Retail Division

May 10, 2010

Hitoshi Tada
Retail CEO
1. Retail strategy
2. Review of last fiscal year
3. Challenges ahead
4. Business plan
Achieving growth in Retail

- Act strategically and expand operations to build client trust
1. Retail strategy
2. Review of last fiscal year
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4. Business plan
Initiatives taken last fiscal year

Key points

- Set up organizational structure aligned to client needs
  - Reformed branch office channel
  - Enhanced head office support functions in line with new channel formation

- Seamless connectivity between face-to-face, online, and call center services
  - Enhanced efficiencies by developing salaried worker and IPO businesses and promoted collaboration with branch office network
  - Further developed consulting-based services by opening call centers to all branches nationwide

- Implemented cost cutting drive by raising efficiencies and reviewing cost structure
  - Cut SG&A by 20% YoY
  - Prioritized investments to keep expenses down
Revenue, expenses, and income

- Net revenue: ¥388.3bn; Expenses: ¥274.9bn; Pretax income: ¥113.4bn

Full-year trend

- Net revenue
- Income before income taxes
- Non-interest expenses

FY2009 quarterly trend

- Net revenue
- Income before income taxes
- Non-interest expenses
Total sales

- Average monthly sales of Y1.13trn mainly from investment trusts, stocks, and public offerings

### Total sales
**FY2010.3 (monthly average)**

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<thead>
<tr>
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<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
<th>4Q</th>
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<tbody>
<tr>
<td>(billions of yen)</td>
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<tr>
<td>Nomura</td>
<td>400</td>
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<tr>
<td>Others</td>
<td>600</td>
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### Share of sales of newly launched investment trusts
**(Apr 2009 - Mar 2010)**

- **Nomura**: 50%
- **Others**: 50%
Expanding client base

- AUM: Y73.5tn; Accounts with balance: 4.88m

### AUM and accounts with balance

(AUM in trillions of yen)  
(# of accounts in thousands)

<table>
<thead>
<tr>
<th>Year</th>
<th>AUM</th>
<th>Accounts</th>
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- AUM: Asset Under Management
- Accounts: Accounts with balance

Graph showing the trend of AUM and accounts with balance from 2002 to 2009, with AUM increasing and accounts with balance also rising.

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NOMURA
1. Retail strategy

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Challenges ahead

- Despite high potential, net asset inflow remains low with sluggish growth

Net asset inflow (monthly average)

Breakdown of personal financial assets in Japan

Over Y1,439trn

- Savings and deposits
- Securities
- Insurance and annuities
- Others

Note: Retail channel and corporate section (excludes financial institutions)

Note: As of September 30, 2009

Source: Nomura, based on Bank of Japan data
1. Retail strategy

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Initiatives for current fiscal year

Key points

- Improve customer satisfaction and further develop consulting services
  - Maintain focus on segments and provide solutions to customers by collaborating with head office support functions
  - Train staff and establish organization capable of ascertaining customer needs and creating new business opportunities

- Ensure seamless connectivity in face-to-face, online, and call center services
  - Ascertain consulting needs of customers currently not served face-to-face and enhance collaboration with branch office network
  - Improve online functionality to expand client base and further improve consulting services

- Revamp operations to cut costs
  - Establish more efficient IT platform
  - Consolidate back office functions to cut costs
Future vision

- Build client trust to expand client base and in turn grow Nomura’s retail business
Medium term targets

- Increase AUM to ¥100trn by 2013 and aim for further growth

Outline of medium term targets

(Net revenue and pretax income in billions of yen) (AUM in trillions of yen)

<table>
<thead>
<tr>
<th></th>
<th>FY2011.3</th>
<th>FY2012.3</th>
<th>FY2013.3</th>
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<tbody>
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<td>Net revenue</td>
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<td>Income</td>
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<td>Taxes</td>
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<td>AUM</td>
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Developing new markets

- Draw up strategies matched to client segments outside Japan