Investors’ Day

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Wholesale CEO
Nomura Holdings, Inc.

May 22, 2013
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Higher revenues in all business segments; Significant growth in pretax income

**FY2012/13 results**

- **Pretax and net income** both at highest level in six years
  - Pretax income: ¥237.7bn (+180% YoY)
  - Net income: ¥107.2bn (+9.3x YoY)
  - EPS: ¥28.37
  - ROE: 4.9%
  - Dividend: ¥8 (annual)
  - Dividend payout ratio: 28% (Including one-off gain of ¥50.1bn related to secondary offering of Nomura Real Estate Holdings shares)

- **3 segment total pretax income of ¥193.5bn (+4.2x YoY)**
  - All businesses reported higher pretax income YoY

- **Tier 1 common ratio ( Basel 3) of 11.7%**
  - Approx. 10% on fully loaded 2019 Basel 3 basis

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1. Net income attributable to Nomura Holdings shareholders.
## FY2012/13 recap

**Fit for the Future**

<table>
<thead>
<tr>
<th><strong>New management team</strong></th>
<th>▶ Set up new business and regional management structure under new top management team</th>
</tr>
</thead>
</table>
| **Raising wholesale profitability** | ▶ Additional cost reductions of $1bn  
▶ Migrating international Execution Services to Instinet  
▶ Established Global Markets organization - Closer collaboration between Fixed Income and Equities |
| **Reduced risk-weighted assets** | ▶ Sale of private equity investment (Annington)  
▶ Offering of Nomura Real Estate Holdings shares |
| **Diversifying booking entities** | ▶ Established Nomura Financial Products & Services, Inc. (NFPS), optimizing allocation of resources across regions |
| **Revamped Retail IT system** | ▶ Common use STAR system went live, expected to contain future IT costs |

### Progress (at end Mar 2013)

- New management team: ▶ Ongoing since Jul 2012
- Raising wholesale profitability: ▶ 78% complete (PE 90% complete)  
▶ Majority of key clients on-boarded  
▶ Established Dec 2012
- Reduced risk-weighted assets: ▶ Completed Dec 2012  
▶ Completed Mar 2013
- Diversifying booking entities: ▶ Started transferring booking from 3Q
- Revamped Retail IT system: ▶ Went live Jan 2013
Good progress against FY2015/16 pretax target of Y250bn

**FY2015/16 targets**

- Retail, Asset Management, and Japan Wholesale performing strongly backed by market rally
  - Continue to strengthen businesses in order to deliver stable profitability even under challenging environment
- Key management priority to improve profitability of international Wholesale business
  - Implementing strategic initiatives to reach FY2015/16 pretax target of Y50bn

**EPS = Y50**
(By FY2015/16)

Approx. Y250bn² when calculated as 3 segment pretax income

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(1) Other includes unrealized gain (loss) on investments in equity securities held for operating purposes. FY2015/16 pretax income target excludes Other.

(2) Effective tax rate differs by country so pretax income required to achieve EPS of Y50 may fluctuate depending on regional breakdown of earnings.
Some key focus topics going forward

- International Wholesale profitability
- Differentiated regional strategies
- Cross regional / divisional efforts
- Asia strategy
Clear path to international Wholesale profitability

1 Competing where we have an edge
- Established Global Markets: Closer collaboration, efficient use of resources
  - Fixed Income: Enhanced global platform and client businesses
  - Equities: Migrated Execution Services to Instinet, majority of key clients on-boarded
- Investment Banking: Reallocated resourced to key coverage areas
- Increased traction around cross-border, cross-divisional and solutions businesses
- Integrated management of Japan and AEJ as home market

2 Cost discipline
- Reducing costs mostly in international business, benefits seen from FY2013/14 2H

FY2012/13 international pretax loss included 85% (approx. Y65bn) of the following items (Y76.6bn)
- One-off expenses of Y18.5bn related to cost reduction program
- Loss of Y49.8bn due to changes in own and counterparty credit spreads
- Goodwill impairment charge of Y8.3bn

Key targets
- By Mar 2015
  All regions profitable
- By Mar 2016
  International business pretax income of Y50bn
International Wholesale: More focused, more productive

Focus on areas of competitive strength;
Growth in international Wholesale revenues

Cost discipline leading to higher profitability

International Wholesale revenues
(billions of yen)

<table>
<thead>
<tr>
<th></th>
<th>FY2010/11</th>
<th>FY2011/12</th>
<th>FY2012/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indexed</td>
<td>413.3</td>
<td>353.3</td>
<td>467.1</td>
</tr>
<tr>
<td>(FY2010/11 = 100)</td>
<td>+13%</td>
<td>+32%</td>
<td></td>
</tr>
</tbody>
</table>

Indexed
(SMD/MD/ED producers)
Revenue per SMD/MD/ED

<table>
<thead>
<tr>
<th></th>
<th>FY2010/11</th>
<th>FY2011/12</th>
<th>FY2012/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>98</td>
<td>95</td>
<td>119</td>
</tr>
</tbody>
</table>

80

90

100

110

120
International economics improving, targeting profitability

1. Group-wide on financial accounting basis. Geographic information is based on U.S. GAAP. (Figures are preliminary for the year ended March 31, 2013.) Nomura’s revenues and expenses are allocated based on the country of domicile of the legal entity providing the service. This information is not used for business management purposes. Net revenue has been allocated based on transactions with external customers while loss before income taxes has been allocated based on the inclusion of intersegment transactions. As a result, the difference between these allocations is included in non-interest expenses.
Differentiated regional strategies

**EMEA**

**Fine-tuning and solidifying position**
- Named Jeremy Bennett as new EMEA CEO
- Grow client revenues, particularly in core flow businesses
- Take advantage of deleveraging of European competitors, and monetize client interest in Asia / Japan product

**AEJ**

**Considerate and gradual strategy**
- Collaboration in AEJ
  - Integrate Japan and AEJ platforms more closely
- Increase local client base
  - Establish position as Asian firm
- Expand AEJ retail business

**Americas**

**Selective investment**
- Increase business with key US investors; Gain deeper insights into client needs
- Differentiate through Asia expertise and positioning
- Strengthen local highly profitable businesses
- Further deliver award winning research in selected areas and structuring capabilities to US client base

**Cross-border businesses with APAC**
- Improve profitability in Equities and Investment Banking
- Revenue and cost benefits from creation of Global Markets

FY2015/16 international Wholesale pretax income (management target): ¥50bn
Establishment of Global Markets

Aimed at expanding revenues and increasing efficiencies

- Structure facilitates provision of products and services across all asset classes
  - Integrated products and functions
    - Execution Services
    - Structuring
    - Research
    - Senior Relationship Management (SRM)
  - Efficient allocation of financial resources; Simplified management structure with clear accountability

Benefits of integration

- Expanded product offering for clients
  - Introducing Japan Equity products to key Fixed Income clients
- Improved product design and proposals: Research, Structuring, etc.
  - Quant strategy team applied Fixed Income models to Equity markets
- Leverage platforms
  - Leverage Instinet equity platform as electronic trading increases in fixed income markets
### Expanding business with global financial institutions

#### Increase business by combining Retail and Wholesale strengths

<table>
<thead>
<tr>
<th>Wholesale relationship</th>
<th>Retail relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>European financial institution</strong></td>
<td><strong>Client assets</strong>: Approx. Y150bn</td>
</tr>
<tr>
<td>- Top 5 dealer on client’s internal broker ranking for past four years (cash equity execution)</td>
<td>- Sales of European high yield bond and Asian equity investment trusts</td>
</tr>
<tr>
<td>- Close working relationship on Investment Banking side, including M&amp;A advisory in 2012</td>
<td></td>
</tr>
<tr>
<td><strong>US financial institution</strong></td>
<td><strong>Client assets</strong>: Approx. Y300bn</td>
</tr>
<tr>
<td>- Tier 1 dealer on client internal broker ranking system</td>
<td>- Sales of global equity investment trusts</td>
</tr>
<tr>
<td>- Increase in equity and fixed income derivative transactions</td>
<td></td>
</tr>
<tr>
<td><strong>European financial institution</strong></td>
<td><strong>Client assets</strong>: Approx. Y600bn</td>
</tr>
<tr>
<td>- Top 5 on client’s internal broker ranking for multiple fixed income products (Rates, US Securitized Products, etc.)</td>
<td>- Sales of emerging market bond investment trusts and insurance, annuities</td>
</tr>
<tr>
<td>- Joint bookrunner on multiple bond issuances</td>
<td></td>
</tr>
<tr>
<td><strong>European financial institution</strong></td>
<td><strong>Client assets</strong>: Approx. Y200bn</td>
</tr>
<tr>
<td>- Revenues from derivatives space increasing in addition to traditional cash equity revenues</td>
<td>- Sales of European and emerging market bond and equity investment trusts</td>
</tr>
</tbody>
</table>

Managed by Senior Relationship Management Group within Global Markets – coordinates with other divisions

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1. Nomura’s Retail client assets as at end Mar 2013.
Growing our market share through cross-regional and cross-divisional collaboration

Cross-border business

Growing our market share through cross-regional and cross-divisional collaboration

(billions of dollars)

Warner Music Group
Joint Bookrunner & Lead Arranger
Financing for Access
Industries acquisition of
Warner Music Group
$1.5bn Oct 2012

Americas/EMEA

Hellman & Friedman
Sole Financial Advisor
Hellman & Friedman
acquisition of majority stake in
Wood Mackenzie
£1.1bn Announced Jun 2012

APAC

Investment Banking²
2.2
Equities
4.4
Fixed Income³
2.7
APAC/EMEA cross-border market (estimate)¹
9.3

European hedge fund
Equity derivative transaction
Japanese equity volatility trade through structured derivative product

Asian financial institution
Capital Protected Note
Structured note linked to interest rate and futures indices

Rabobank
Joint Bookrunner
5-tranche Samurai transaction of senior unsecured notes
JPY162bn Oct 2012

Fincantieri
Lead Financial Advisor
Fincantieri acquisition of 51% stake in STX OSV
S$730m Announced Dec 2012

CNP Assurances
Joint Bookrunner
Resettable Undated Subordinated Notes
$500m Oct 2012

Itochu Corporation
Lead Financial Advisor
ITOUCHU acquisition of Dole’s Asia Fresh and Worldwide Packaged Businesses
$1.7bn Announced Sep 2012

Japanese financial institution
US Asset Backed Securities
Japanese financial institution accesses US ABS Market

APAC/Americas cross-border market (estimate)¹
10.8


Step up collaboration in APAC as our home market

Establishment of project to make APAC our home market

- Launched short-term project in Oct 2012 to further enhance collaboration with APAC and across businesses
- Appointed regional APAC heads in Wholesale to systemize collaboration
  - Project was completed in March but initiatives will continue to be as part of ongoing business

Initiatives

- Closer collaboration within Wholesale across APAC
- Build relationships with local subsidiaries of Japanese companies and Asian clients
- Co-work between Wealth Management and Wholesale
- Collaboration with local financial institutions
- Working with Retail

Successes to Mar 2013

- Reorganized equity research
  - Delivering Pan-Asia research that integrates Japan and AEJ
- Won two IPO mandates (estimated total: $750m)
  - 10 other AEJ ECM mandates
- Executed large FX and linked note transactions
  - Revenues doubled on closer collaboration between Wholesale and Wealth Management
  - Collaboration led to a threefold rise in FX revenues
- Alliances with Asian financial institutions
  - In discussions with multiple other partners
- Asia related products
  - Asian equities, four Asia bull-bear ETNs
Medium/long term: Broaden our Asia-related business

Long-term commitment to Asia

- Based in Singapore with responsibilities for Asia Strategy Office
  - Hiromasa Yamazaki EVP (concurrently serving as Head of Asia Wealth Management)
  - Takeo Sumino SMD, former Americas COO
- Group-wide mandate with focus on medium term strategy
- Considering alliances with local financial institutions

Recent deals

- **Main Asia deals**
  - Sinopec
    - SB, $3.5bn
  - Galaxy Securities
    - Hong Kong IPO, $1.1bn
  - Parkson Retail
    - SB, $500m
  - Sinopec Kantos Holdings
    - PO, $346m
  - Tata Steel
    - SB, S$300m
  - China Gas
    - Loan facility, $450m

- **Asia related cross-border M&A**
  - CITIC Capital Partners / Asialinkage
    - M&A/ALF, $887m

¡Asian countries

- Alliances with local financial institutions

Asia Strategy Office
(Set up in April 2013)

Wholesale

Retail

Asset Management

- NAM Asian offices (Hong Kong, Singapore, Malaysia, Australia)
- Nomura Islamic Asset Management (Malaysia)

Thailand

Capital Nomura Securities Public Company (CNS)

India

LIC NOMURA Mutual Fund Asset Management
Combine investment management expertise with product design and proposals in line with market environment and investor needs; Steadily increase in investment trust assets under management

Public investment trust AuM by product\(^1\)

- **Mar 2012**: 8.0 trillion yen
- **Jun 2012**: 8.0 trillion yen
- **Sep 2012**: 8.0 trillion yen
- **Dec 2012**: 8.0 trillion yen
- **Mar 2013**: 10.0 trillion yen

**Legend**
- Premium fund
- Equity fund (inc. REIT)
- Yen Hedged foreign bond fund
- Bond fund / others \(^2\)

(1) Public investment trust assets under management excluding MRFs and MMFs.
(2) Bond-type funds/Other includes domestic bond investment trusts, foreign bond investment trust unhedged currency course, and funds of funds
Top ranking funds for net inflows during Jan – Apr 2013

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Inflows</th>
<th>Net assets(^1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nomura High Dividend Infrastructure Equ...</td>
<td>Y134.5bn</td>
<td>Y446.0bn</td>
</tr>
<tr>
<td>Nomura Japan Brand Stock Investment Fu...</td>
<td>Y331.3bn</td>
<td>Y711.2bn</td>
</tr>
<tr>
<td>Nomura Japan High Dividend Stock Premiu...</td>
<td>Y155.3bn</td>
<td>Y264.1bn</td>
</tr>
<tr>
<td>Nomura DB High Dividend Infrastructure S...</td>
<td>Y83.7bn</td>
<td>Y309.0bn</td>
</tr>
</tbody>
</table>

- Currency select course (monthly profit distributions)
  - Launched: Oct 2012
  - Net assets\(^1\): Y314.7bn

- Brazilian real course (monthly profit distributions)
  - Launched: Apr 2009
  - Net assets\(^1\): Y384.6bn

- Currency select course (monthly profit distributions)
  - Launched: Jun 2012
  - Net assets\(^1\): Y191.0bn

- Brazilian real course (monthly profit distributions)
  - Launched: Oct 2010
  - Net assets\(^1\): Y217.2bn

Inflows: Y107.8bn  
Return\(^2\): 29.0%

Inflows: Y204.8bn  
Return\(^2\): 53.2%

Inflows: Y114.4bn  
Return\(^2\): 40.4%

Inflows: Y48.2bn  
Return\(^2\): 36.0%

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(1) As of April 2013.
(2) Calculated for the four months from January to April 2013 using net asset value and reinvesting distributions on non-taxable basis.
In closing

Progress towards our FY2015/16 targets

Wholesale: Focus on our strengths, increase profitability

Asset Management: Further strengthen as stable earnings base

Retail: Win client trust and expand business