Investors’ Day

Wholesale strategy – “Fit for the Future”

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President and Group COO
Wholesale CEO
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The consolidated financial information in this document is unaudited.
Global wholesale market revenues and structural changes

2011 global fee pool\(^1\) dropped to 2005 levels

(billions of US$)

<table>
<thead>
<tr>
<th>Year</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>CY2005</td>
<td>215</td>
<td>280</td>
<td>300</td>
<td>205</td>
<td>315</td>
<td>265</td>
<td>220</td>
</tr>
</tbody>
</table>

Financial crisis

Subdued ECM issuance\(^2\)

Active funds in decline in Americas\(^3\)

Electronic trading increasing in Europe\(^4\)

(billions of US$)

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>CY2009</td>
<td>908</td>
<td>897</td>
<td>630</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>2001</th>
<th>2010</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passive funds (index funds + ETFs)</td>
<td>89%</td>
<td>77%</td>
<td>67%</td>
</tr>
<tr>
<td>Active funds (mutual funds)</td>
<td>11%</td>
<td>24%</td>
<td>33%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>2000</th>
<th>2005</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of Equities electronic trades - Europe</td>
<td>0%</td>
<td>30%</td>
<td>60-70%</td>
</tr>
</tbody>
</table>

1. Source: Oliver Wyman, excluding write down
2. Source: Dealogic
3. Source: Morningstar
4. Source: European Principal Traders’ Association (May 2012)
Critical to improve Wholesale profitability

- Implemented $1bn cost reduction program in 2011 in line with changing revenue environment
- Completed cost reductions in Jun 2012 ahead of schedule
- However, booked Y8.6bn pretax loss in Q1 FY2012/13

Critical to improve profitability without relying on a cyclical recovery

- Address unprofitable businesses
- Lower break-even point
Repositioning business model and improving efficiencies to reduce run-rate expenses by $1bn by March 2014

- Significant reduction in cost base: Lower break-even point
- Complete additional $1bn cost reductions by March 2014
- Reposition Equities and Investment Banking business models, focus on core strengths
- Corporate functions: transform IT cost base, improve business efficiencies, rationalize management structure

<table>
<thead>
<tr>
<th>Region</th>
<th>Apr 2011 (run rate before cost reductions)</th>
<th>Jul 2012 (run rate after cost reductions)</th>
<th>Apr 2014 (run rate after additional cost reductions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMEA</td>
<td>63%</td>
<td>52%</td>
<td>45%</td>
</tr>
<tr>
<td>Americas</td>
<td>37%</td>
<td>23%</td>
<td>21%</td>
</tr>
<tr>
<td>AEJ</td>
<td></td>
<td>16%</td>
<td>18%</td>
</tr>
<tr>
<td>Japan</td>
<td></td>
<td>9%</td>
<td>16%</td>
</tr>
<tr>
<td></td>
<td>Approx. $8bn</td>
<td>Approx. $7bn</td>
<td>Approx. $6bn</td>
</tr>
<tr>
<td>PE</td>
<td></td>
<td>45%</td>
<td></td>
</tr>
<tr>
<td>NPE</td>
<td></td>
<td>55%</td>
<td></td>
</tr>
</tbody>
</table>
Repositioning the business model
Key assessment criteria

- Meeting the needs of our clients
- Economic viability/Pretax performance
- Competitive advantages
  - Synergies and interdependencies between products
  - Regulatory, ethics, and compliance

Competitive advantages

- Asia as home market
- Japan market position
- Asia-related cross-border business
- Product and solution capabilities
- Capital, balance sheet, and liquidity
Abundant funds available for investment

Stable political environment and economic conditions

Home to both mature and emerging markets, driver of global economic growth

Combines natural resource producers such as Australia, Indonesia, and Malaysia with consumer countries such as China, Japan, and Korea

Strong growth: Asia’s share of global GDP

- 1980: 18%
- 2010: 28%
- 2050 (Est.): 52%

Tap Asian growth by positioning Asia including Japan as home market

1. Source: Asian Development Bank
Strategic positioning

- Position Asia including Japan as home market, shift to global business model centered on Asia
- In EMEA and Americas, focus on businesses relevant to Asia and sustainable businesses that add value for our clients

Asia-related revenue pools¹ and Nomura’s strategic positioning

Note: Calendar Year 2011; IBD fee pool includes solutions revenues; FI x-border excludes FX and securitized products
Asia refers to Intra-Asia markets.

Global platform that facilitates cross-border flows, esp. with Asia

<table>
<thead>
<tr>
<th>Region</th>
<th>Accessible market¹</th>
<th>China, India, other onshore markets</th>
<th>Estimated APAC revenue pool¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td>8</td>
<td>10</td>
<td>19</td>
</tr>
<tr>
<td>EMEA revenue</td>
<td>37</td>
<td>6</td>
<td>14</td>
</tr>
<tr>
<td>US-Asia revenue</td>
<td>14</td>
<td>1</td>
<td>52</td>
</tr>
</tbody>
</table>

[Diagram showing revenue pools and strategic positions with numbers and percentages]

1. Estimated US-EMEA revenue pool¹
2. Estimated US-Asia revenue pool¹
3. Estimated APAC revenue pool¹
4. Accessible market¹
5. China, India, other onshore markets
6. Estimated APAC revenue pool¹
7. Home market and long-term growth engine
8. Global platform that facilitates cross-border flows, esp. with Asia
9. Local/regional businesses either synergistic or stand-alone profitable
Addressing challenges to achieve Wholesale target

Focus management resources on our core strengths and areas where we have a competitive advantage

Reduce cost base to lower break-even point

Wholesale target (FY2015/16)

Wholesale
Pretax income: Y125bn

Japan
Y75bn

International
Y50bn
Improve profitability by focusing on core strengths

Business line strategies

**Fixed Income**
- Strengthen global platform
- Continue to manage risks prudently
- Further develop client businesses based on regulatory environment
- Continued driver of Wholesale earnings

**Equities**
- Migrate EMEA, Americas, and Asian equities\(^1\) Execution Services to Instinet
  - Continue to provide Nomura research
- Research: Leverage strengths in Japan and Asia, concentrate on sectors in EMEA and Americas where we are highly ranked
- Set up Investor and Corporate Solutions group
  - Consolidate non-Execution Services businesses (Derivatives, Delta One, CBs, Prime Services, Futures and Options)

**Investment Banking**
- Allocate resources to key sectors
  - FIG, Natural Resources, Sponsors, Consumer/Retail
- Move to product-driven business model
  - Business model of providing solutions, etc.
- Closer cross-divisional and cross-regional collaboration

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Product focus by region

**EMEA**
- Fixed Income: Main products: Rates, Credit, FX, Securitized Products
- Equities: Migrate Execution Services to Instinet (excluding Japan and selected countries in AEJ)
- Investment Banking: Key sectors and products, solutions, country coverage

**Asia (incl. Japan)**
- Fixed Income: Main products: Rates, Credit, FX, etc.
- Equities: Research Sales
- Investment Banking: Japan: Full coverage

**Americas**
- Fixed Income: Main products: Rates, Credit, FX, Securitized Products
- Equities: Research
- Investment Banking: AEJ: Key sectors and products, solutions, country coverage
In closing

Asia’s global investment bank
Further integrate Asia and Japan operations, leverage global platform

Focused approach
Deploy resources to areas where we have a competitive advantage

Staying power
Lower break-even point to position the firm for future opportunities