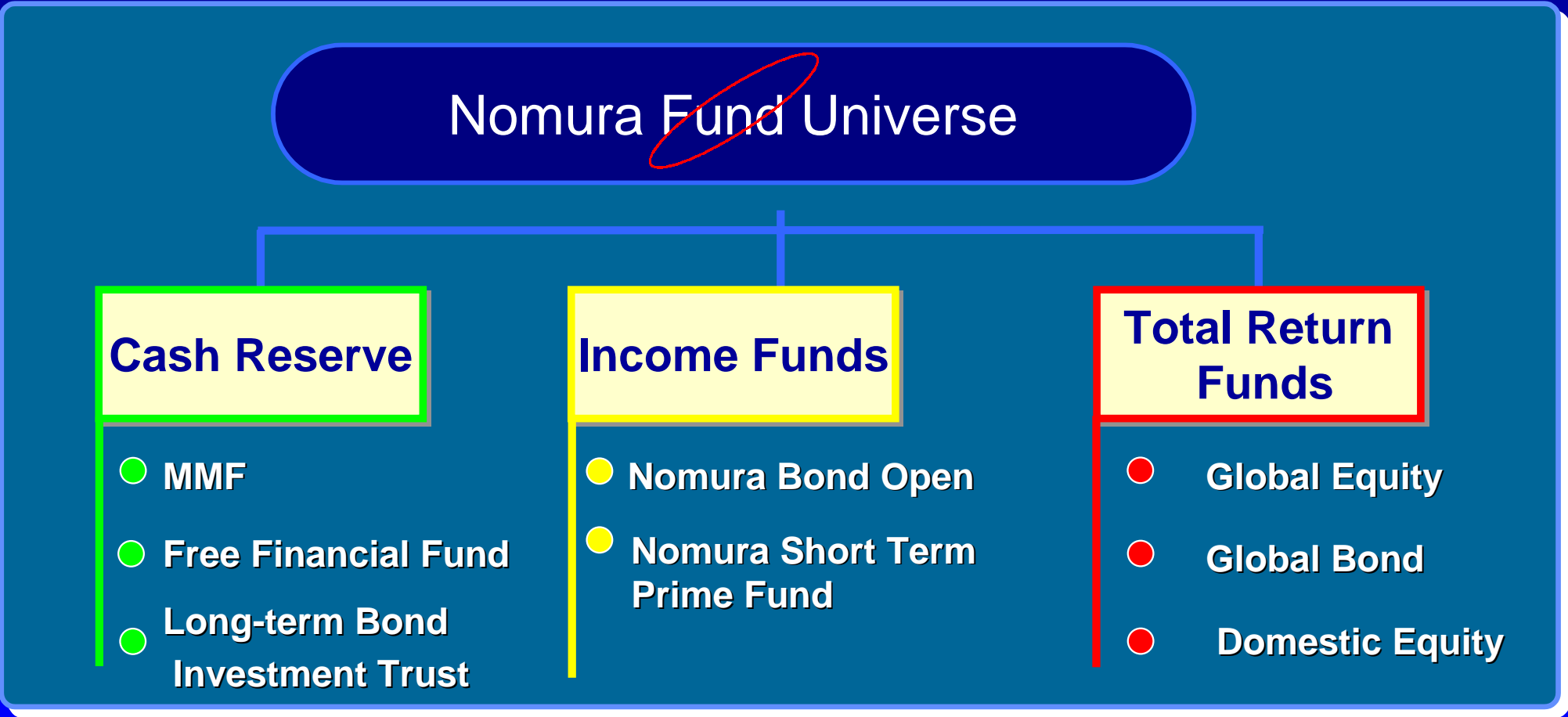
Revenue Breakdown by Product



Domestic Retail

Diversify Product Mix (2)

**Investment Trust Lineup**

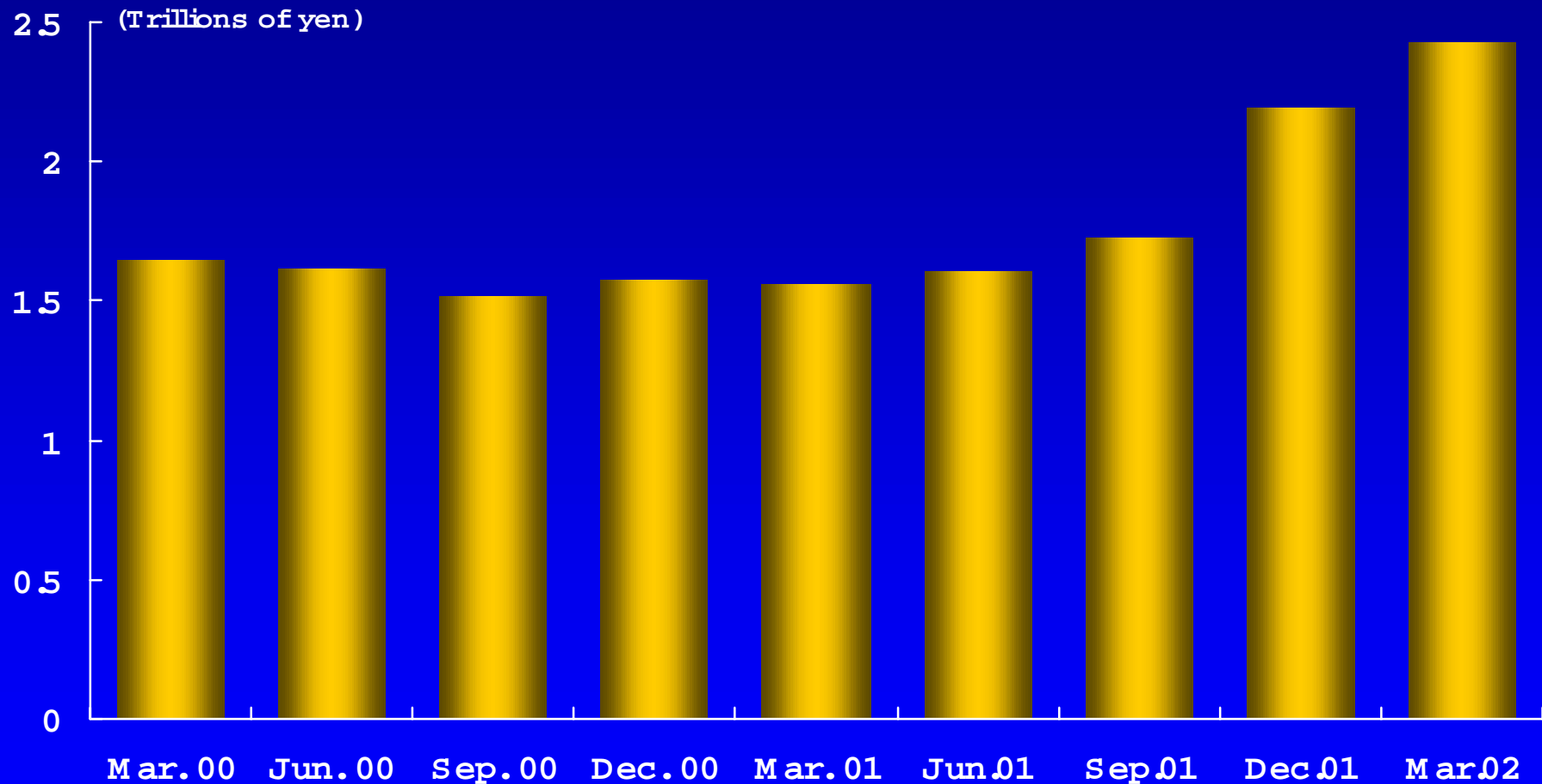




Domestic Retail

Diversify Product Mix (3)

Retail Client Assets in Foreign Currency Bonds



\* All currencies converted into yen at end of month

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## Business Lines

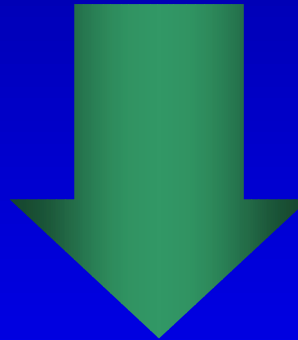
Domestic Retail

**Global Wholesale**

Asset Management

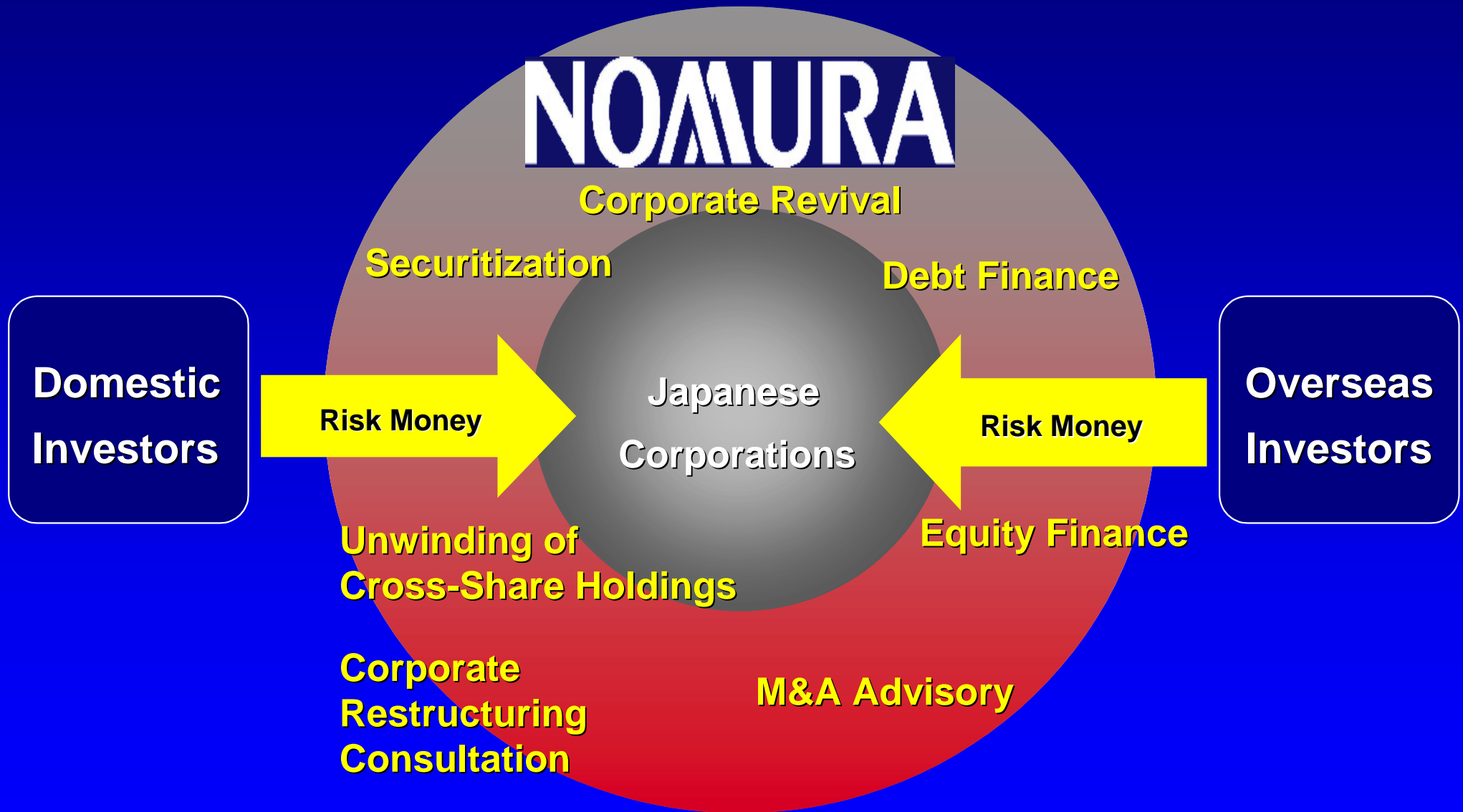
**Global Wholesale  
Goals & Strategy**

**Establish Strong Presence in Japan  
Focusing on Global Business**



- Establishment of Global Product Supply System**
- Promotion of Solution Finding Financial Business**

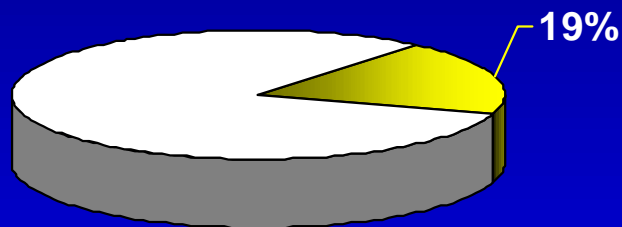
**Global Wholesale  
Business Model**



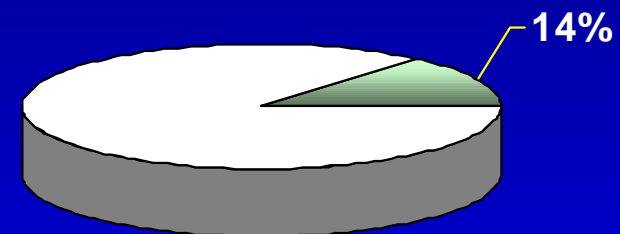
**Global Wholesale  
Establishment of Global Product Supply System (1)**

**Market Share (FY March 2002)**

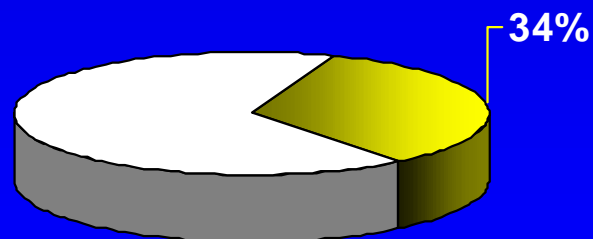
Off-floor/Off-exchange Equity Trading\*



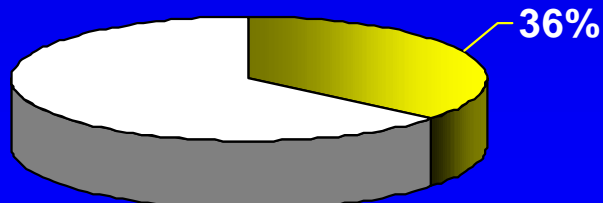
Secondary Bond Trading\*



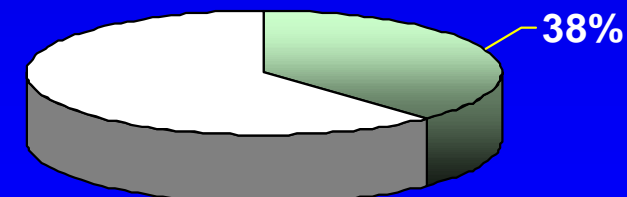
Japanese Equity  
Public Offering\*



Japanese Equity IPO\*



Samurai Bonds\*\*



Sources: \*Nomura Securities

\*\*Thomson Financial, bookrunner base

**Global Wholesale  
Establishment of Global Product Supply System (2)**

**Global Equity Offerings**

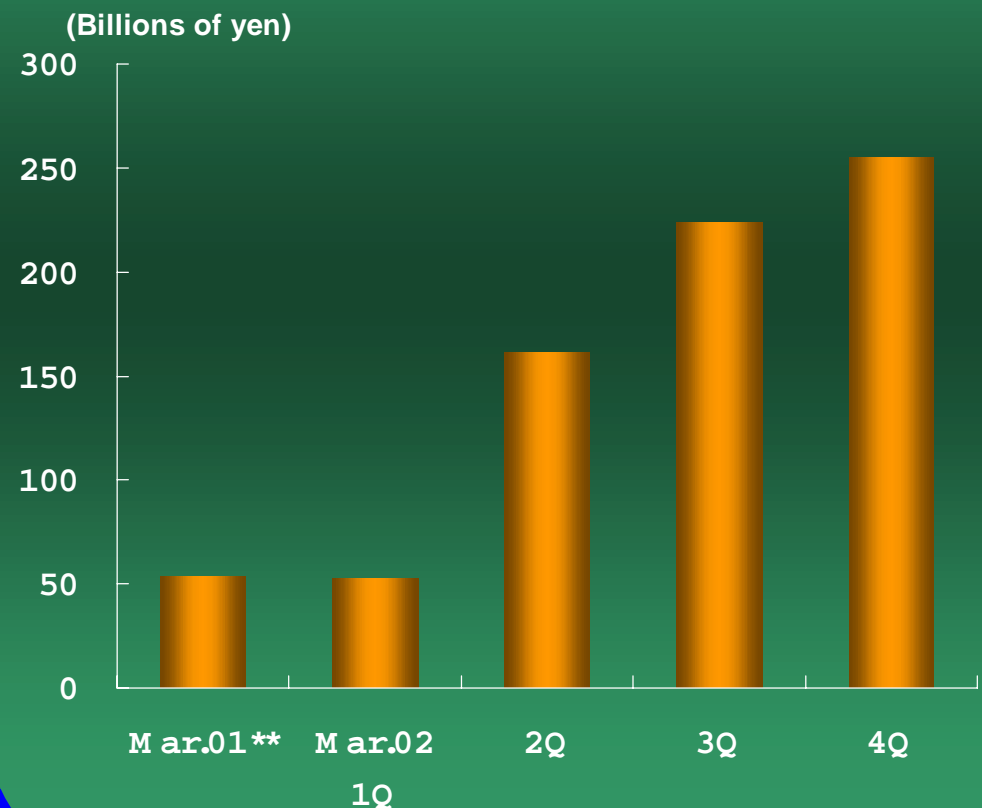
- Dentsu
- Daido Life
- NRI

**Global Dollar Bonds**

- EIB
- ADB
- OKB

**Retail Targeted  
Foreign Currency Bonds**

**Total Offering Amount\***



\* Lead managed by Nomura, converted into yen

\*\*Full year figure is adjusted to a quarterly figure

**Global Wholesale**

**Promote Solution Finding Financial Business (1)**

**Enhance M&A Advisory Business**

**Cross-Border M&A**

- Japan Telecom-Vodafone
- Seiyu-Wal-Mart
- Taihei-Citigroup

**Business Reorganization**

- MEI Group

**Corporate Revival**

- Niigata Engineering

**Strategic Alliance with TWP**

M&A Ranking • Jan. • Mar. 2002 •

Rank	Advisor	Transaction Amounts (\$ Billion)	Deals
<b>1</b>	<b>Nomura</b>	<b>8.9</b>	<b>22</b>
2	Citigroup/ Salomon Smith Barney	4.1	5
3	Morgan Stanley	3.5	4

Source: Announced Mergers & Acquisitions, any Japanese involvement, Thomson Financial league table based on rank value

Global Wholesale

Promote Solution Finding Financial Business (2)

Enhance Merchant Banking Business

Increase  
Domestic Investment

MBO  
 · CCI  
 · UHT

Corporate  
Reorganization  
 · Daikuma

Corporate Revival  
 · Fuji Car Manufacturing

Restructuring of  
Overseas Investment

PFG



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## Business Lines

Domestic Retail

Global Wholesale

Asset Management

## Asset Management Goals & Strategy

**Enhance Asset Management Business**



- Enhance Product Mix**
- Strengthen Defined Contribution Pension Plan Business**

Asset Management  
Enhance Product Mix (1)

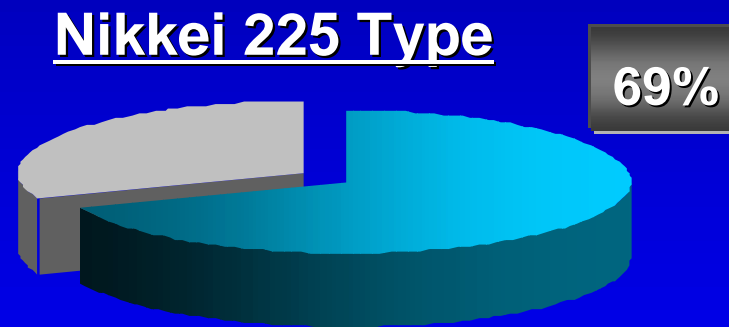
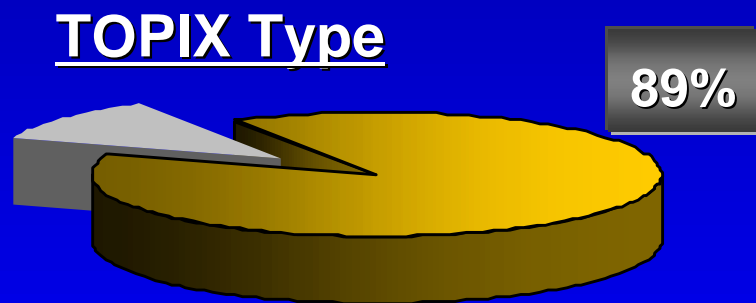
Savings-type Investment Trusts

	Short Term	Medium Term
Cash Reserve	<p>MRF</p> <p>MMF</p> <p>FFF</p>	<p>Bond Fund</p>
Income Funds	<p>Nomura Short Term Prime Fund</p>	<p>Nomura Short Term Bond Open</p>

**Asset Management  
Enhance Product Mix (2)**

**ETF**

➤ Market Share (as of end of March 2002)



➤ Develop Industry Index ETF

- TOPIX Electric Appliances
- TOPIX Transportation Equipment
- TOPIX Banks Exchange

Source: Nomura Securities

## Asset Management

### Strengthen Defined Contribution Pension Plan Business (1)

#### Provide Efficient Services Utilizing Group Network

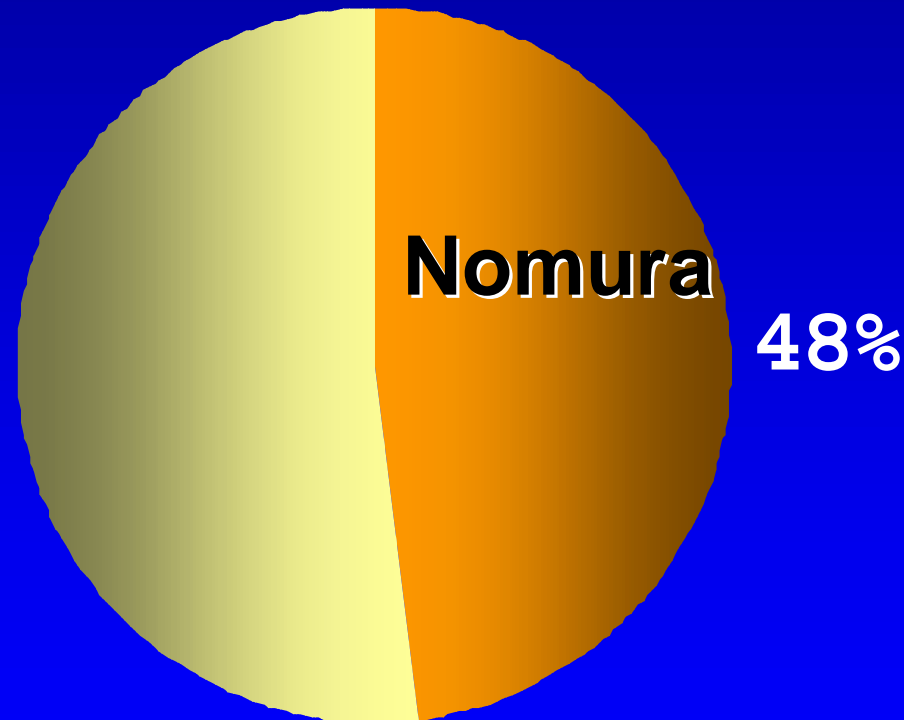
- Utilize strong presence in ESOP market
- Utilize know-how obtained from investment trusts and investment advisory business
- Provide comprehensive services

- Customized Services
- Provision of Services through Single Channel
- Solid Customer Follow-Up System
- Low Cost Operation

## Asset Management Strengthen Defined Contribution Pension Plan Business (2)

### Market Share

(based on the number of employees at end of March 2002)



# NOMURA

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## Corporate Governance

## Corporate Governance

### Enhance Corporate Governance

- **Outside Directors (2 out of 11)**
- **Set Up Audit Committee**  
(Includes outside directors)
- **Set Up Executive Compensation Committee**  
(Outside directors form majority of committee)



**NOMURA**