

Investor Day

Koji Nagai
Group CEO
Nomura Holdings, Inc.

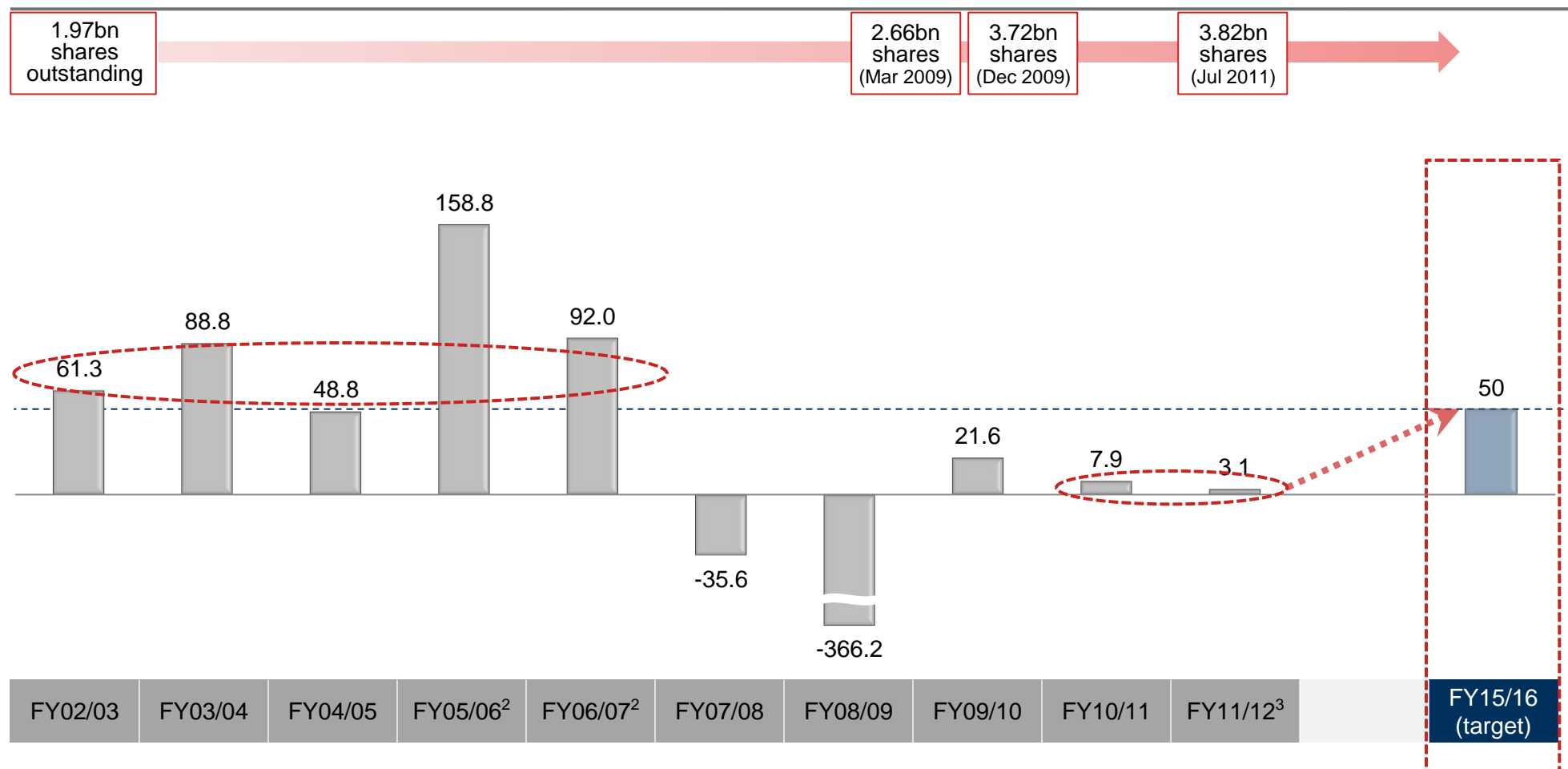
August 1, 2014

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1. Recap of last two years
 2. Outlook for operating environment
 3. Evolving client needs
 4. March 2020 management targets

1. Recap of last two years

FY2015/16 management target announced two years ago

Fully diluted earnings (loss) per share ¹



1. Diluted net income (loss) per share attributable to Nomura Holdings shareholders.

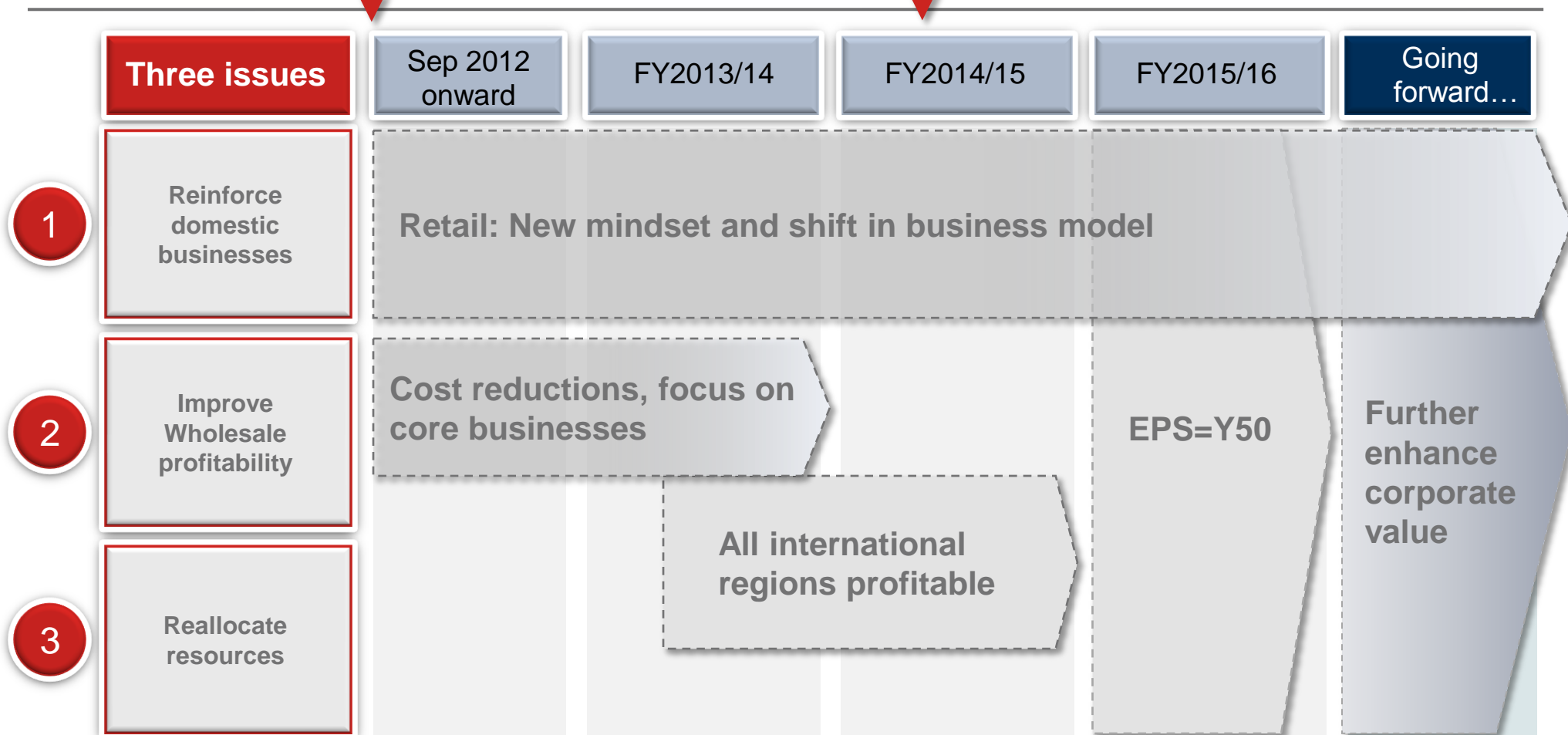
2. Includes Merchant Banking income before income taxes of ¥55.4bn for FY2005/06 and ¥52.8bn for FY2006/07.

3. Includes Nomura Real Estate Holdings as a consolidated entity.

FY2015/16 management target announced two years ago

Announcement of new
management policy

Today

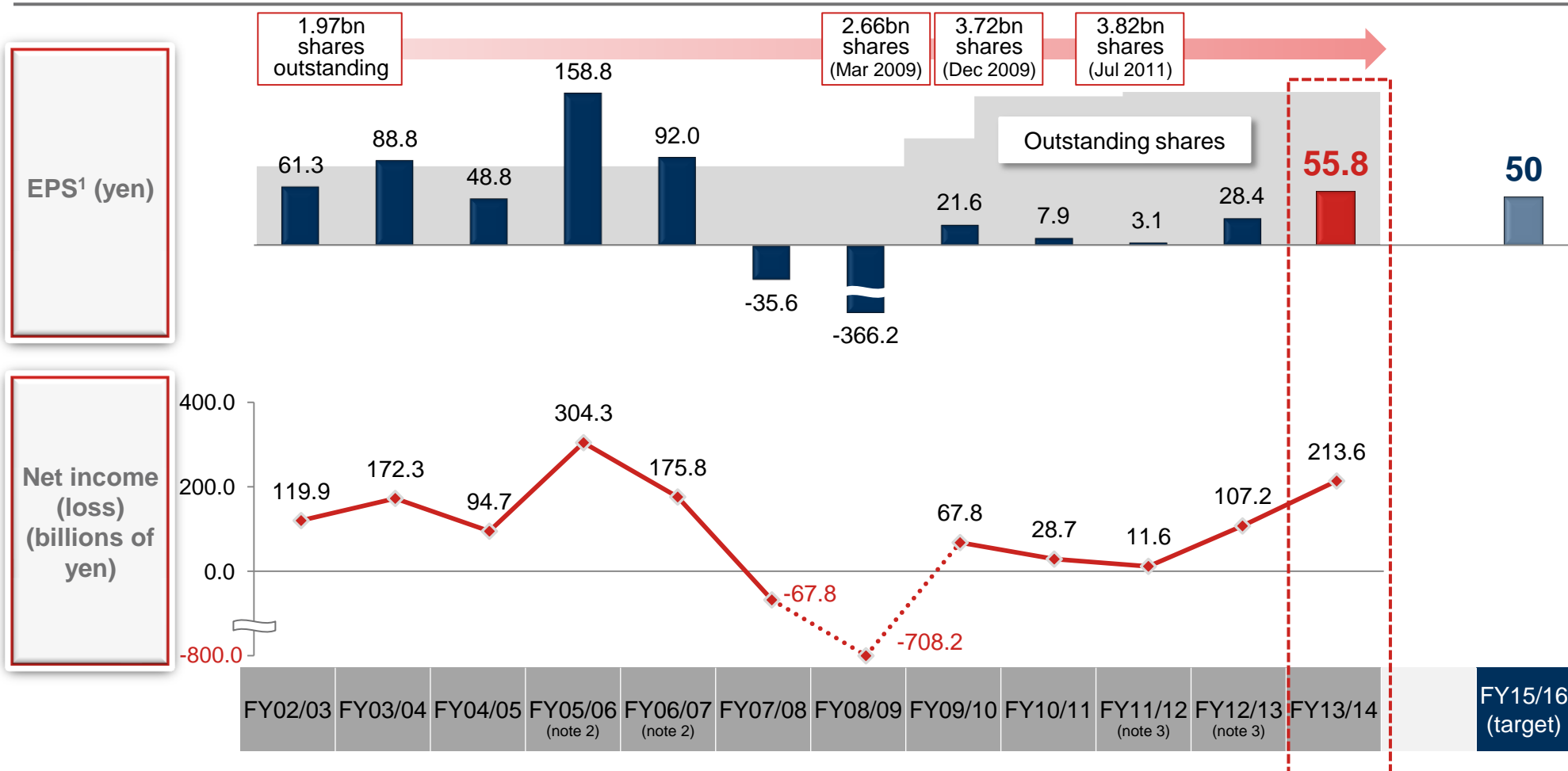


Status of key initiatives

		Status	
<div>1</div> <div>Reinforce domestic businesses</div>	Retail (FY2015/16) <ul style="list-style-type: none"> Pretax income: Y100bn Retail client assets: Y90trn Recurring revenue: Y69.6bn 	<div>✓</div> <div>✓</div> (Raised target to Y100trn, ongoing) <div>Ongoing</div>	FY2013/14: Y192bn Mar 2014: Y91.7trn FY2013/14: Y54.5bn
	Asset Management (FY2015/16) <ul style="list-style-type: none"> Pretax income: Y25bn 	<div>✓</div>	FY2013/14: Y27.1bn
<div>2</div> <div>Improve Wholesale profitability</div>	Wholesale <ul style="list-style-type: none"> Pretax income (FY2015/16): Y125bn Of which, international: Y50bn Additional \$1bn cost reduction (total \$2bn) Migrate international Execution Services business to Instinet 	<div>Ongoing</div> <div>Ongoing</div> <div>✓</div> <div>✓</div>	FY2013/14: Y111.8bn Completed Sep 2013 Completed Mar 2013 for most major clients
<div>3</div> <div>Reallocate resources</div>	Sale of private equity investment (Annington) Sale of stake in Fortress Offering of Nomura Real Estate Holdings shares Review booking entities	<div>✓</div> <div>✓</div> <div>✓</div> <div>Ongoing</div>	Completed Dec 2012 Completed Feb 2014 Completed Mar 2013

Achieved FY2015/16 target (EPS Y50) two years early

Net income (loss), outstanding shares and fully diluted earnings (loss) per share¹



1. Diluted net income (loss) per share attributable to Nomura Holdings shareholders.
 2. Includes Merchant Banking income before income taxes of Y55.4bn for FY2005/06 and Y52.8bn for FY2006/07.
 3. Includes Nomura Real Estate Holdings as a consolidated entity.

2. Outlook for operating environment

(1) Japanese economy

(2) Asian growth

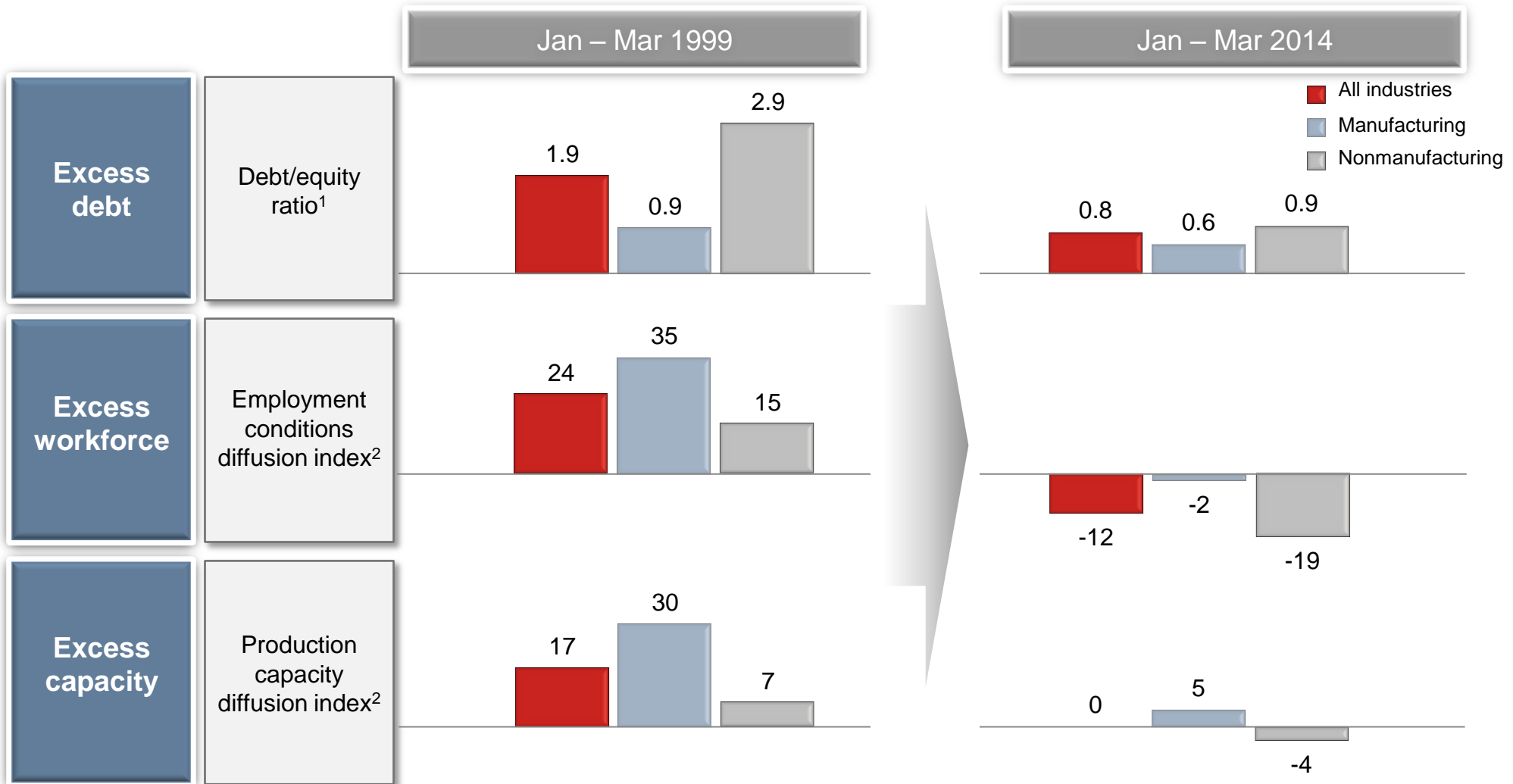
(3) Regulatory environment

Structural impediments faced by Japanese corporates

Three excesses

Six disadvantages

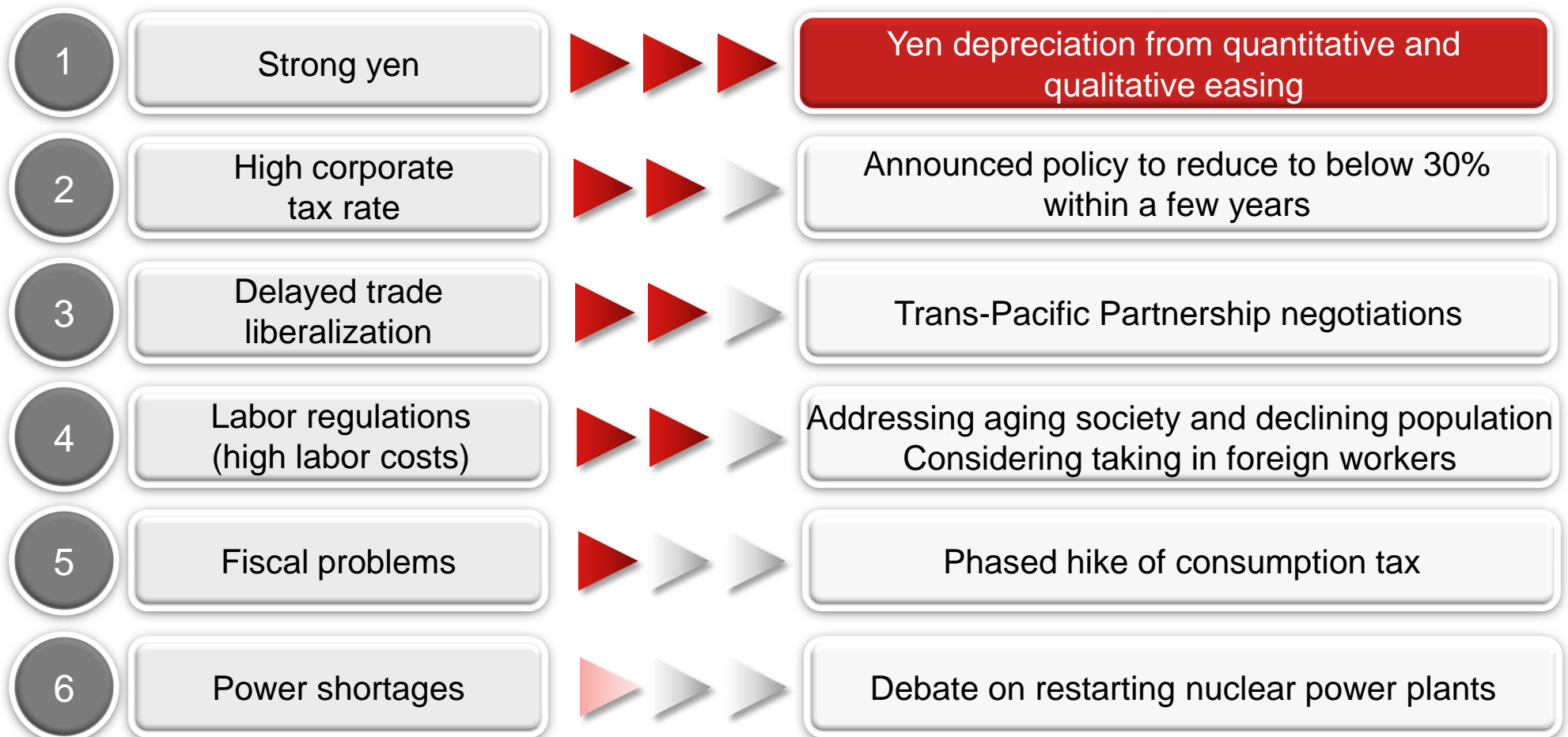
Three corporate excesses resolved



1. Source: Nomura, based on Ministry of Finance Japan data.

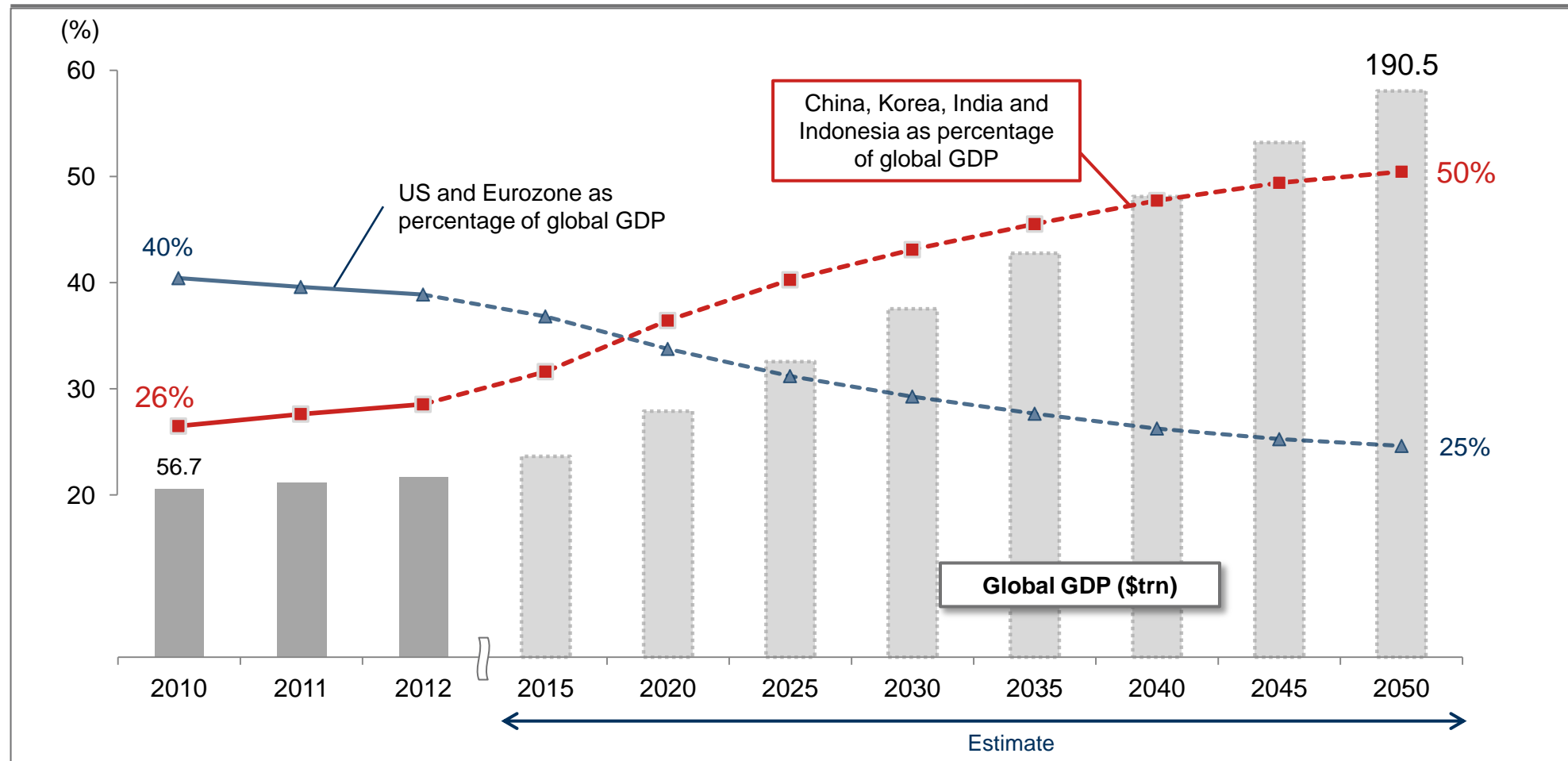
2. Source: Nomura, based on Bank of Japan data.

Unwinding of six disadvantages



Asia to drive global economy into 2050

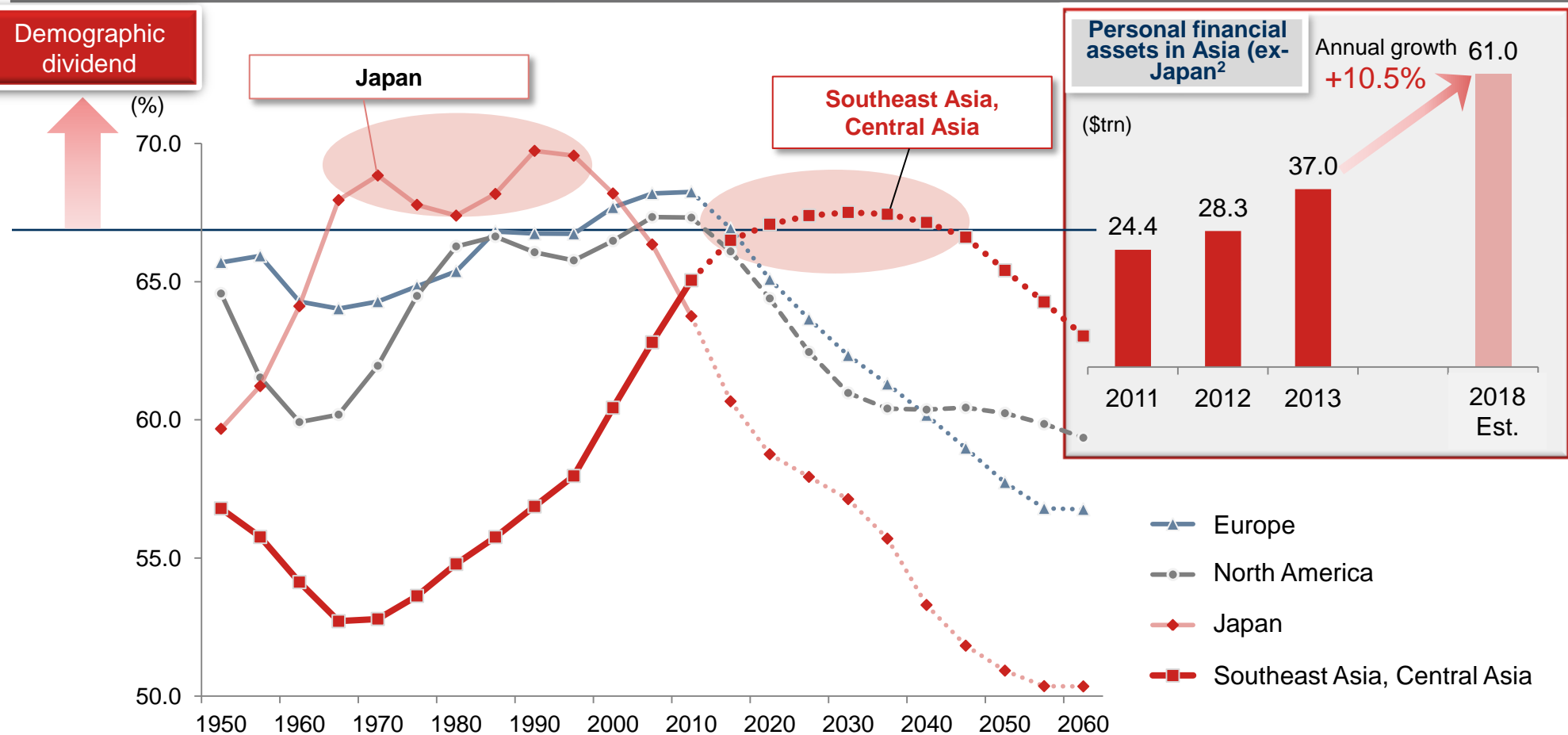
Asia's share of global GDP¹



1. Source: Nomura, based on OECD "Economic Outlook No. 93 – June 2013".

Demographics and Asian growth

Working-age population¹: Growth potential from demographics

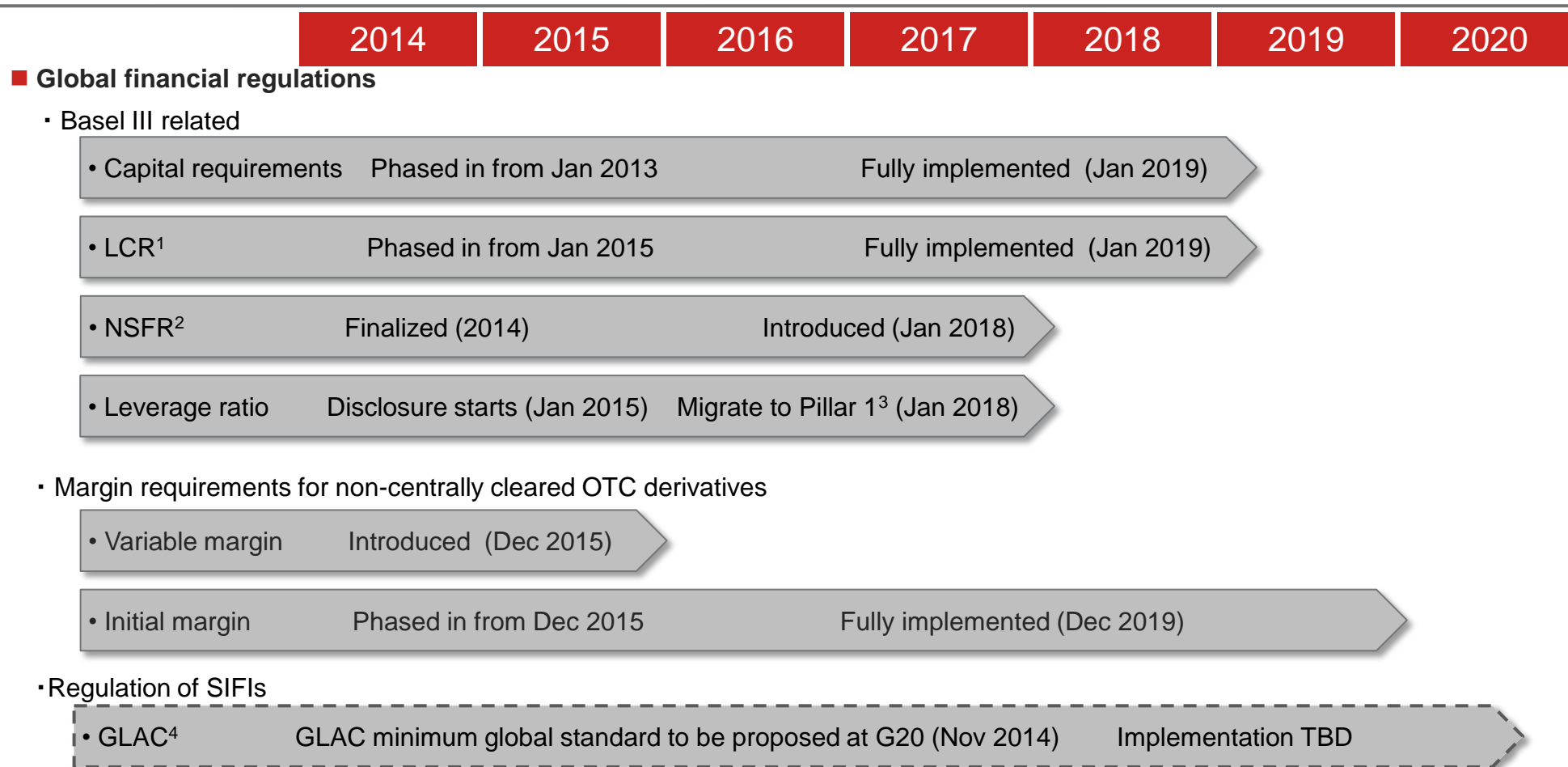


1. Source: Nomura, based on data from United Nations. Working-age population: 15 – 64 years old.

2. Source: Boston Consulting Group, "Global Wealth Market-Sizing Database, 2014".

Key regulations impacting financial services (1/2)

Regulatory schedule



1. LCR (Liquidity Coverage Ratio)
2. NSFR (Net Stable Funding Ratio)

3. Framework to determine minimum supervisory standard.
4. GLAC (Gone Concern Loss Absorbing Capacity)

Key regulations impacting financial services (2/2)

Regulatory schedule



■ Key financial reforms by region

• US

- Volcker Rule Start (Jul 2015)
- Regulation of foreign banks Start (Jul 2016)

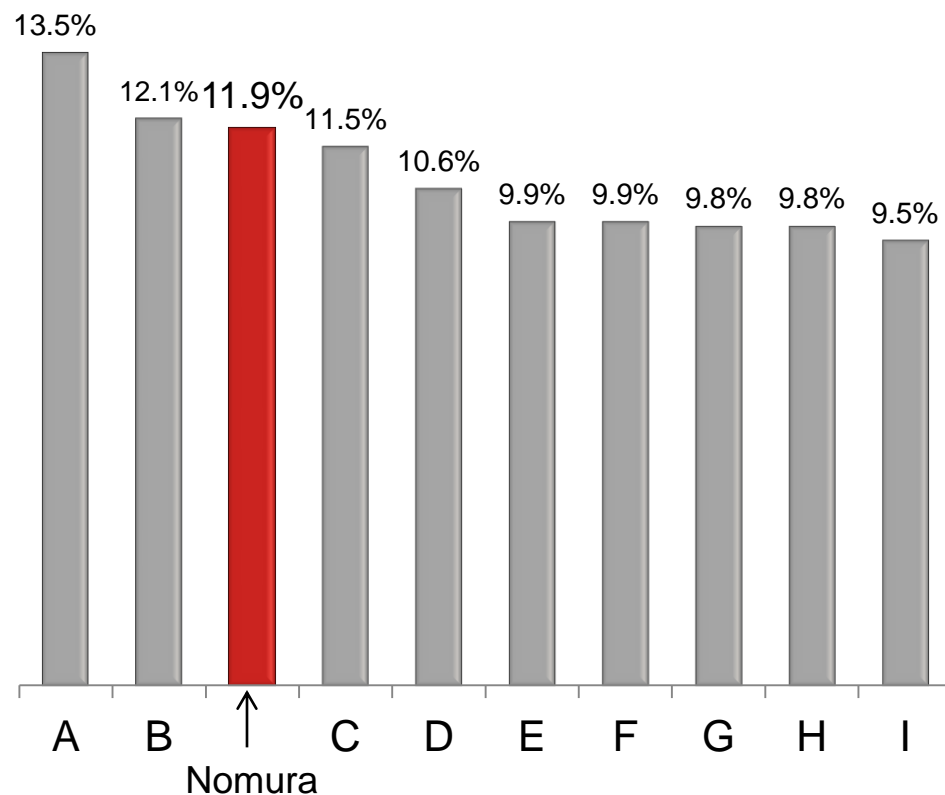
• EU, UK

- BRRD¹ Start (Jan 2016)
- MiFID II² Start (Jan 2017)
- Banking structural reform Ban on prop trading (Jan 2017) Separation of trading activities (Jul 2018)
- UK: Ring fencing of retail banking (Banking Reform Act, Dec 2013) Start (2019)

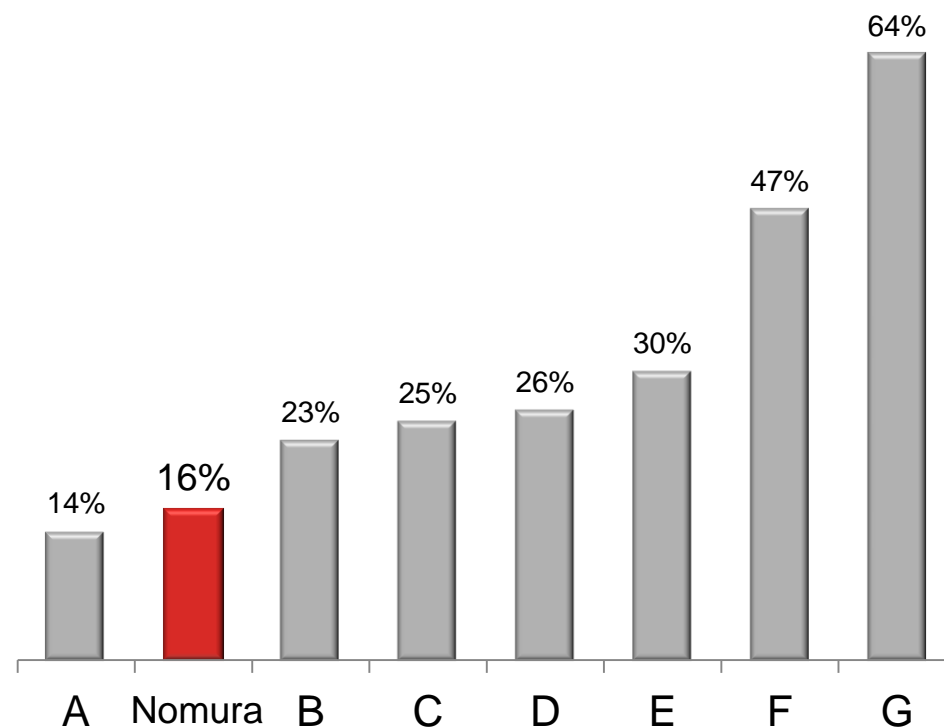
1. BRRD (Bank Recovery and Resolution Directive)
2. MiFID II (Markets in Financial Instruments Directive)

Solid capital base and robust balance sheet

Tier 1 common ratio(Basel III, fully loaded 2019)¹



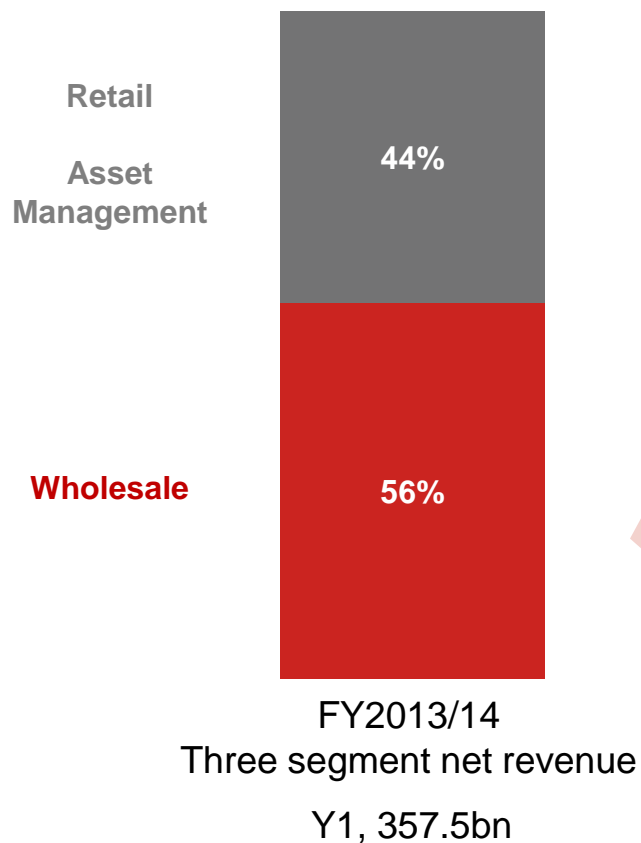
Net level 3 assets/Tier 1 capital²



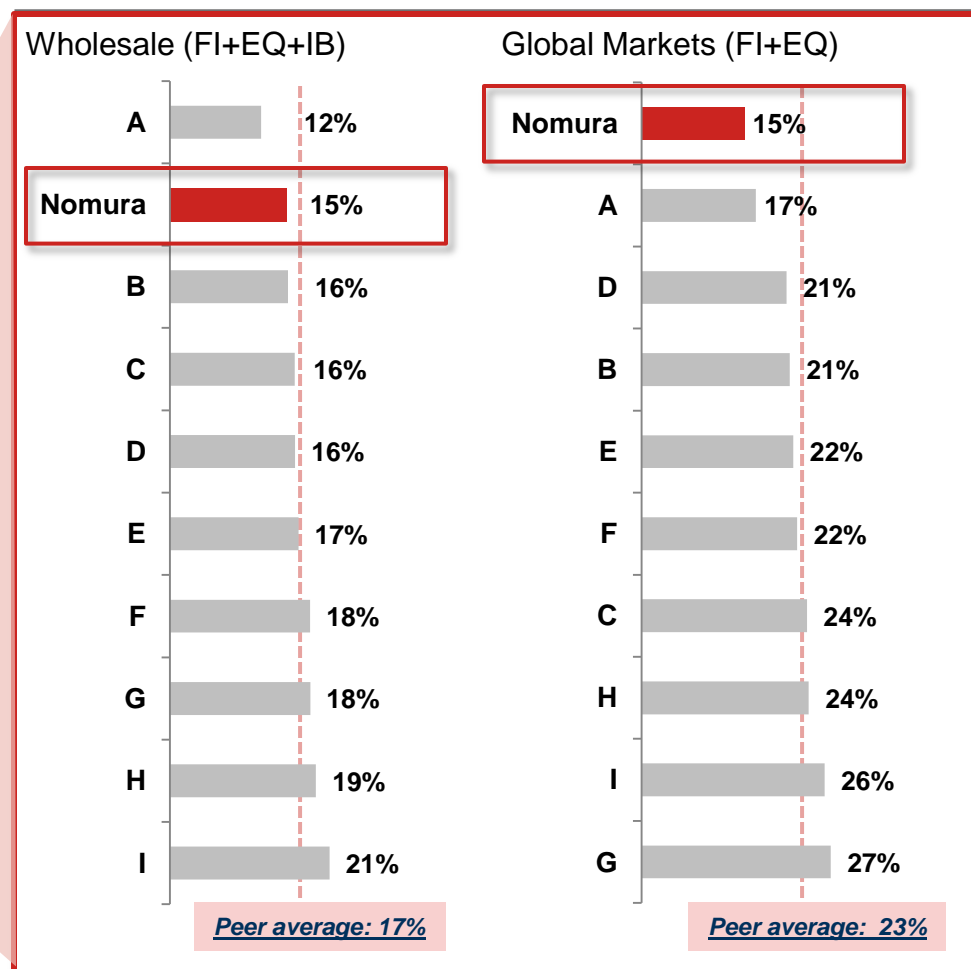
1. Source: Nomura, based on disclosure by nine global banks (Goldman Sachs, Morgan Stanley, Bank of America, Citi, JPMorgan, Credit Suisse, Deutsche Bank, UBS, Barclays); AS of June 30, 2014..
2. Source: Nomura, based on available data for the global financial institutions listed in note 1 above; As of March 31, 2014.

Consistent earnings

Well-balanced earnings structure



Wholesale revenues volatility¹

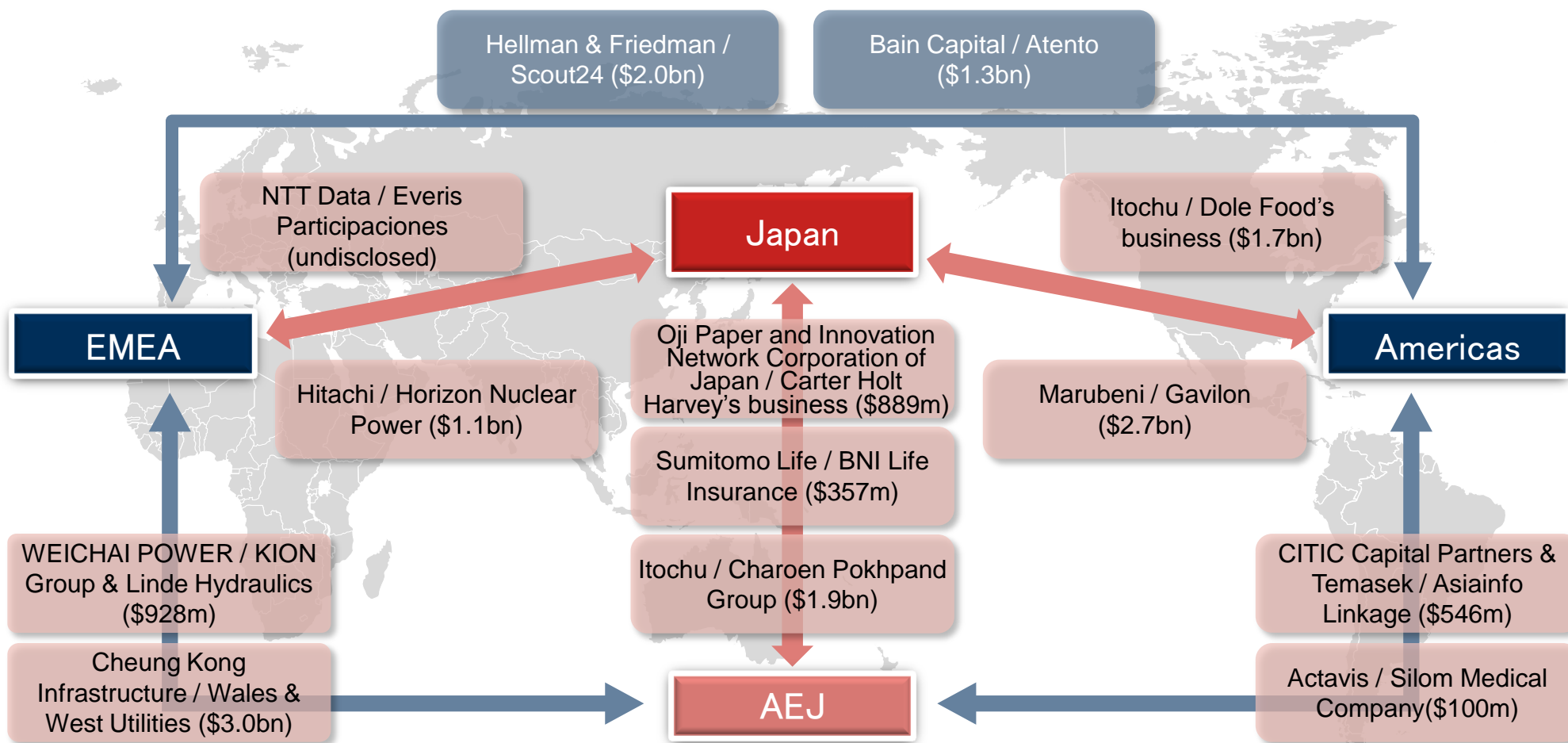


1. Accumulated nine quarter revenue from January 2012 to March 2014 for nine global banks (Goldman Sachs, Morgan Stanley, Bank of America Merrill Lynch, Citi, JPMorgan, Credit Suisse, Deutsche Bank, UBS, and Barclays) and Nomura.

	Mar 2014	2020 (assumed)
Nikkei 225	Y14,827	Y25,000
USD/JPY rate	Y102	Y110
Unsecured overnight call rate	0.00%~0.10%	Approx. 1%
Wholesale related fee pool growth rate (global)	About 3%	

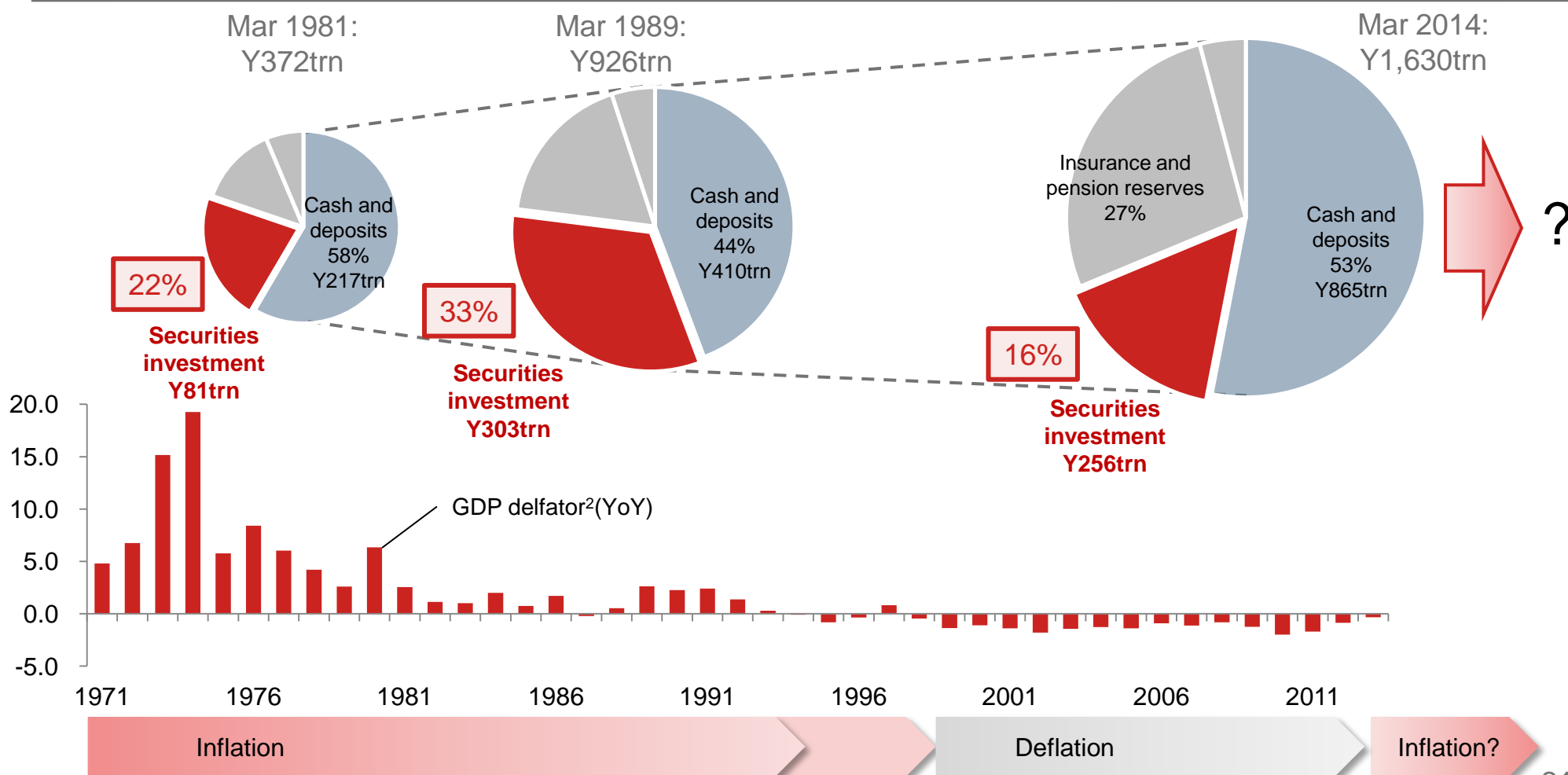
3. Evolving client needs

Transactions by corporates and financial institutions



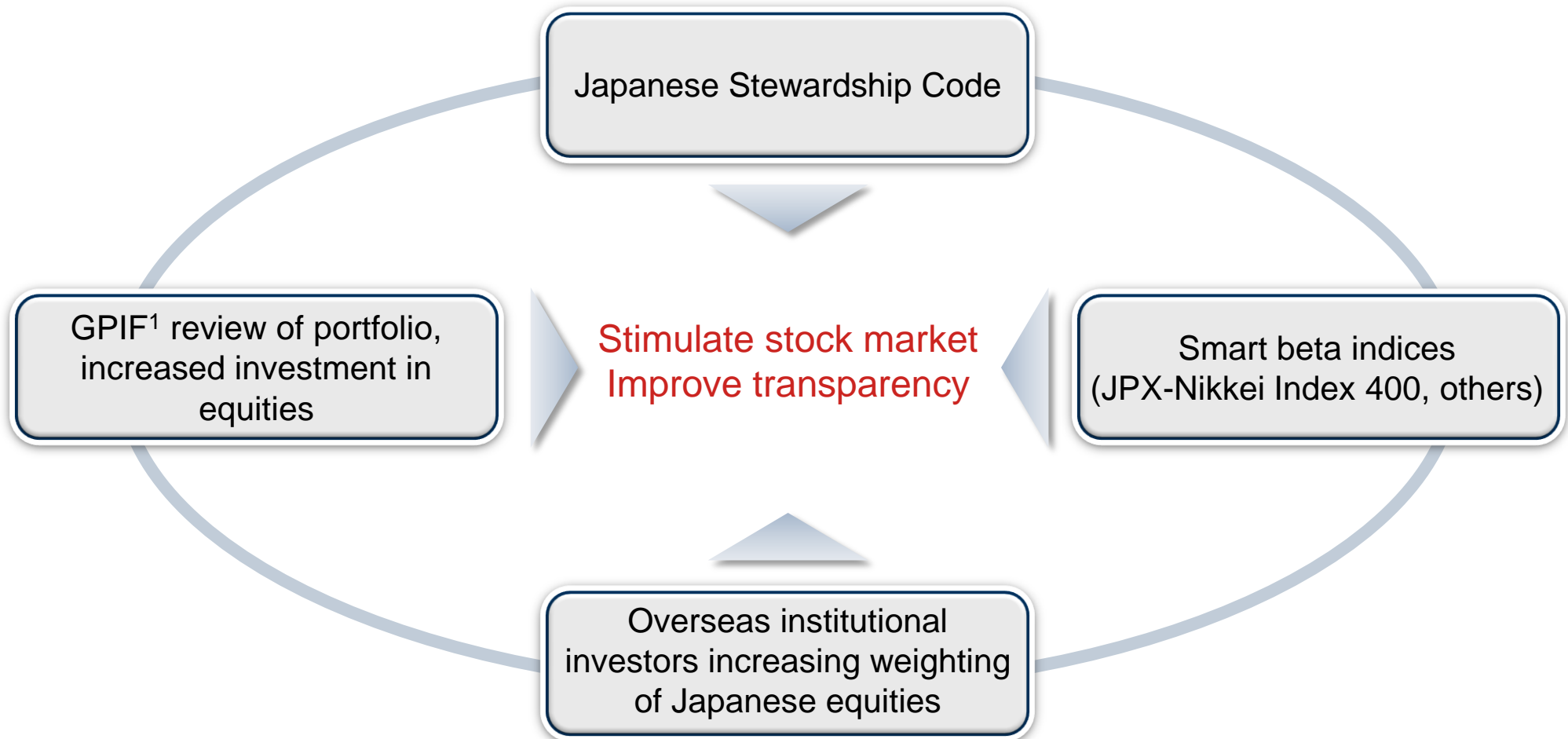
Japan's personal financial assets

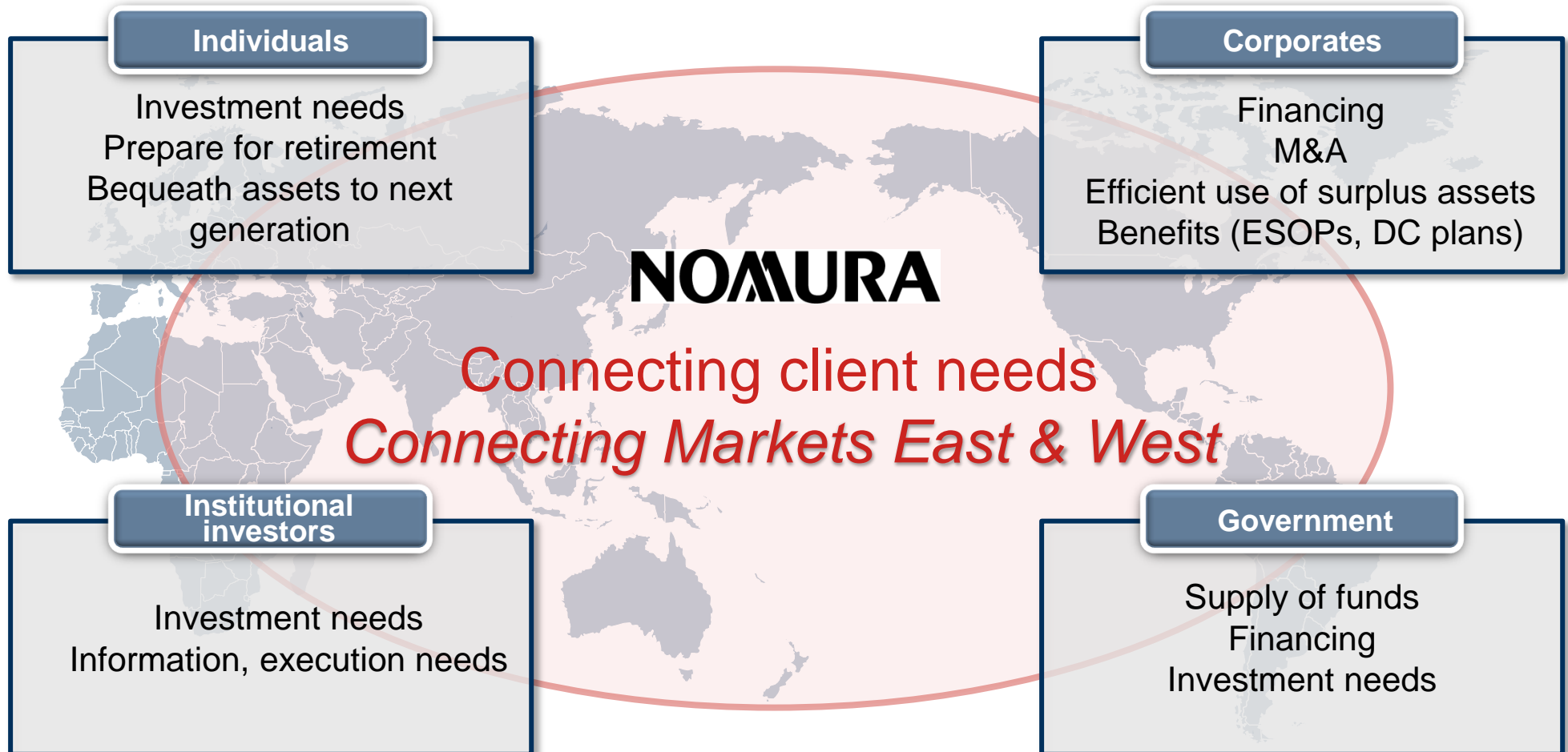
Ratio of securities peaked in 1988 and has declined since; Cash and deposits increased along with deflation¹



1. Source: Nomura, based on Bank of Japan Flow of Funds Accounts.

2. Source: Nomura, based on Cabinet Office and Ministry of Internal Affairs and Communications data.

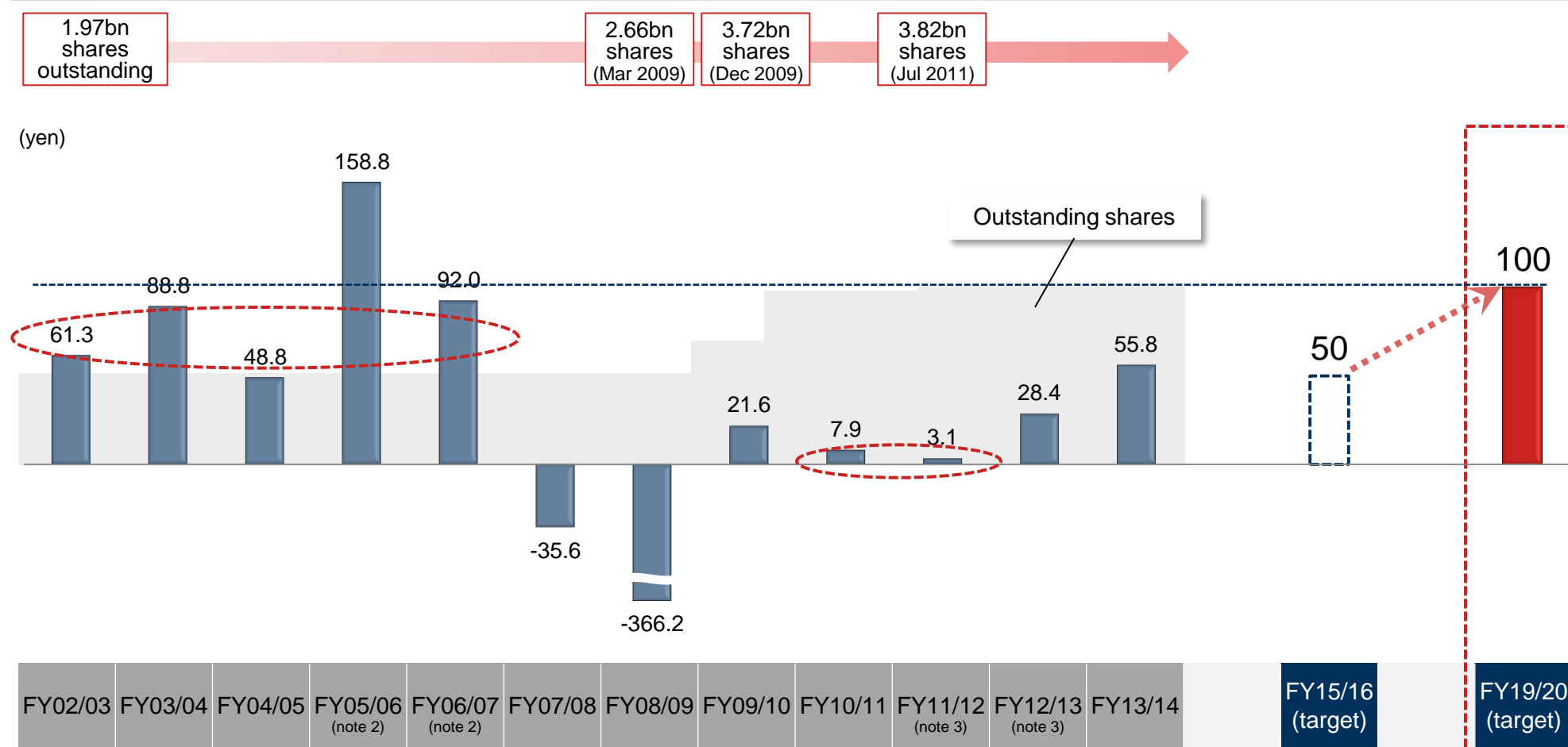




4. March 2020 management targets

March 2020 management targets

Fully diluted earnings (loss) per share ¹



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2. Includes Merchant Banking income before income taxes of ¥55.4bn for FY2005/06 and ¥52.8bn for FY2006/07.
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March 2020 management targets

		FY2013/14		FY2019/20 (target)	
EPS ¹		Y55.81		Y100	
Three segment pretax income		Y330.9bn		Y450bn – Y470bn	
Division	Retail	Y192bn		Y195bn – Y205bn	Retail client assets: Y150trn
	Asset Management	Y27.1bn		Y45bn – Y50bn	AuM: Y50trn
	Wholesale	Y111.8bn		Y210bn – Y230bn	Market share: Upper 3%

FY2019/20 environment assumptions

Nikkei 225: Y25,000; USD/JPY rate: Y110; Effective tax rate for Japanese companies: below 30%; Global fee pool growth rate: 3% (annualized).

1. Diluted net income (loss) per share attributable to Nomura Holdings shareholders.

Vision C&C



CHANGE

Vision C&C - Road to 2020

1

Position domestic business to benefit from growth strategy

2

Deliver consistent earnings from international operations

1

Position domestic business to benefit from
growth strategy

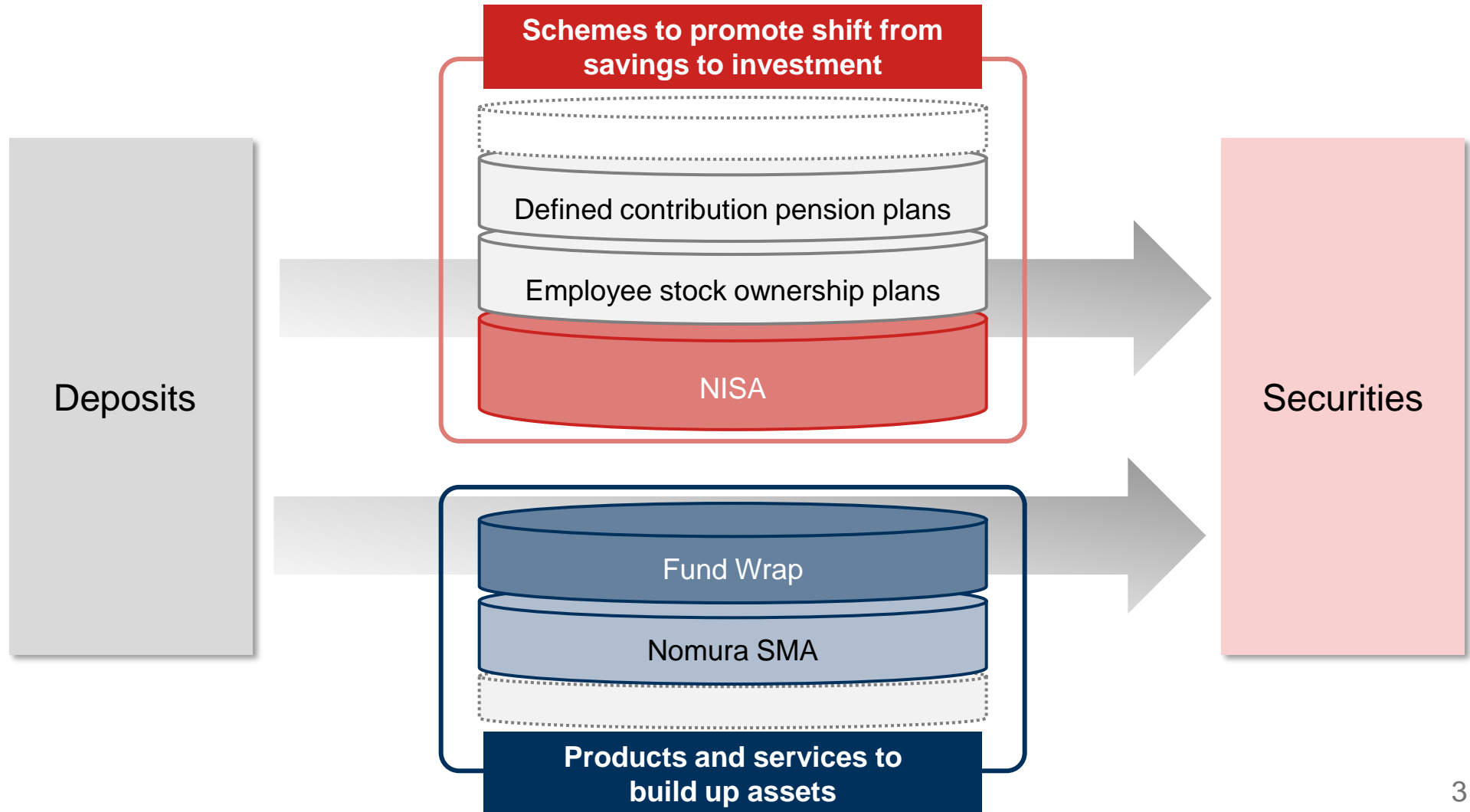
Transaction based

The diagram illustrates a business model transformation. On the left, a grey rectangular box contains the text 'Transaction based'. A large, light red arrow points from this box to a larger, light red rectangular box on the right. This right box contains two lines of text: 'Consulting based' at the top and 'Focus on recurring revenue' at the bottom. A thin horizontal line is positioned above the boxes.

Consulting based

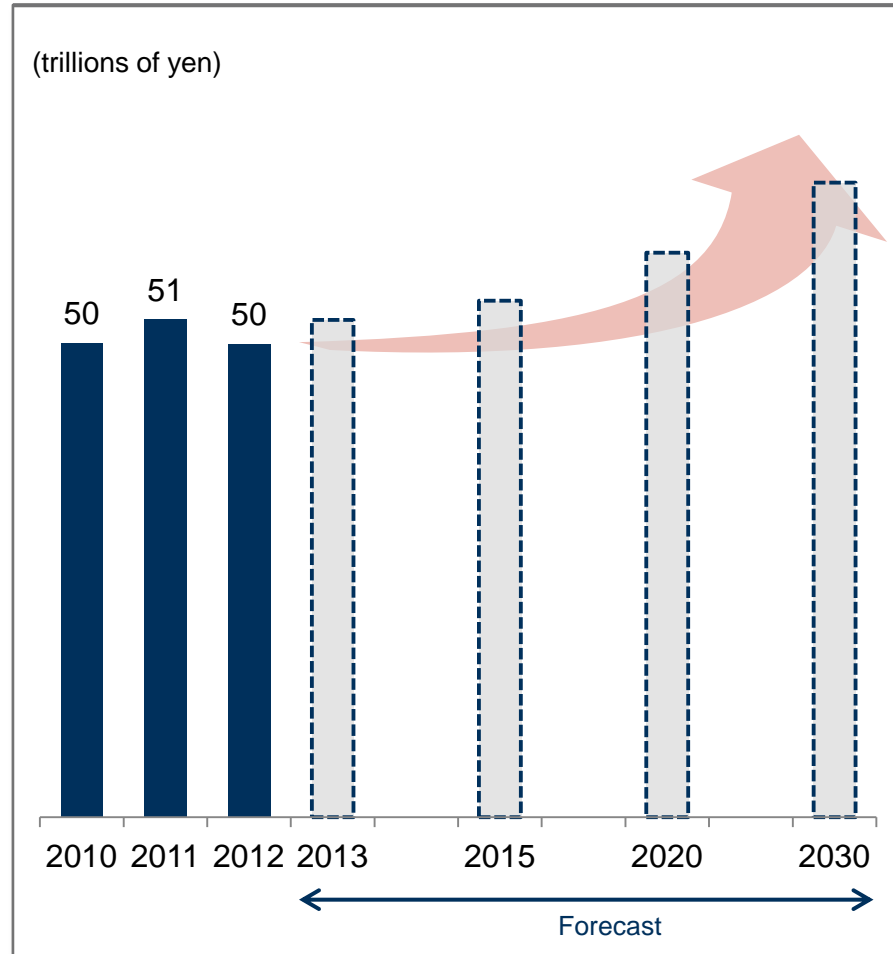
Focus on recurring revenue

Enhance investment products and services in anticipation of shift of funds in Japan **NOMURA**

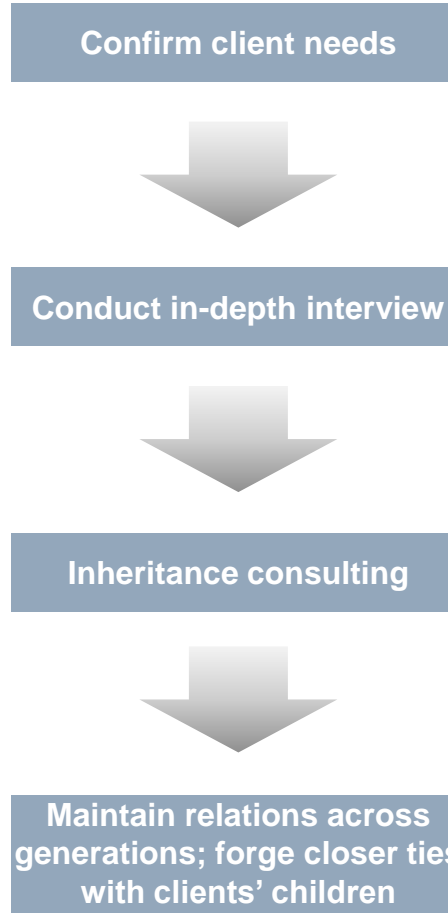


Expand inheritance related services

Y50trn inheritance market¹ expected to grow further



Inheritance related services



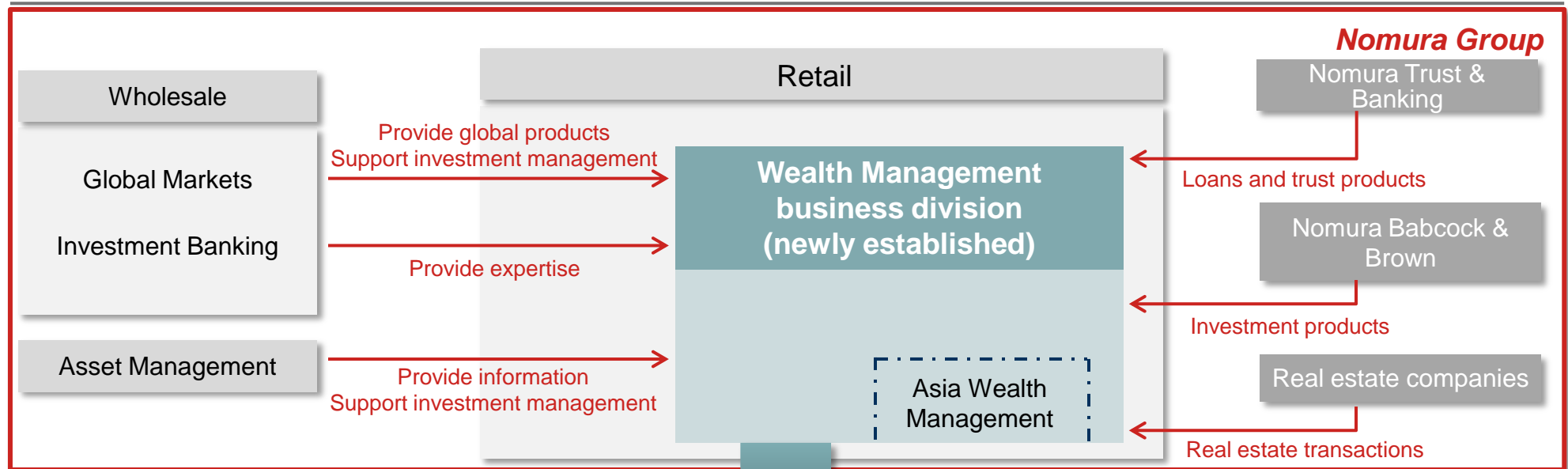
- Provide guidebooks on inheritance and tax issues
- Hold seminars and personal consulting sessions
- Happy Life Seminars
- My Life Note
- Nomura Asset Design tool
- Interview sheet
- Introduce tax accountants, lawyers, other experts
- Asset succession planning
- Will drafting kit
- Donation services
- Inheritance pack

Consider expanding Nomura brand inheritance related services

1. Source: Nomura estimate, based on National Tax Agency and Ministry of Internal Affairs and Communications statistics.

Stepping up approach to high-net-worth investors

Established Wealth Management business division to leverage the Group's full capabilities and provide bespoke solutions



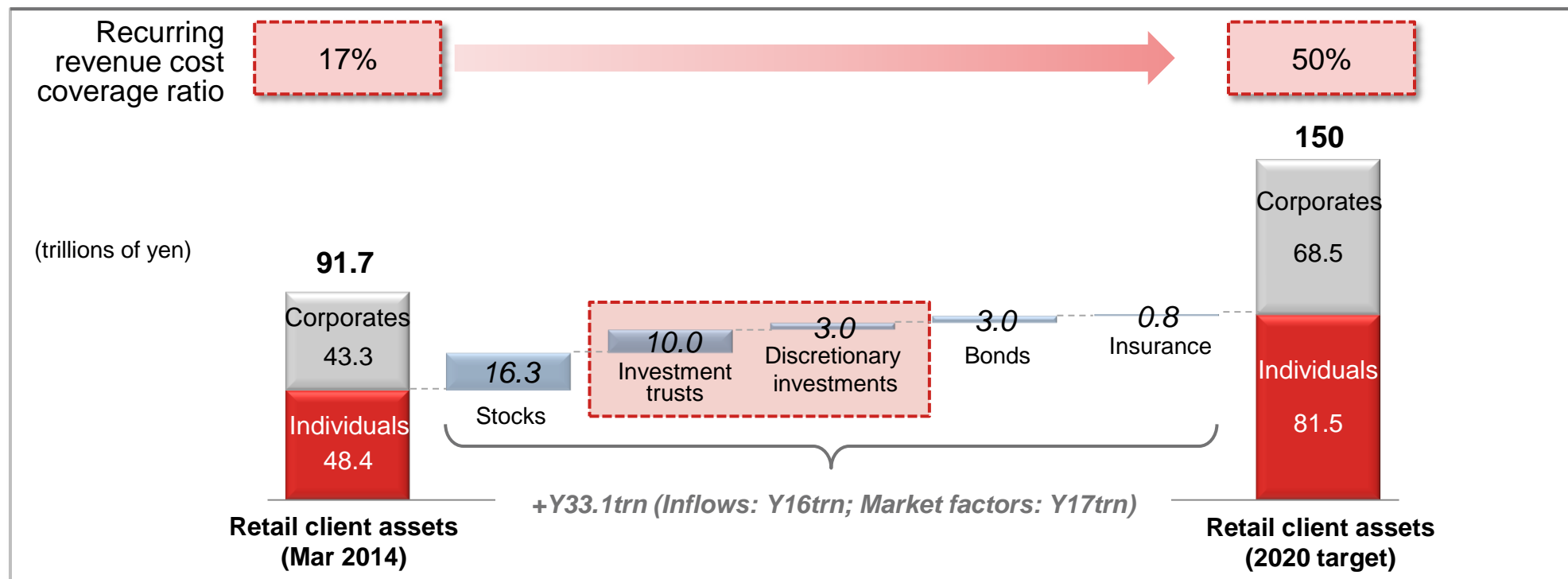
Bespoke solutions tailored to each client's specific requirements



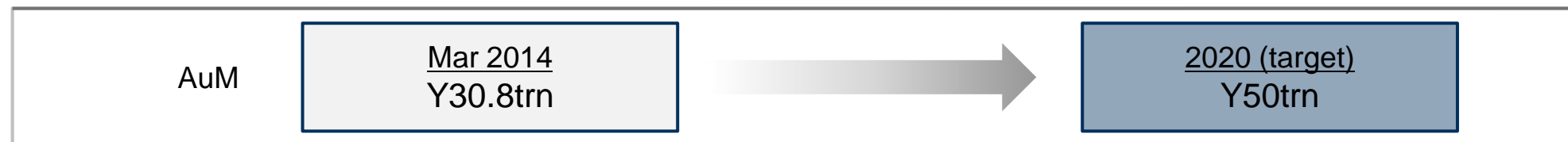
Expanding client assets to ensure resilient earnings in changing environment

NOMURA

Retail



Asset Management



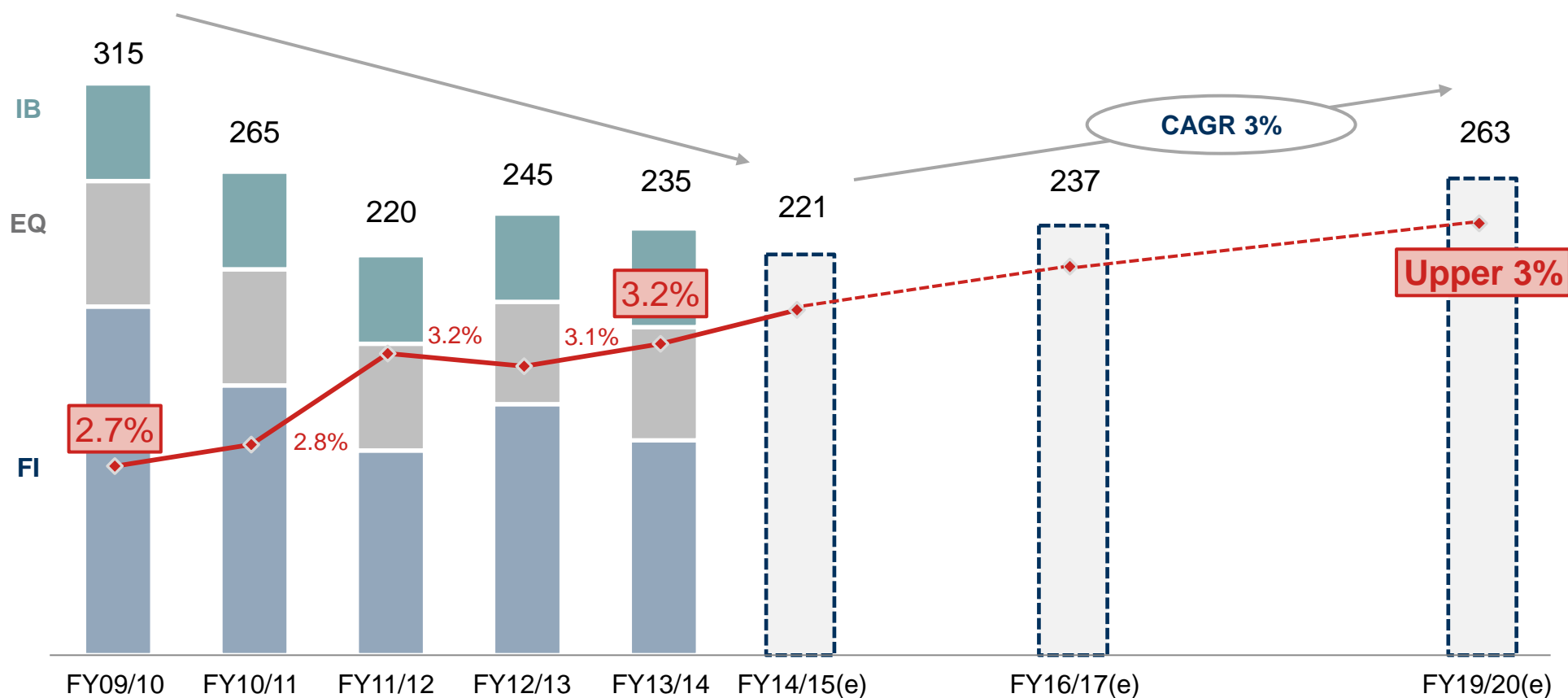
2

Deliver consistent earnings from
international operations

Fee pool growth and market share expansion

Wholesale fee pool annualized growth around 3%, Nomura market share expected to increase to upper 3% by FY2019/20

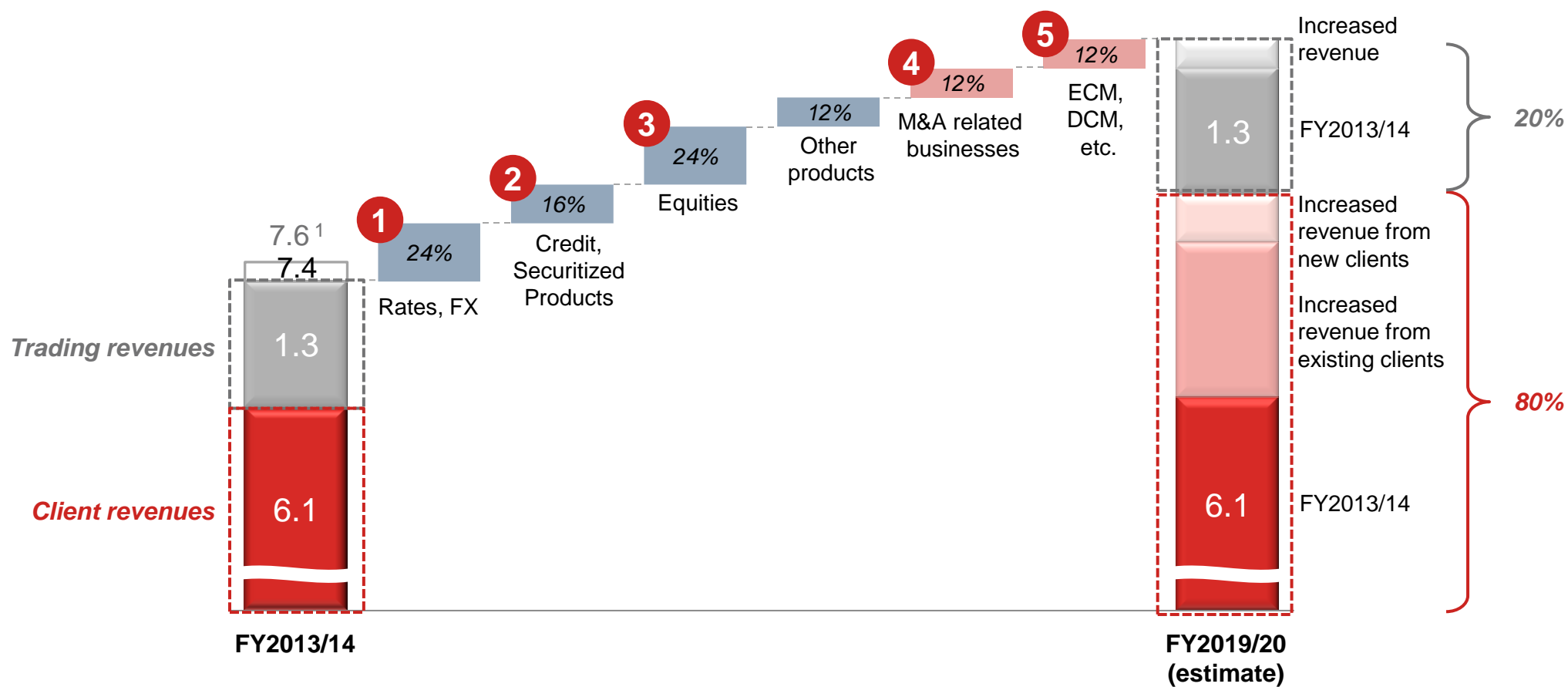
(USD billions)



Wholesale revenue growth

Revenue opportunities by product

(USD billions)



1. Includes Investment Banking Other

Wholesale revenue growth

Revenue opportunities by product

1	Rates, FX	<ul style="list-style-type: none"> ■ Retreat by peers, need to diversify counterparties ■ Relatively better positioned in terms of credit ratings <ul style="list-style-type: none"> – Fitch upgrade – Moody's review for upgrade ■ Robust balance sheet ■ Synergies across leveraged finance, DCM, etc.
2	Credit, Securitized Products	
3	Equities	<ul style="list-style-type: none"> ■ Improved profitability (efficient allocation of resources, increased cross-selling, etc.) ■ Effective client strategy ■ Selective strengthening of US research function
4	M&A related businesses	
5	ECM, DCM, etc.	<ul style="list-style-type: none"> ■ Selective expansion of coverage in the Americas ■ Focus on cross-border business ■ Expansion of solutions business ■ Enhanced distribution capabilities

Regional strategies: Asia

Strategy based on four categories

A

- Significant market size
- Mature retail investors
- Reasonable Nomura platform

B

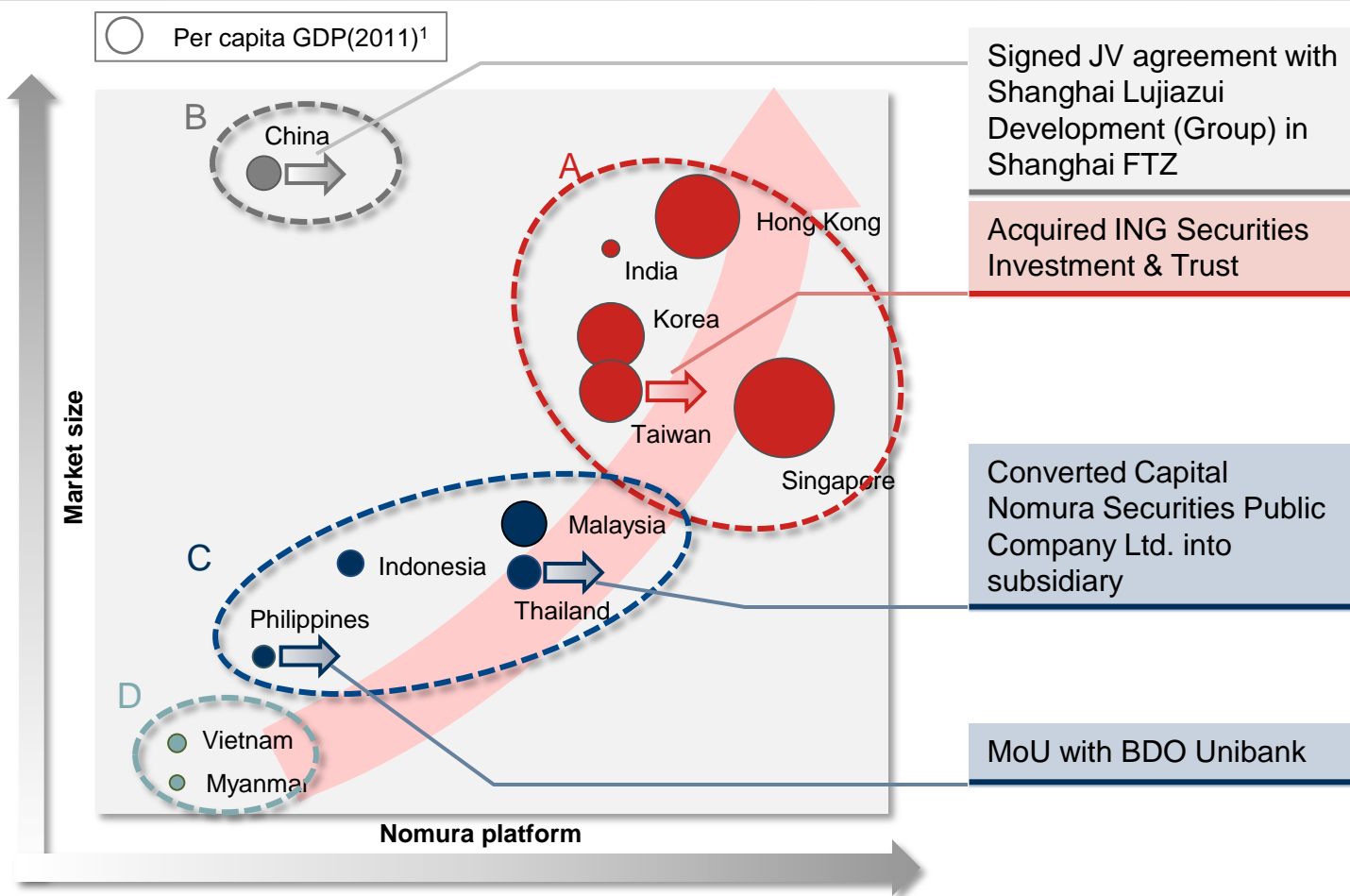
- Large market
- Growth potential
- Weak Nomura platform

C

- Developing market
- Limited Nomura platform

D

- Small market
- Low GDP per capita
- High growth potential



1. Source: United Nations; IMF data used for Taiwan.

In closing

Asia's global investment bank

CHANGE

Vision C&C - Road to 2020

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