

Nomura Asia Equity Forum 2011

June 2011

Nomura Holdings, Inc.

1.

Review of last fiscal year

**Kenichi Watanabe
President & CEO**

2.

Addressing strategic issues

3.

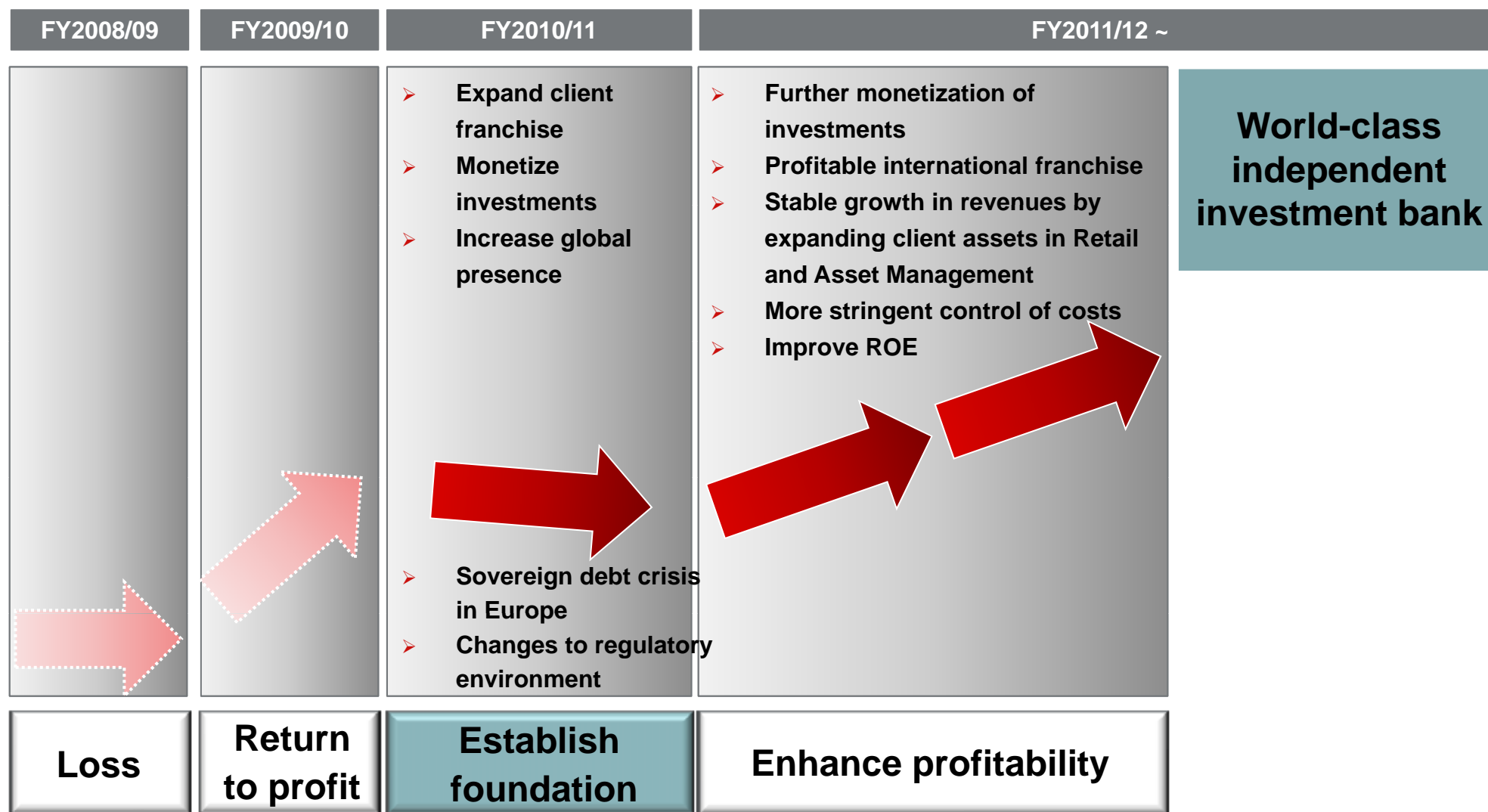
Corporate governance

4.

**Monetizing our Momentum
Nomura Asia ex-Japan**

**Philip Lynch
Regional CEO, Asia ex-Japan**

Two full years of profitability

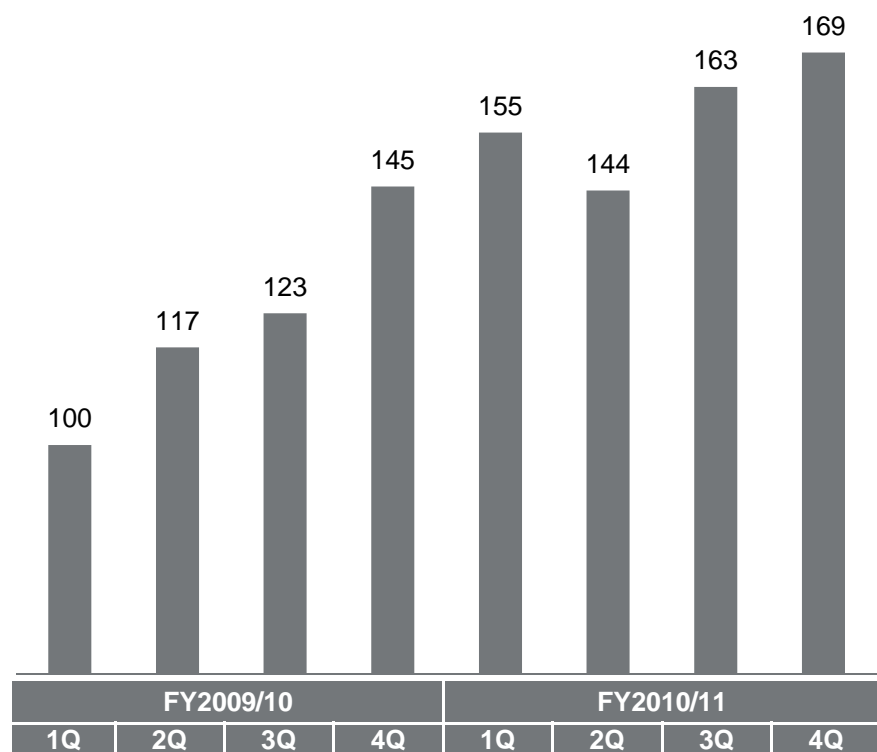


FY2010/11: Establish foundation (1)

Expand client franchise

Global Markets client revenues

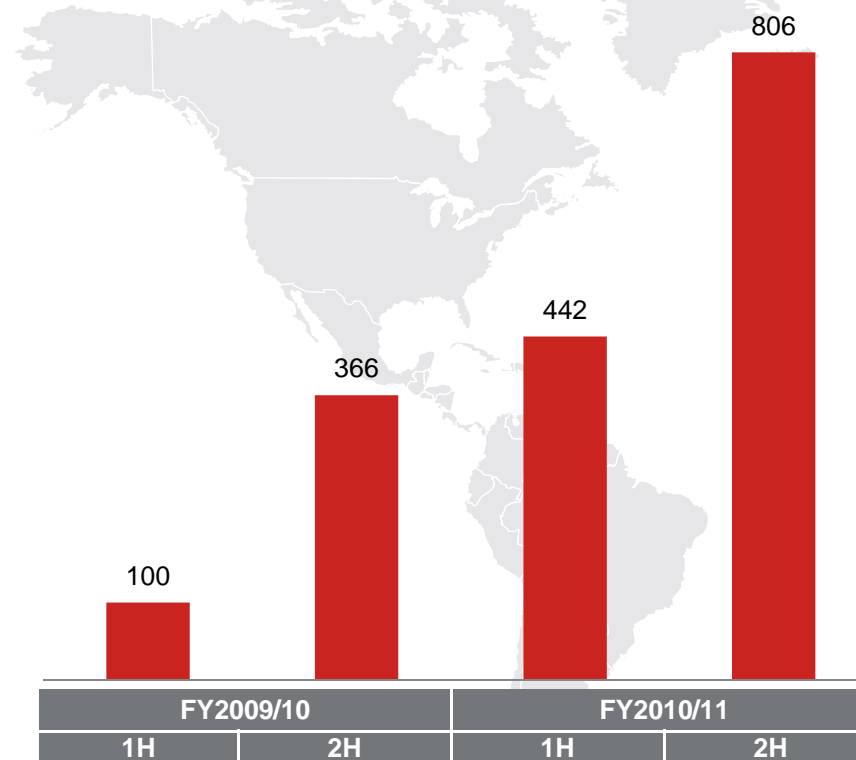
(Indexed, FY2009/10 1Q = 100)



Monetize investments

Wholesale net revenues from Americas¹

(Indexed, FY2009/10 1H = 100)

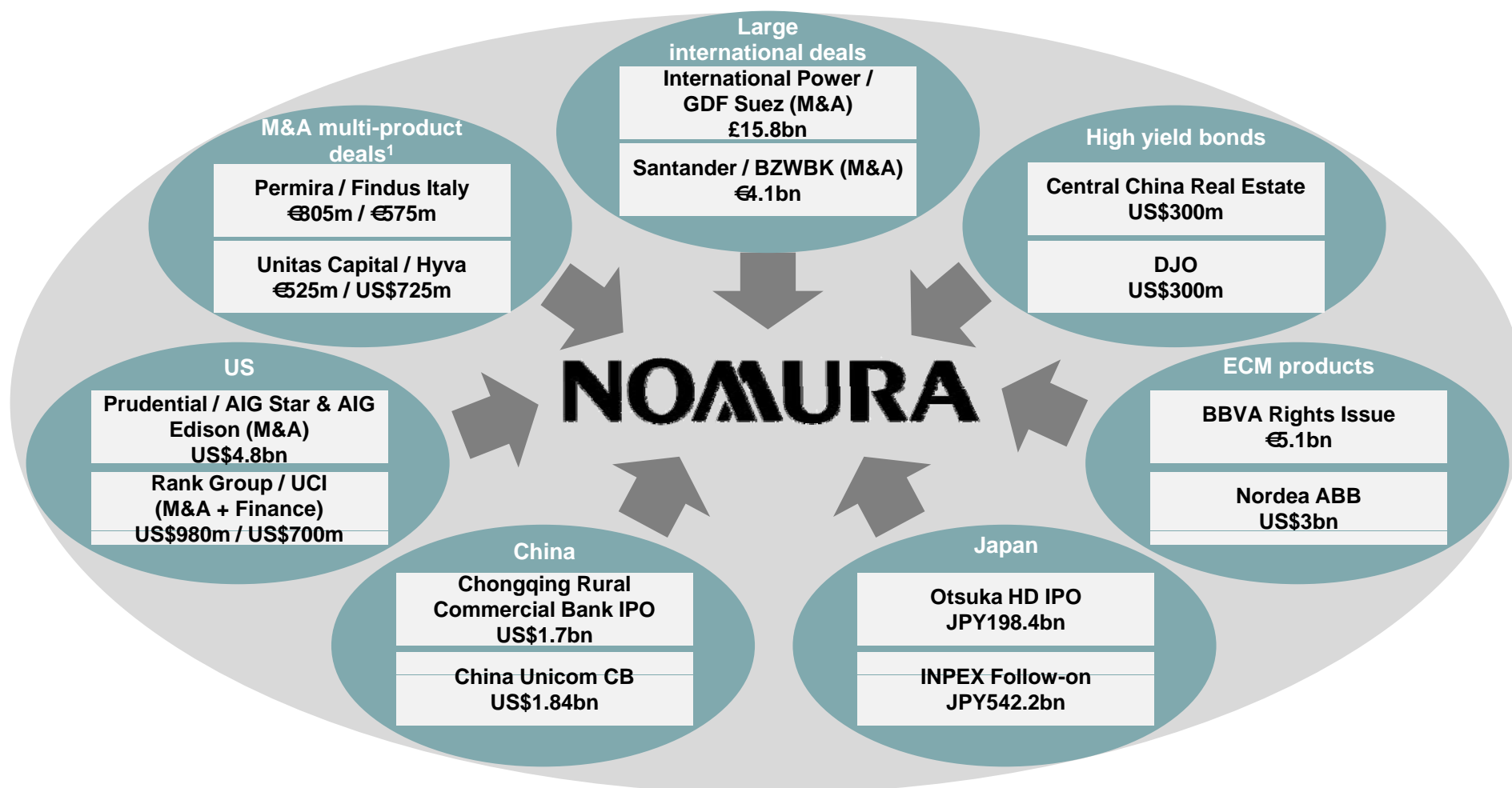


Note: 1. Excludes Instinet

FY2010/11: Establish foundation (2)

Increase global presence

Diversified revenue sources through disciplined expansion of product mix and coverage markets



(1) M&A deal size (left) + Financing deal size (right).

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Strategic issues

✓ **Monetize international franchise, ensure consistent profits**

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✓ **Expand client assets in Retail and Asset Management to achieve stable growth in revenues**

=>Page 11

✓ **Implement more stringent control of costs**

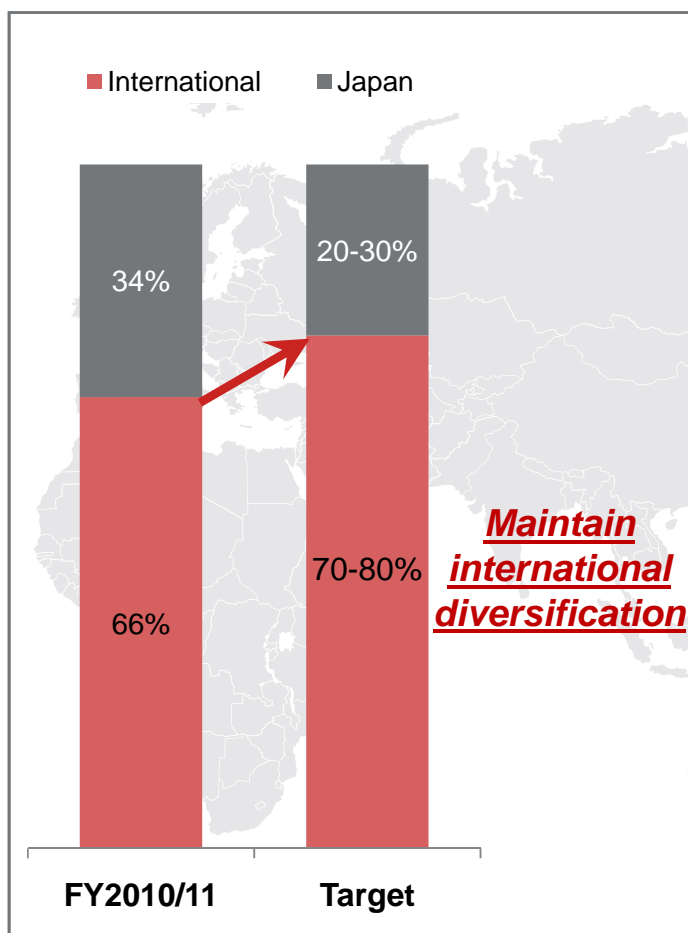
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Enhance profitability

Wholesale: Monetize international franchise, ensure consistent profits

International revenue contribution



International strategies

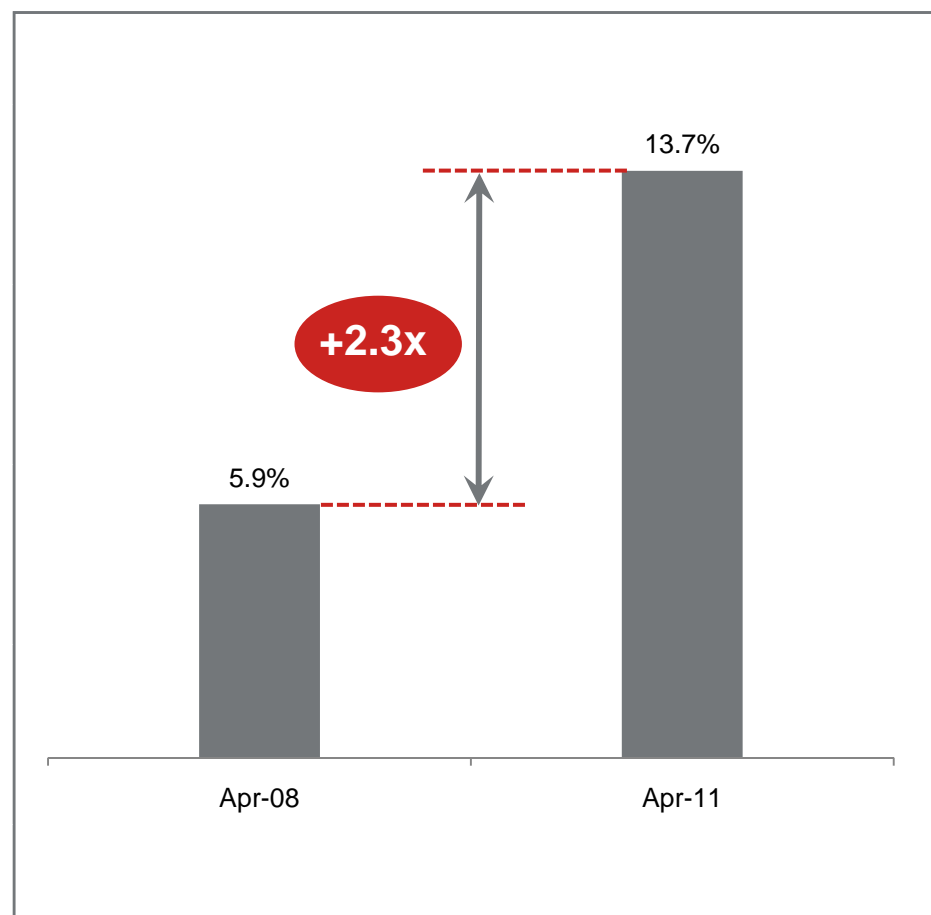
EMEA	<ul style="list-style-type: none"> Re-energize and monetize EMEA Equities <ul style="list-style-type: none"> Derivatives as core competency Grow Cash and other businesses selectively Rates to become the single largest business in FI Expand on Structured Credit success Growth in IB driven by M&A, financing
Americas	<ul style="list-style-type: none"> 60%+ growth in budgeted revenues (ex-Instinet) Fixed Income leading with Securitized Products, Rates Increasing contribution from Credit and FX Reap dividends from 2010/11 investments in Equities <ul style="list-style-type: none"> Momentum in Flow Derivatives Cash aligned with IB and trading capabilities IB emphasis on financing / solutions and M&A More focused build and cross-divisional alignment
AEJ	<ul style="list-style-type: none"> Grow revenues by monetizing existing platform <ul style="list-style-type: none"> Execution services, ECM, FX, Rates, distribution Driving client strategy and productivity Increase contribution from higher-margin products <ul style="list-style-type: none"> Structuring, private financing, derivatives solutions Deepen penetration of key local markets

International profitability a key objective

Wholesale: Market share growth in Japan since 2008

Equities

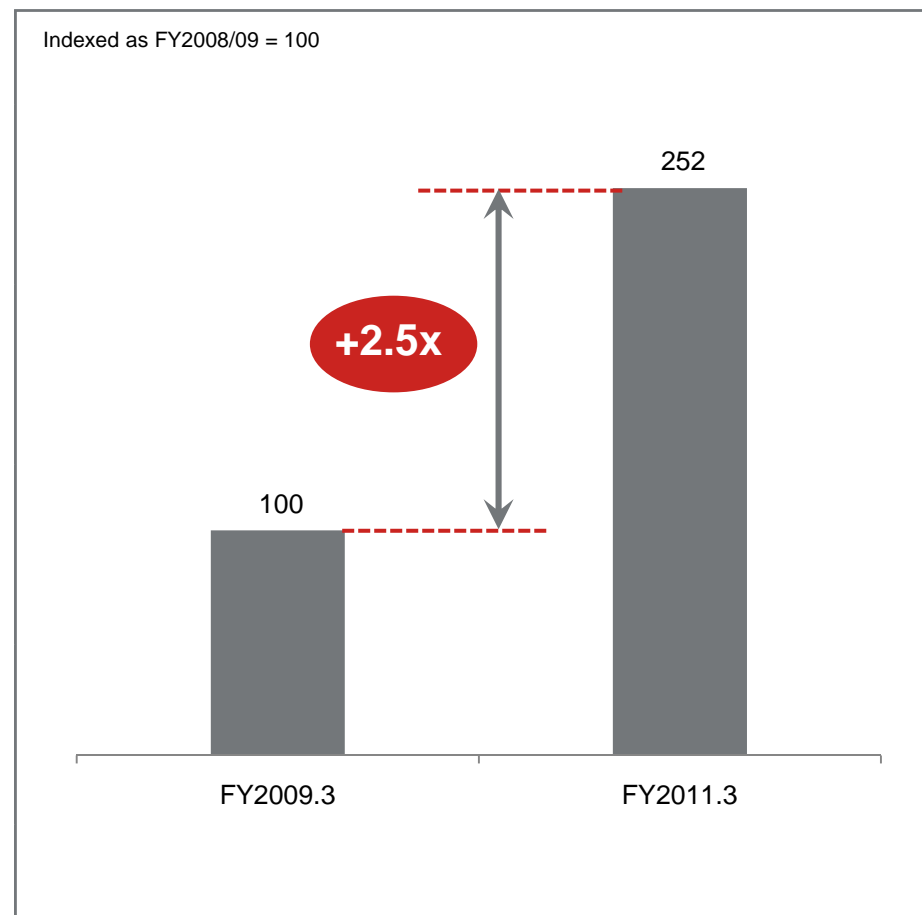
Market share on Tokyo Stock Exchange¹



Fixed Income

Client revenues related to flow derivatives with Japanese institutional investors

Indexed as FY2008/09 = 100



Wholesale: Maintaining dominant market share in Japan

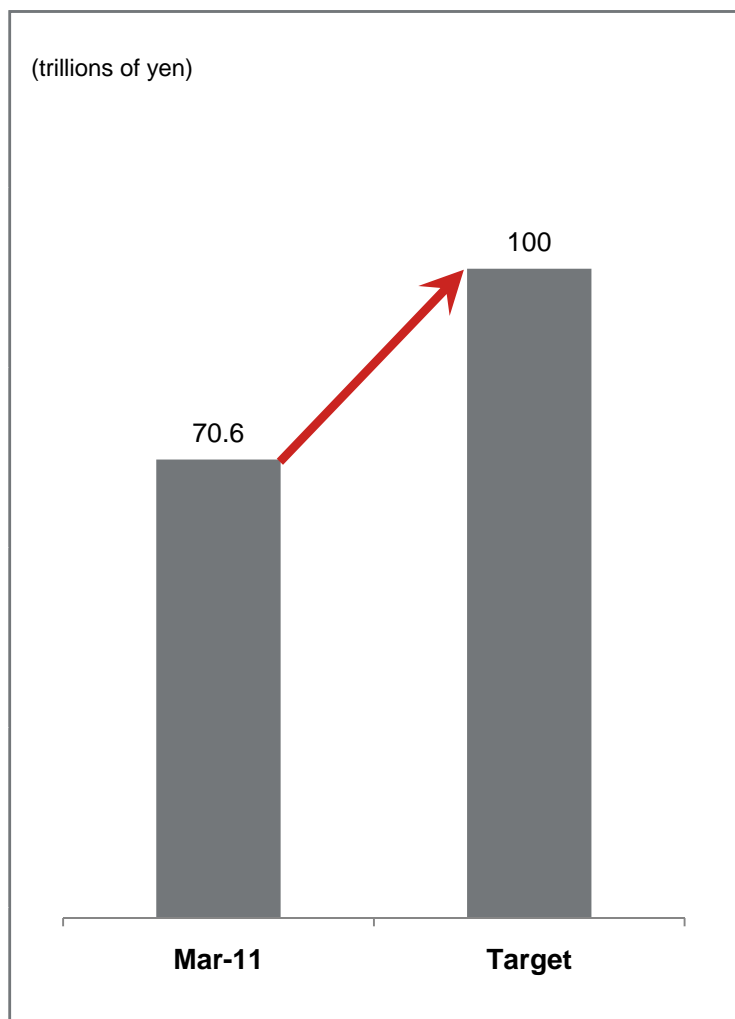
Japan related M&A, ECM, DCM League Tables³ (FY2010/11)

	Financial Advisor / Bookrunner	Rank Value	Share (%)	# Deals	
M&A ¹	1 Nomura	\$64 bn	51.8	116	#1 4 consecutive years
	2 JP Morgan	\$37 bn	29.9	17	
	3 MUFJ Morgan Stanley	\$31 bn	25.6	64	
ECM	1 Nomura	\$21 bn	44.3	54	#1 10 consecutive years
	2 Goldman Sachs	\$5 bn	9.6	5	
	3 Daiwa	\$5 bn	9.6	26	
DCM ²	1 Nomura	¥2.3 tr	24.2	112	#1 3 consecutive years
	2 Mizuho	¥1.9 tr	20.3	117	
	3 Daiwa	¥1.6 tr	17.5	92	

Note: 1. Excludes real estate transactions 2. All corporate debt (excludes Government, Agencies, Government Sponsored Enterprises), includes self-led issues
3. Source: M&A & ECM league tables per Thomson Reuters, DCM league table per Thomson DealWatch

Retail: Stable growth in revenues by expanding client assets

Retail client assets

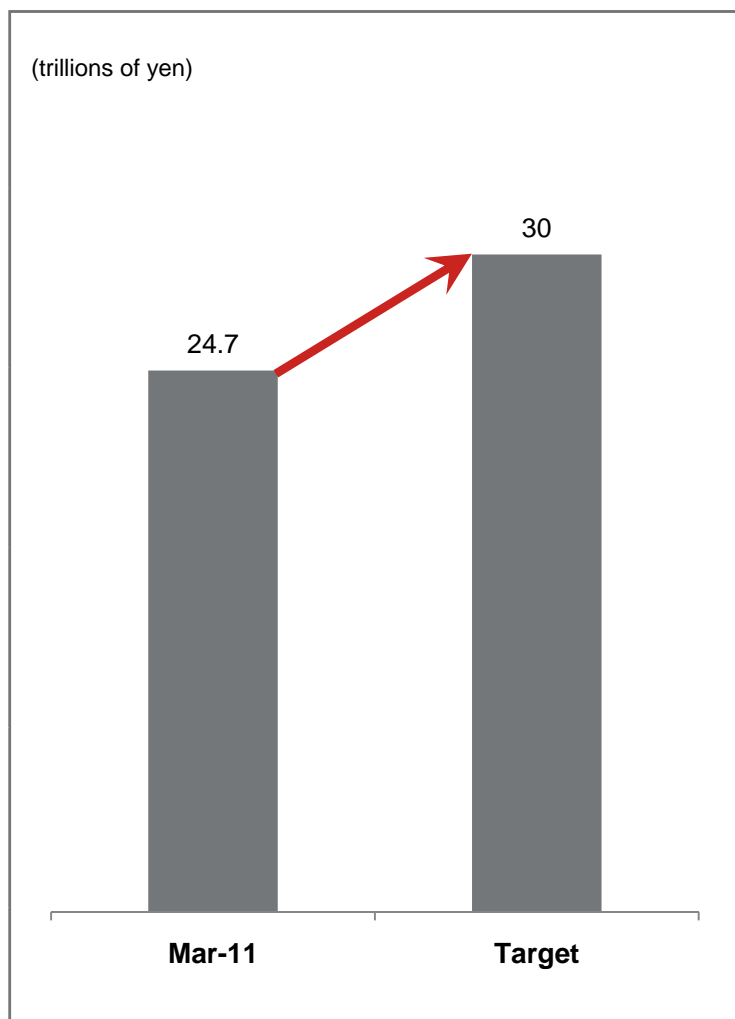


Key initiatives

- Take a consulting-based approach to deliver financial services tailored to the needs of retail investors
- Six strategies
 - Focus on segments, establish consulting services
 - Collaboration between branch offices, online services, and call centers to expand client franchise
 - Focus on client convenience, regional marketing strategies
 - Expand product and service lineup
 - Strengthen comprehensive training program in recruiting and ongoing development
 - Enhance efficiency of IT platform

Asset Management: Stable growth in revenues by expanding assets

Assets under management



Key initiatives

- Mutual fund business
 - Deliver products that meet diverse client needs through a broad range of channels such as securities firms (incl. online brokers), banks, Japan Post Bank/Japan Post, and DC pension funds
- Investment advisory business
 - Products matched to client needs
 - Deliver competitive active management on a global basis
 - Pension funds and other institutional investors in Europe and US
 - Government institutions in Middle East and Asia
 - Islamic regions (Sharia-compliant products)
- Improve investment performance

Asset Management: Further strengthen management and research capabilities for Asian equities

Offer Asia-focused products to clients globally

Enhancing capabilities in Asia

Headcount¹: 100
(As of Mar 2011)

- ✓ Entered Asia in 1988, over 20 years of asset management experience in the region
- ✓ Focused on expanding capabilities in Asia from 2006 to 2008
- ✓ Building local research platform centered on Asian equity asset management hub in Singapore

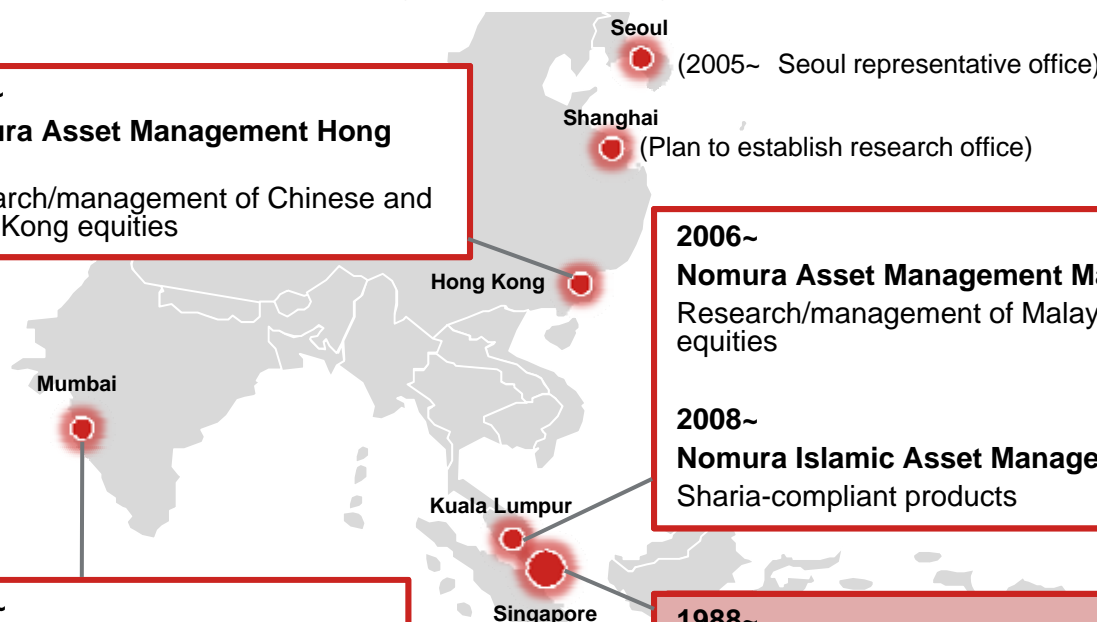
1988~
Nomura Asset Management Hong Kong
Research/management of Chinese and Hong Kong equities

2006~
Nomura Asset Management Malaysia
Research/management of Malaysian equities

2008~
Nomura Islamic Asset Management
Sharia-compliant products

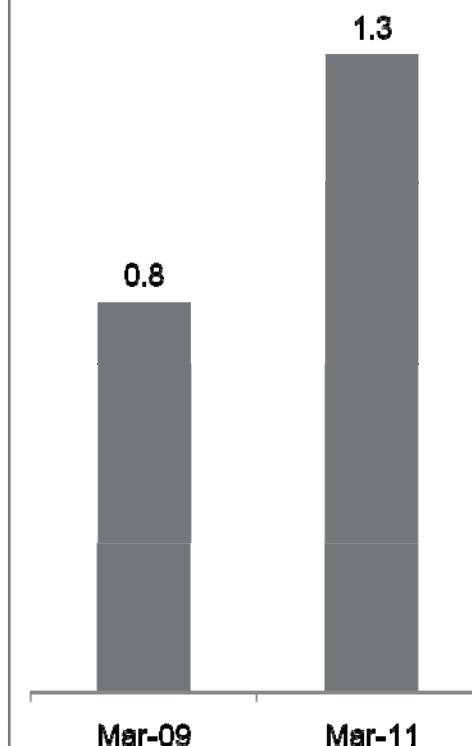
2011~
LIC Nomura Mutual Fund Asset Management
Indian equity research

1988~
Nomura Asset Management Singapore
Control tower for managing Asian equities



AuM in Asian equities²

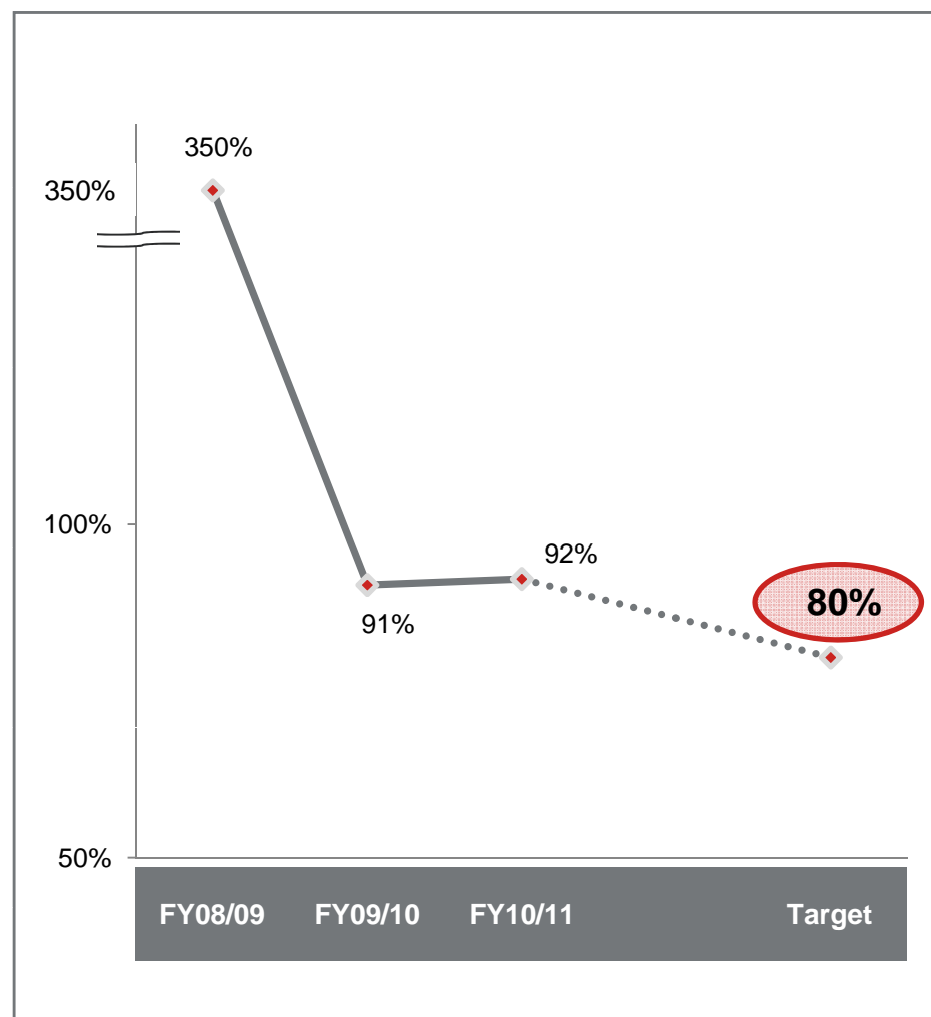
(trillions of yen)



1. Excludes LIC Nomura Mutual Fund Asset Management headcount.
2. Excluding Japanese equities

Implement more stringent control of costs

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

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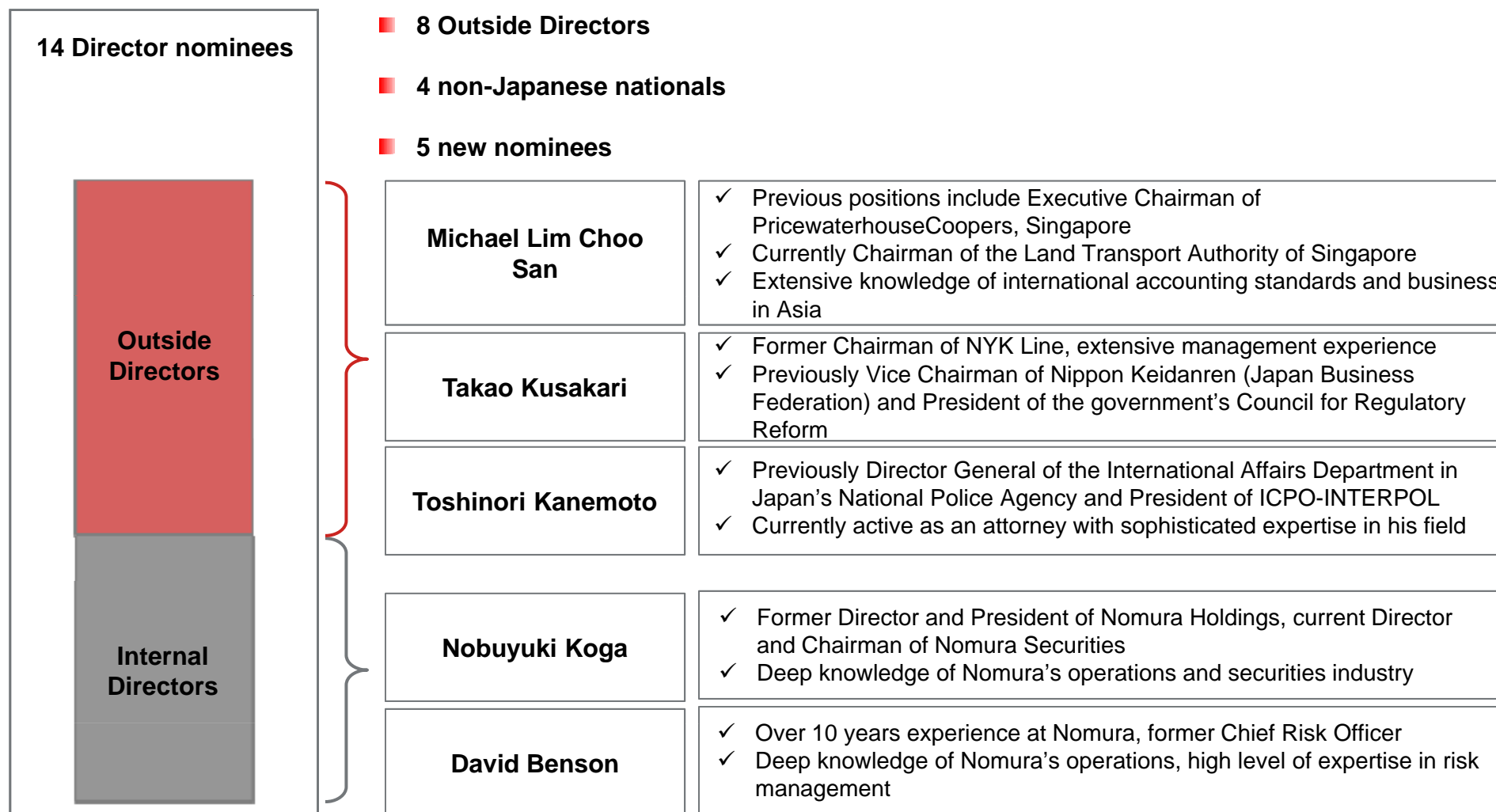
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Stronger corporate governance

Ensuring high levels of expertise and independence to further enhance corporate governance



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Nomura Asia ex-Japan

Differentiated proposition for clients and stakeholders

- 
- ✓ **Asia-based global investment bank** – Asia is our home turf
 - ✓ **Scaled to win** – size as an advantage, nimble and focused
 - ✓ **Return oriented** – totally commercial
 - ✓ **Momentum house** – disrupting the status quo

Key Objectives

Strategic

- Market leadership or 'sweet spot' or not a focus
- Client orientation
- Thought leadership
- Smart risk-taking

Financial

- ~20-25% annual revenue growth
- Operating leverage, ~10-20% pretax
- Earnings quality, balance sheet efficiency

Cultural

- High performance
- Commercial
- Meritocratic
- Committed

Nomura AEJ – A Differentiated Proposition

Business Momentum in 10/11

- ✓ Execution Services client revenue +30% YoY
- ✓ Record exchange shares in 6 out of 7 markets
- ✓ Fixed Income revenue +19% YoY vs. market decline of -10%¹
- ✓ Fixed Income client revenue +55% YoY
- ✓ Landmark Investment Banking deals across Asia
- ✓ Record revenue in Wealth Management (+18% YoY)
- ✓ Reduced total expenses by 13% YoY, NPE² by 3% YoY

1. Nomura estimates

2. NPE – Non-personnel expense

Note: Year on year (YoY) changes are based on US\$

Our Presence and Brand

Industry Recognition in 2010

Asian Investor

**Best Onshore Broker
Asia-Pacific**



**Best Debt Bank
in Asia**

FinanceAsia

**#3 ranked in
“Best Analyst” categories**

**Institutional
Investor**

**#6 All-Asia Research Team,
highest top 3 penetration
and analyst productivity**

EUROMONEY

**Best M&A House
in Korea**



**Best Derivatives
House in Korea**

Investment Banking Deal Highlights in 2010

China Unicom \$1.8 billion Convertible Bond

“Best Equity-linked Deal” – *FinanceAsia*

“Equity-linked Deal of the Year” – *IFR Asia*

“Asia-Pacific Structured Equity Issue of the Year” – *Asiamoney*

Westpac £600 million 3-year Senior Unsecured Floating Rate Notes

First benchmark Sterling FRN in the market in 2.5 years

KKR’s \$1.8 billion Takeover of Oriental Brewery

“Best FX Structured Product” – *FinanceAsia*

Chongqing Rural Commercial Bank \$1.7 billion Initial Public Offering

Third largest China IPO in Hong Kong in 2010

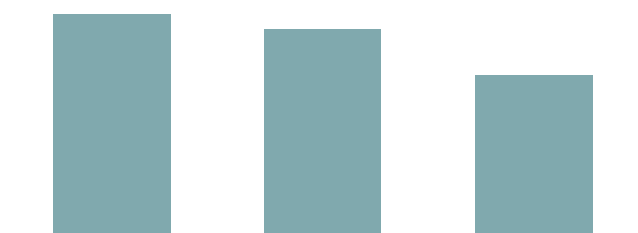


Where We Are

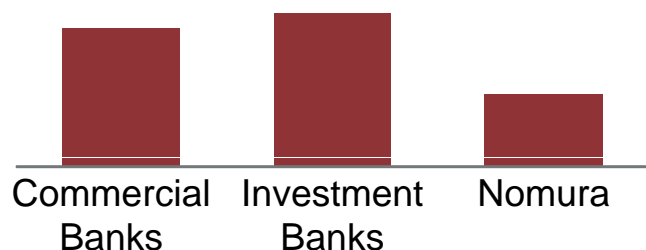
Revenue Comparison 2010



Producer Headcount Comparison 2010



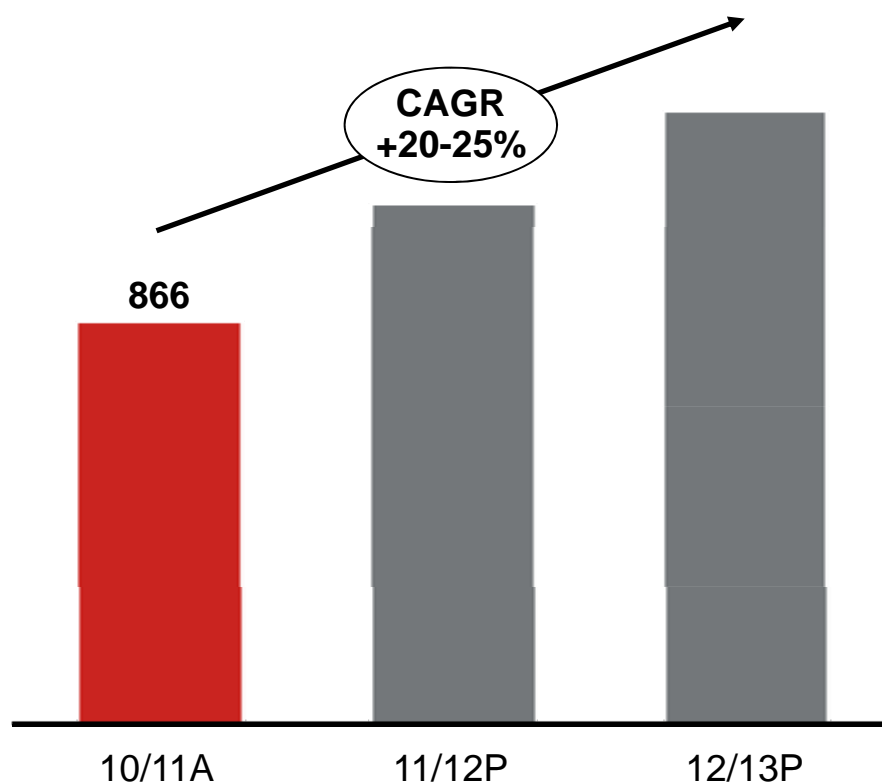
Productivity Comparison 2010



- Business mix roughly in line with traditional investment banks
- However, significantly smaller scale: ~50% of revenue and ~75% of producer headcount
- Increasing productivity will be a major lever for growth
- Revenue scale closest in EQ
- Biggest gap in FI vs. commercial banks
- Heavy emphasis on developing IB pipeline

Financial Objectives – 2-Year Outlook

Revenue Projection (\$M)



Key Growth Drivers

1 Monetization

- Focus on areas of strength and areas of growth
- Leverage strong momentum; industrialize client strategy

2 Local Markets

- Build onshore platforms: China, India and Australia

3 Accretive Business

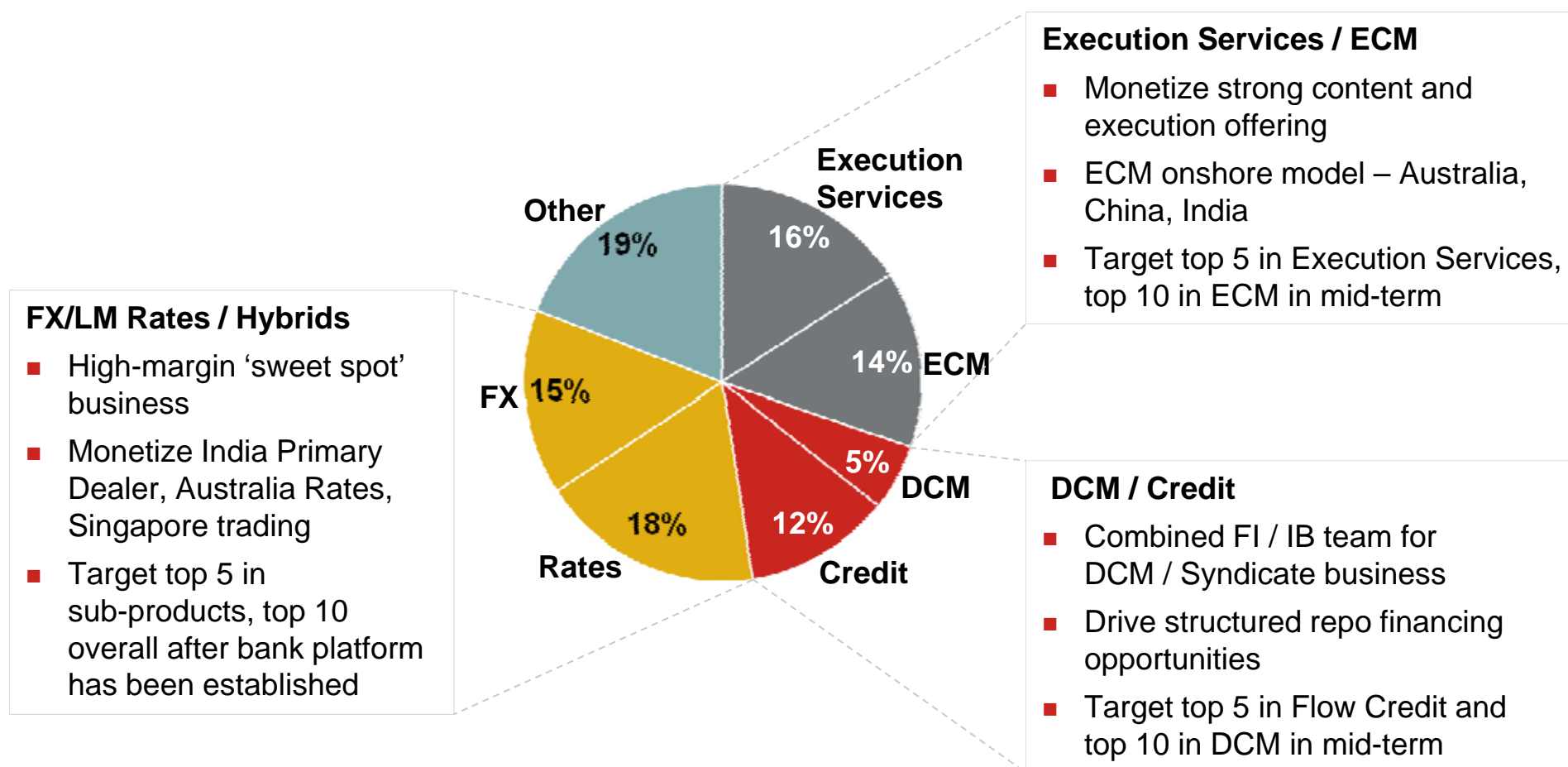
- Complement our client flow franchise with accretive business with significant upside

Note: 10/11A revenue is converted from JPY to US\$ at 82.76 (FRB noon rate as of March 31, 2011)

1 Monetization – Products

Focus on areas of strength and areas of growth

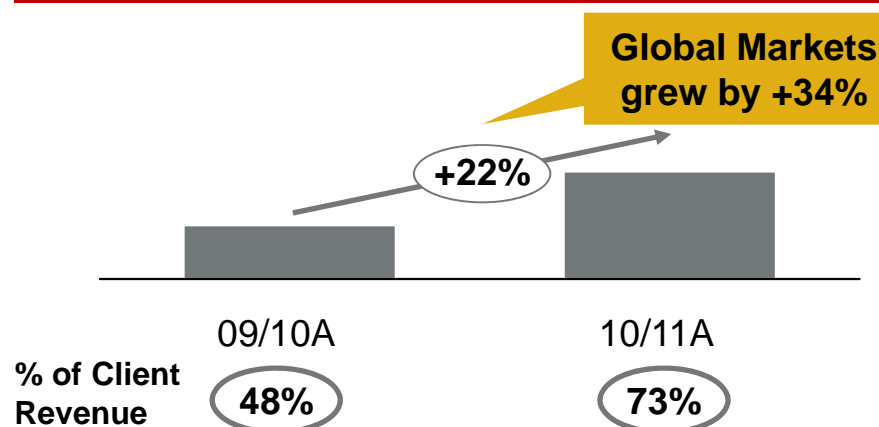
AEJ Wholesale Revenue Pool 2010 (\$44B)



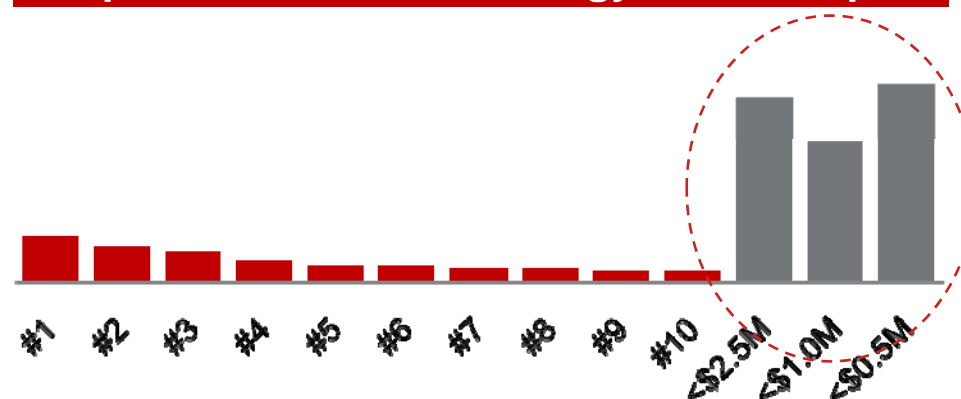
Source: Nomura estimates

1 Monetization – Clients

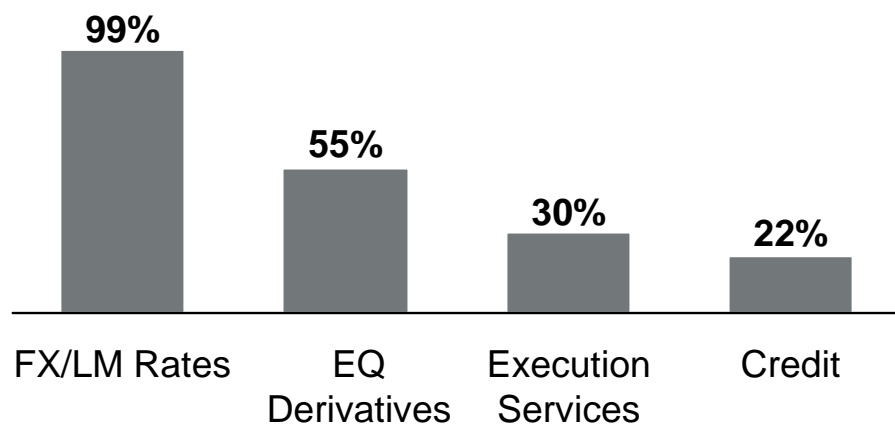
Client Revenue Growth



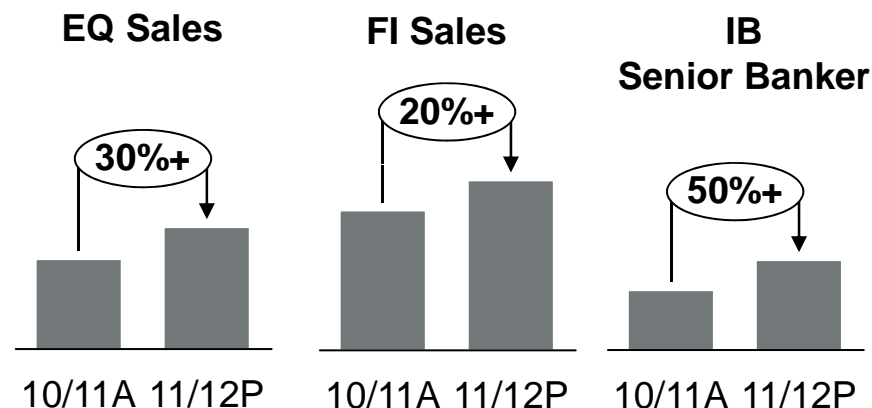
Top Clients and Tail Strategy – FI Example



Client Revenue Growth by Product (YoY)



Target Productivity Gains 10/11



Note: Year on year (YoY) changes are based on US\$

2 Local Markets

Building onshore platforms

India

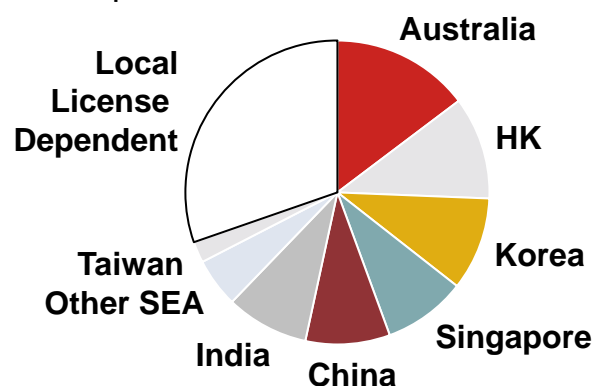
- Grow Execution Services
- Monetize NBFC and PD
- IB to focus on ECM and M&A, conglomerate relationships
- Asset Management LIC JV

China

- Strong cross-border business established
- Deepen offshore EQ Research coverage
- ECM execution / coverage focus

AEJ Revenue Pool by Country 2010

Total = \$44B



Australia

- Increase research coverage
- Increase Rates capabilities, leverage Japan linkages
- Build ECM and M&A pipeline

3 Accretive Business

Utilize financial resource capacity to add accretive business and complement client franchise

Accretive Business Opportunities

- **Structured Solutions**
 - Equity derivatives for hedging, monetization strategies, dilution management
 - Risk solutions for corporates
 - Insurance solutions, liability management
- **Corporate Sales and Private Financing**
 - Targeting corporates with structured solutions and financing needs
- **Smart Risk-taking**
 - Cultivating strong risk culture and framework
 - Utilize B/S capacity and leverage client platform



Potential to add ~\$200M+ revenue by 12/13

Recap

Momentum in 10/11

- ✓ Execution Services client revenue +30%
- ✓ Record exchange shares in 6 markets
- ✓ Fixed Income revenue +19%
- ✓ Fixed Income client revenue +55%
- ✓ Landmark Investment Banking deals
- ✓ Record revenue in Wealth Management



Momentum is our friend



Differentiated positioning



Focus on profitability and returns

Nomura Holdings, Inc.
www.nomura.com