

# **Financial Results Briefing**

**April 2011**

**Nomura Holdings, Inc.**

**Our thoughts and prayers are with the victims  
of Japan's recent earthquake and tsunami**

## Supporting Japan's reconstruction efforts

All branches in affected areas operational, responding to client needs

Launched East Japan Revival Support Bond Fund 1105

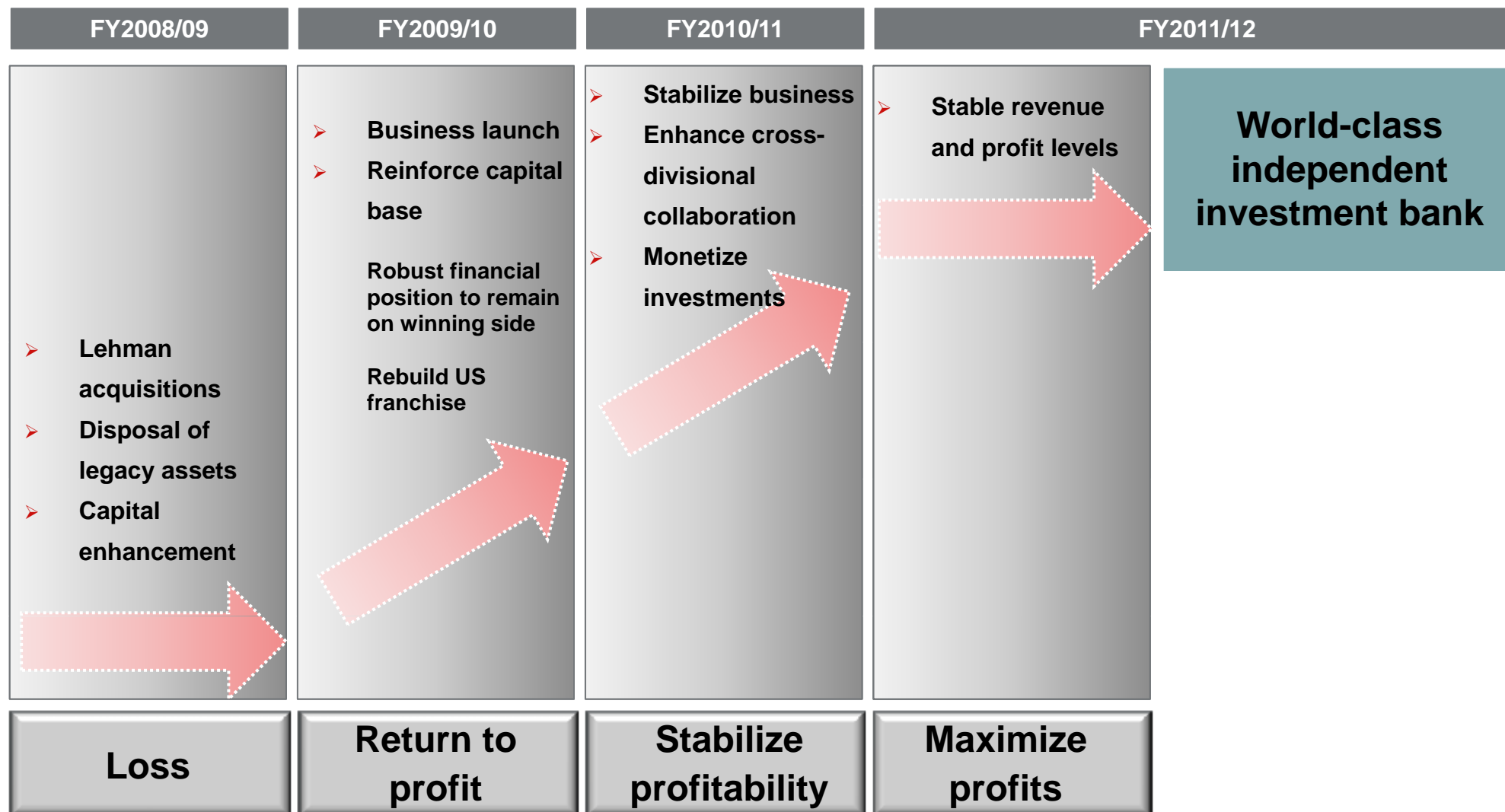
Making policy proposals to government and business organizations

Offering donations to victims

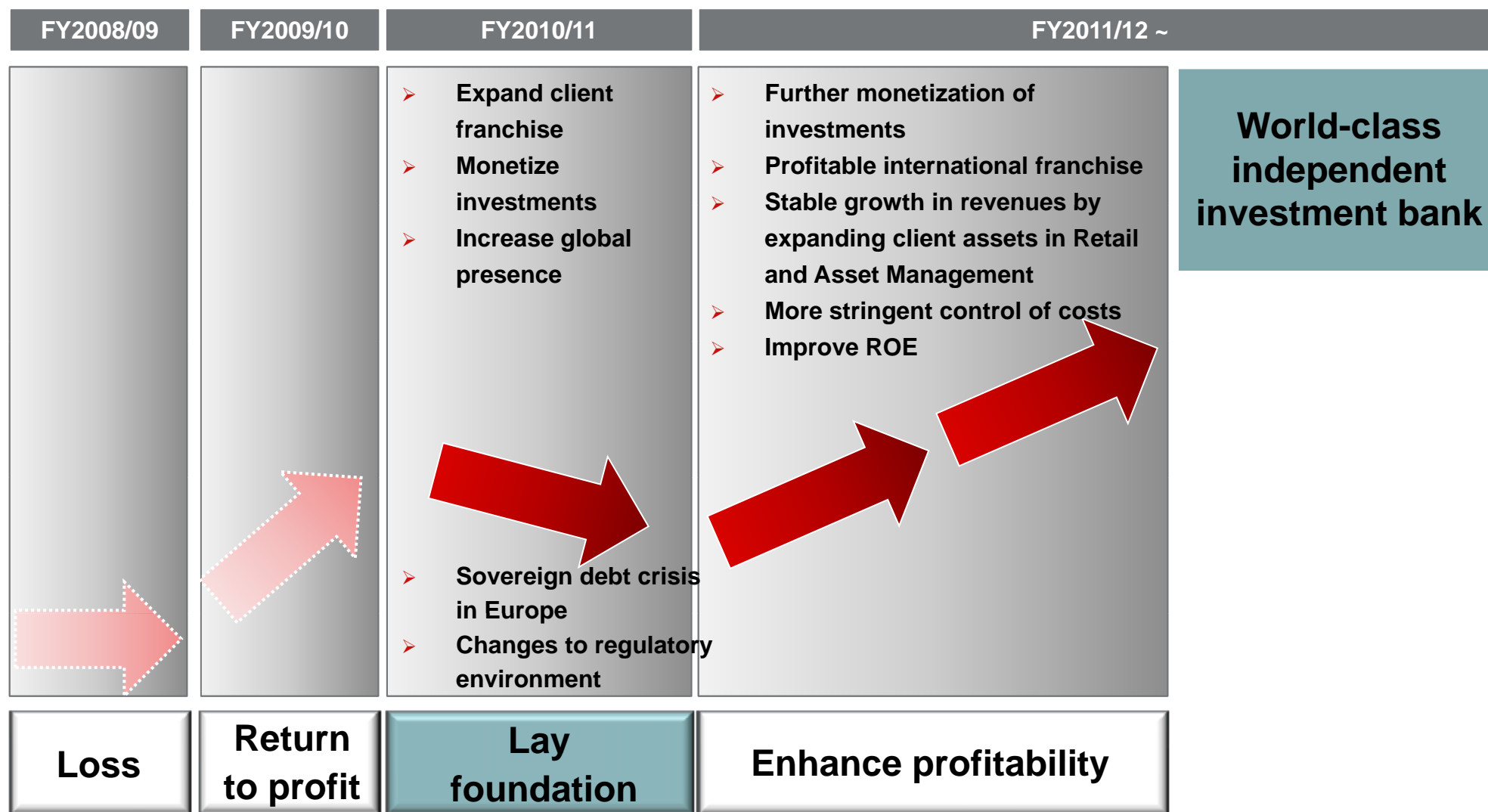


Committed to supporting reconstruction through our core business

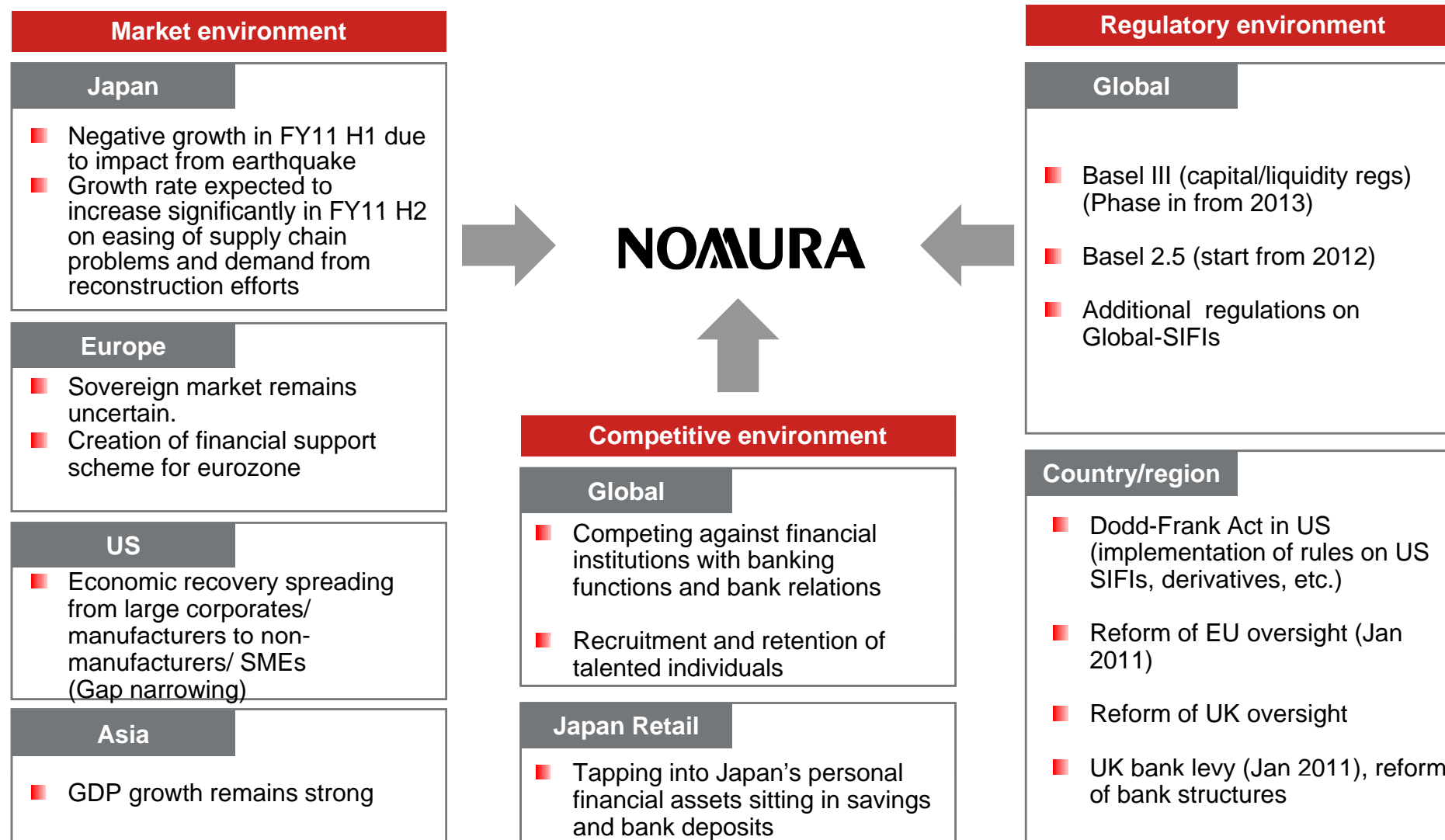
# Original growth scenario



# Current position and future direction

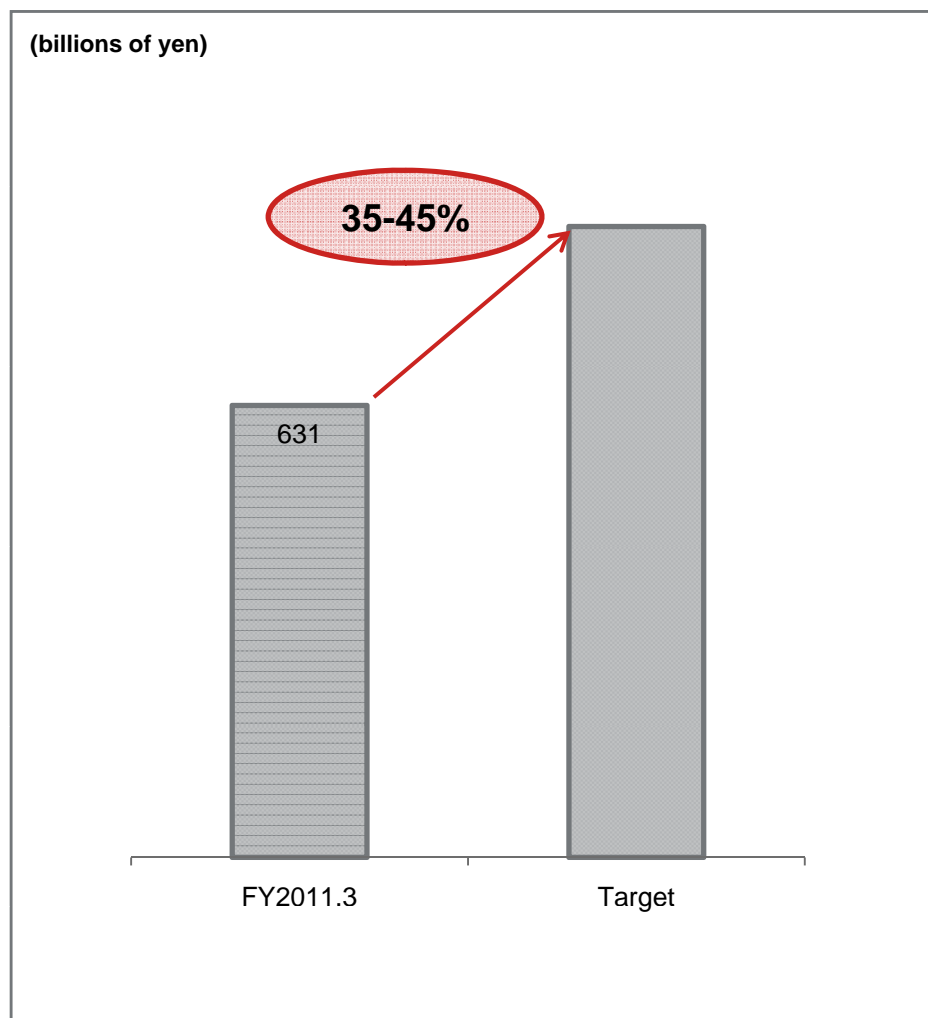


# Current environment



# Division strategies: Wholesale

## Revenue target



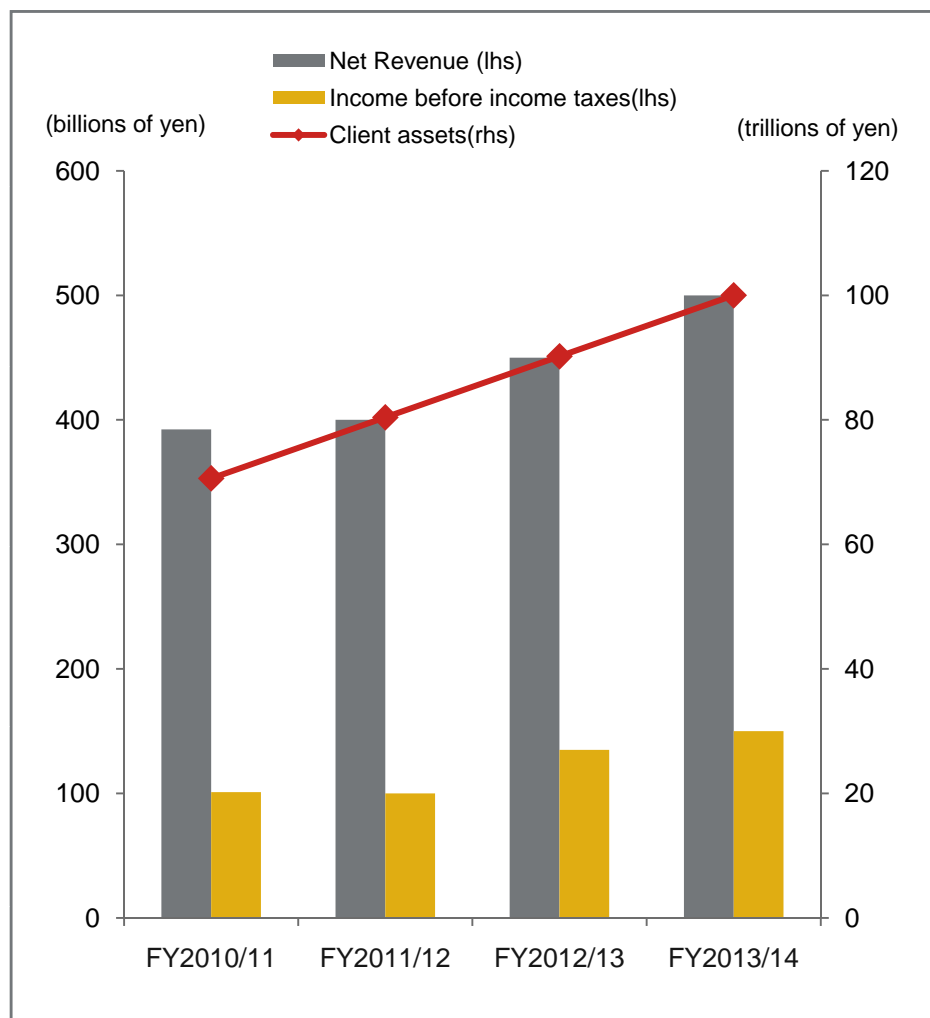
## Key performance indicators

	Target
✓ Revenue growth	15%+ CAGR
✓ Revenue share of top 10	4%+
✓ % Client revenue	70-80%
✓ % International revenue	70-80%
✓ Pretax margin	10-15%

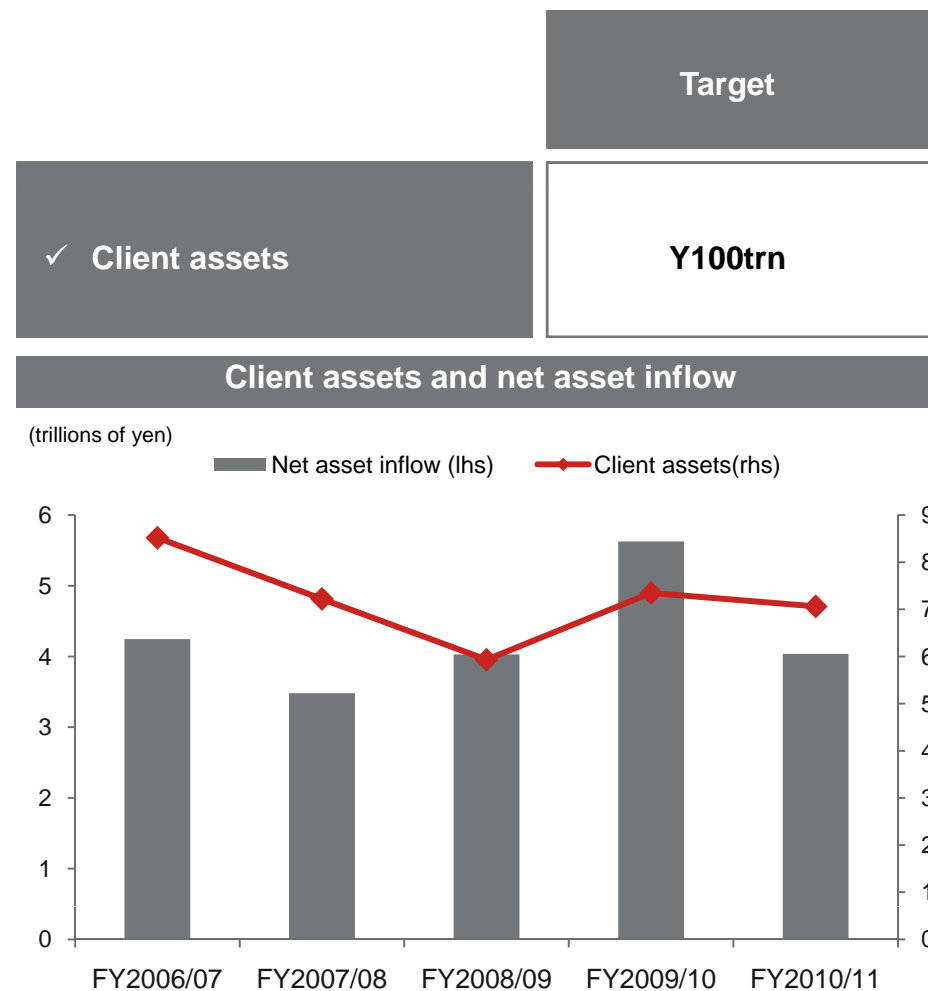
**Presentation to follow by Jesse Bhattal, President and Chief Executive Officer, Wholesale Division**

# Division strategies: Retail (1)

## Target



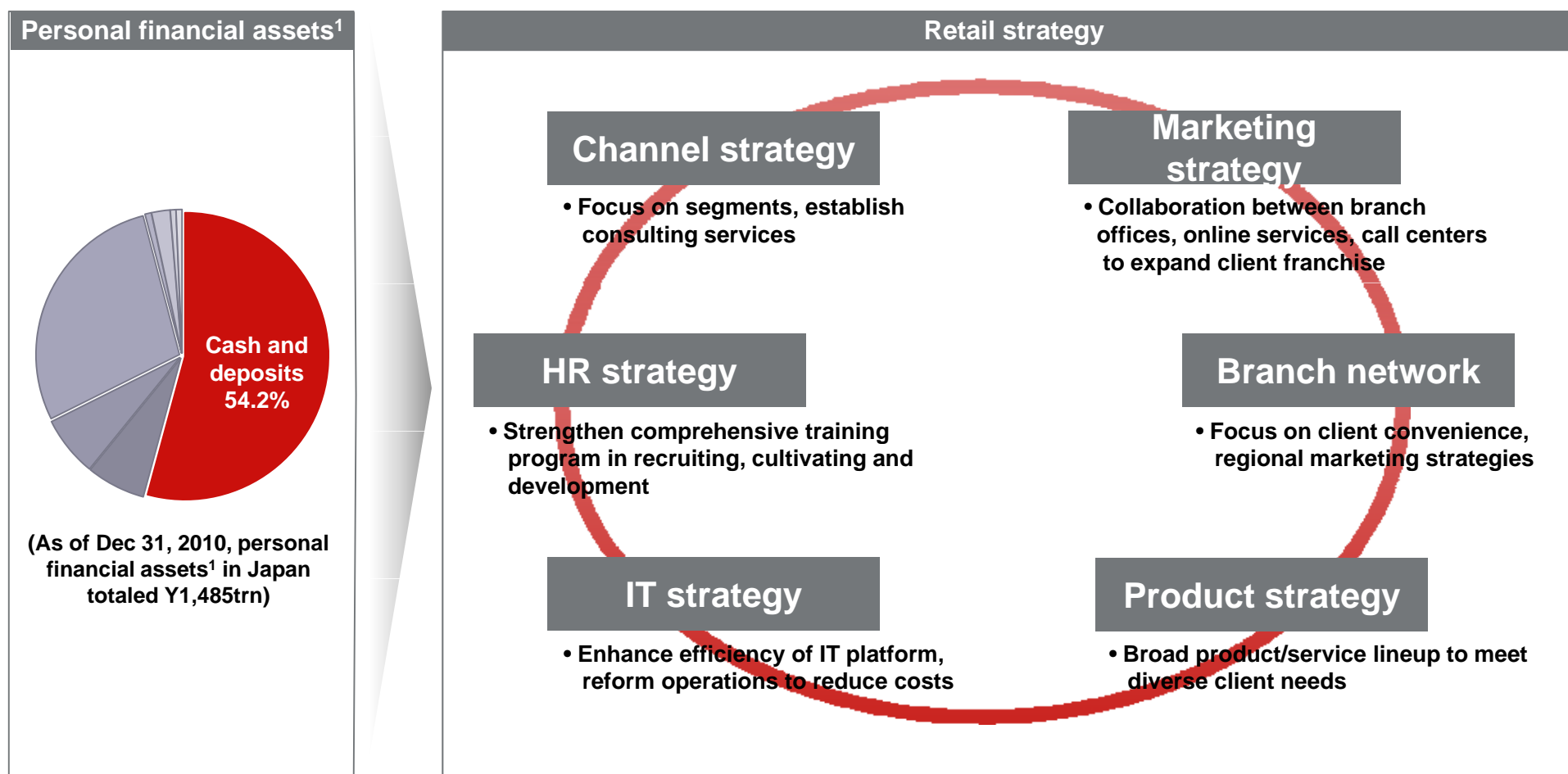
## Key performance indicator





# Division strategies: Retail (2)

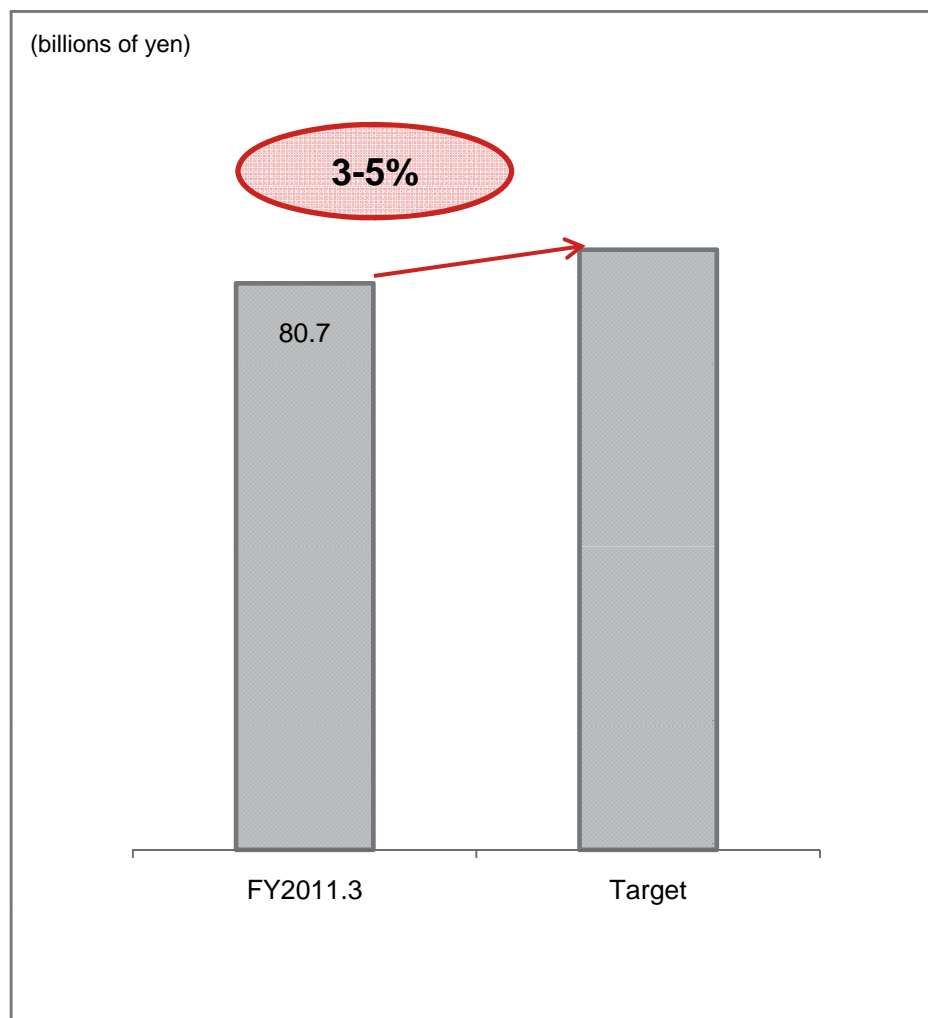
Provide consulting services to improve client satisfaction, expand client assets



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

# Division strategies: Asset Management (1)

## Revenue target




## Key performance indicators

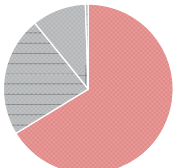
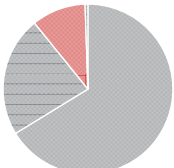
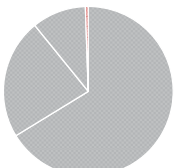
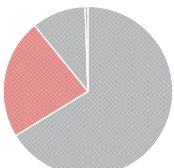
	Target
✓ Assets under management <sup>1</sup>	Y30trn
✓ Domestic publicly offered funds <sup>2</sup>	Y17trn
✓ Investment advisory assets <sup>2</sup>	Y11trn

1. Adjusted for asset overlap among group companies.

2. Nomura Asset Management only, as reported to The Investment Trusts Association, Japan and the Japan Securities Investment Advisers Association.

# Division strategies: Asset Management (2)

 = Assets under management (as of March 2011)

	Individual investors/Mutual fund business	Institutional investors/Investment advisory business
Japan	 <ul style="list-style-type: none"> <li>Deliver products that meet diverse client needs through broad range or channels such as securities firms (incl. online brokers), banks, Japan Post Bank/Japan Post, and DC pension funds</li> <li>Further enhance ETF lineup</li> </ul>	 <ul style="list-style-type: none"> <li>Products matched to client needs (benchmark, absolute return, RAFI<sup>®1</sup>, etc.)</li> <li>Total solutions for pension funds</li> </ul>
Non-Japan	 <ul style="list-style-type: none"> <li>Supply products for high net worth clients via major financial institutions through UCITS fund structure</li> <li>Increase promotion of Nomura Partners Funds in US</li> </ul>	 <ul style="list-style-type: none"> <li>Deliver competitive active management on a global basis</li> <li>✓ Pension funds and other institutional investors in Europe</li> <li>✓ Government institutions in Middle East and Asia</li> <li>✓ Islamic regions (Sharia-compliant products)</li> </ul>
Products	<ul style="list-style-type: none"> <li>Japanese equities, Asian equities, global bonds, high-yield products (NCRAM), RAFI products<sup>1</sup> (Japanese equities, global equities, others), etc.</li> </ul>	

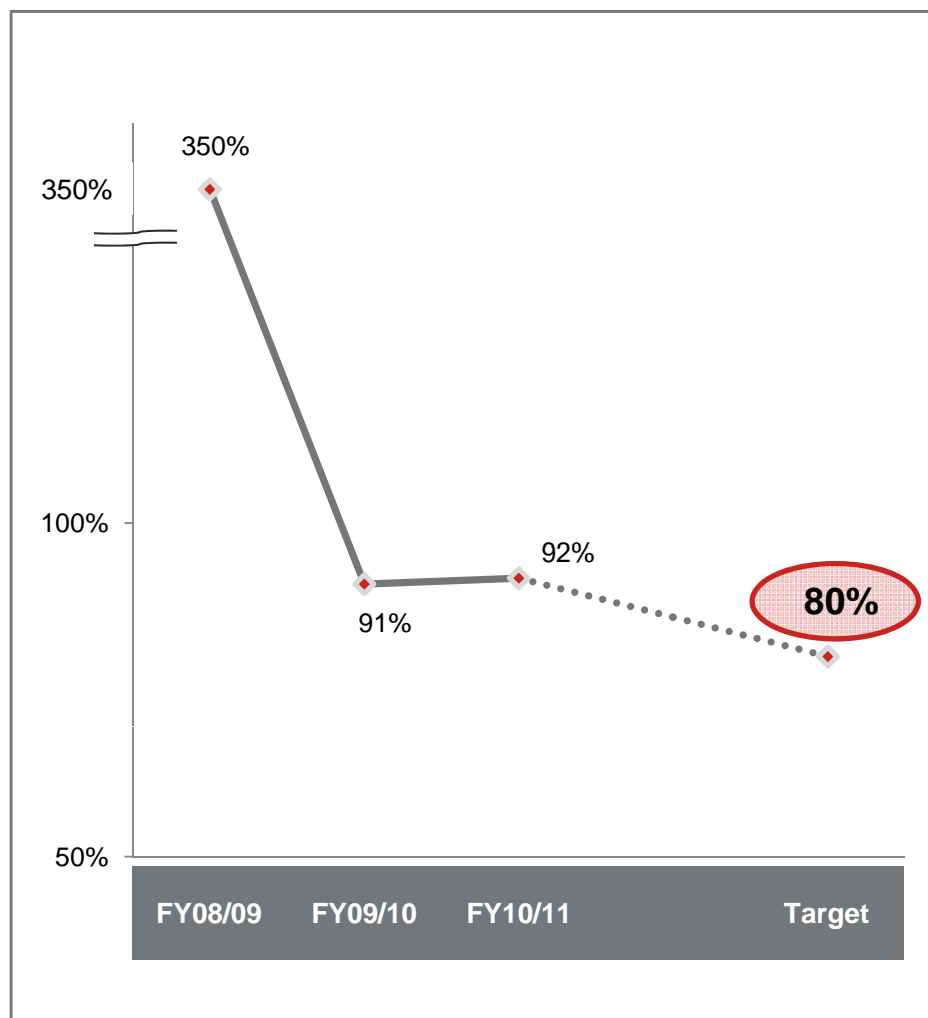
## Improve investment performance

Further enhance investment capabilities primarily in Asia by strengthening local equity research capabilities (plan to open research office in Shanghai)

1. Products based on Research Affiliates Fundamental Index<sup>®</sup> methodology.

# Expenses

## Expense to net revenue ratio



## Initiatives

**Contain cost increases relative to revenue growth**

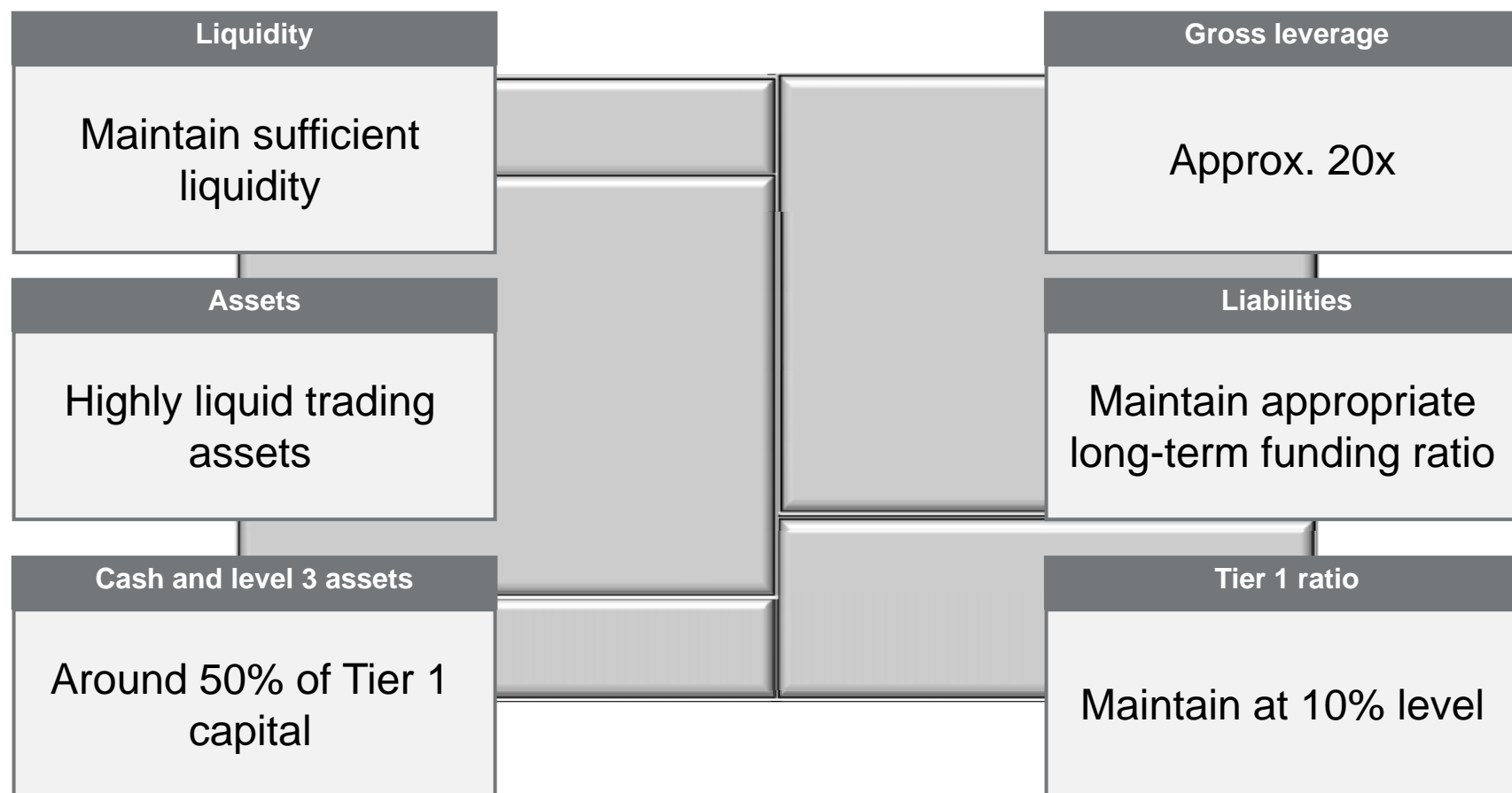
### Personnel expenses

- Shift to variable compensation
- Compensation system that reflects revenues and resource use
- Recruitment plan taking into account business environment, business priorities, and cost effectiveness

### Non-personnel expenses

- Stringent cost control
  - Rigorous budget planning and control process
- Detailed evaluation of new investment areas
- Efficient, strategic IT investment

# Financial strategy



As of Mar 2011 (Dec 2010)

- Liquidity: Y5.9trn (Y5.6trn)
- Trading assets: 41% of total assets (44%)
- Net level 3 assets: 37% Vs. Tier 1 (43%)

- Gross leverage: 17.6x (16.2x)
- Long-term debt / Unsecured debt: 73% (79%)
- Long-term funding outside Japan: 22.5% (20.7%)
- Tier 1 ratio: 16.4% (17.3%)

## Nomura's vision

**World-class independent investment bank**

**Growth driven by client centric, client flow business model**

**Offer world-class products and services**

**Allocate resources accordingly**

**Nomura Holdings, Inc.**  
**[www.nomura.com/](http://www.nomura.com/)**