

Investor Day

Tetsu Ozaki
Group COO
Nomura Holdings, Inc.

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Long term vision and future direction

Long term vision

“Vision C&C”

Create solid operating platform to ensure sustainable growth under any environment

Challenges to achieving long term vision

- ✓ Transformation of business model in Japan
- ✓ Further improve profitability of international business

**Continue initiatives to transform:
Understand clients' diverse needs and
provide the best solutions**

**Reduce costs and increase efficient
use of management resources based
on current/near term market conditions**

Wholesale

Leverage strengths in APAC to deliver competitive services to clients in Europe/US and Asia:
“Connecting Markets East & West”

EMEA

Focus on areas of strength

- ✓ Pursuing opportunities where we can add value to clients
- ✓ Focus on competitive strengths along with stringent cost control

Financial institutions

Institutional investors

Corporates

Clients

Retail investors

Government entities

Financial sponsors

Americas

Strengthen franchise, maintain full service platform

- ✓ Leveraging our globally connected platform with full product capabilities and intellectual capital
- ✓ Selectively pursuing growth opportunities in the largest fee pool market

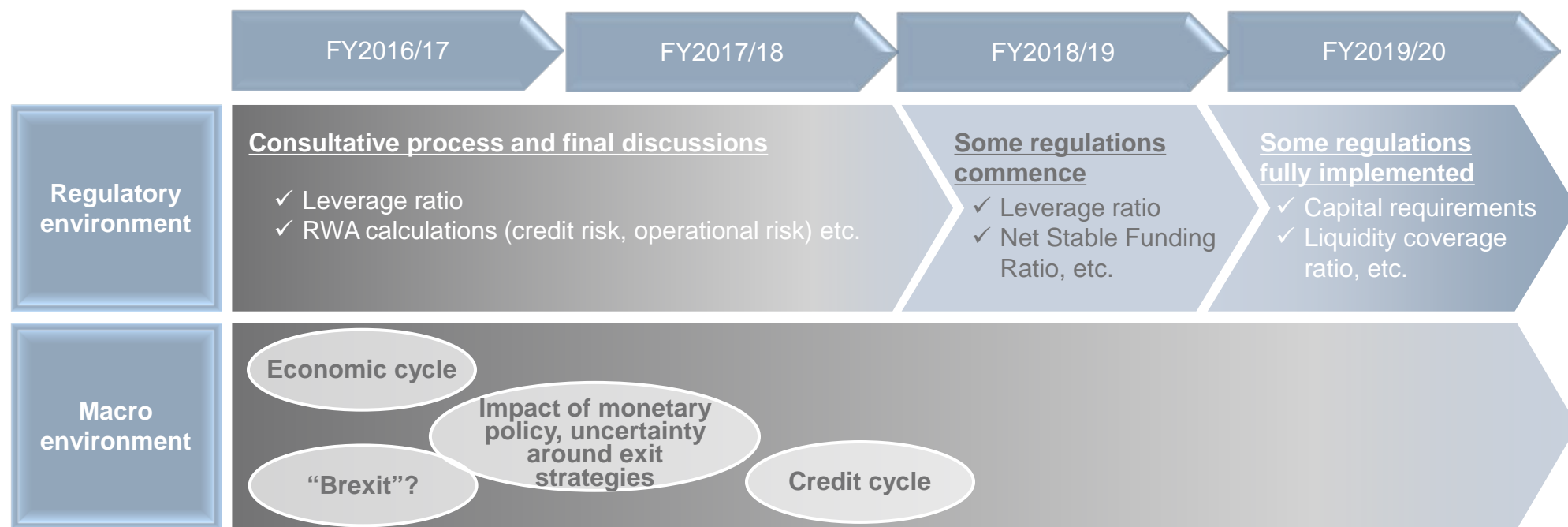
APAC

Expand franchise to tap into growth

- ✓ Coordinated client approach across all products
- ✓ Wholesale and Retail working together creates synergies

Operating environment: Challenging conditions in short term

Challenging market conditions expected to continue in short term due to regulatory uncertainty and macro environment

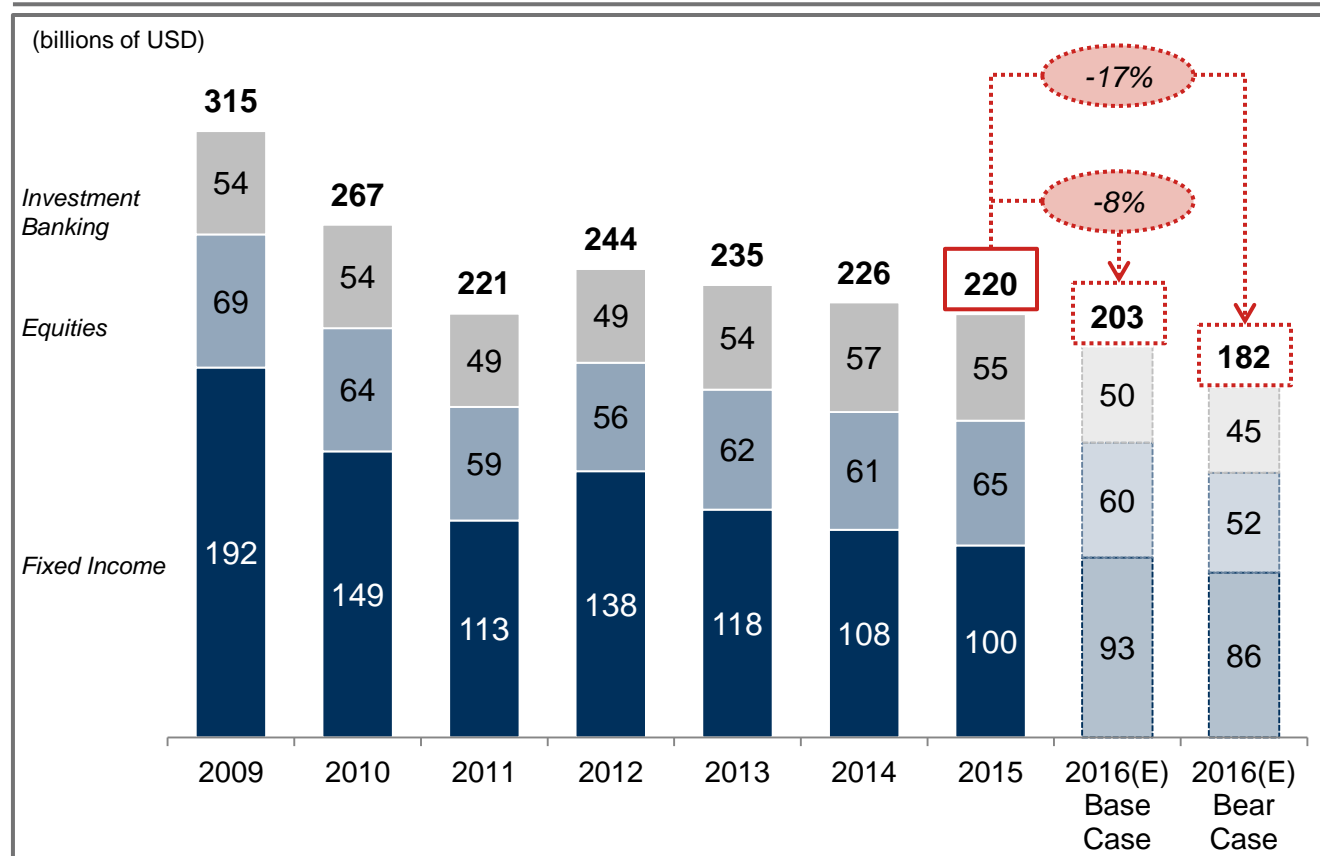


Expect market headwinds, regulatory uncertainty

- Further rationalize to focus on core businesses
- Profitable in challenging environment

Fee pool deteriorated / decline in 2016

Wholesale fee pool¹



- ✓ CY2016 fee pool expected to decline by about 8% YoY, or 17% in bear case scenario
- ✓ Could drop more than GDP for first time in 20 years

Expected risks

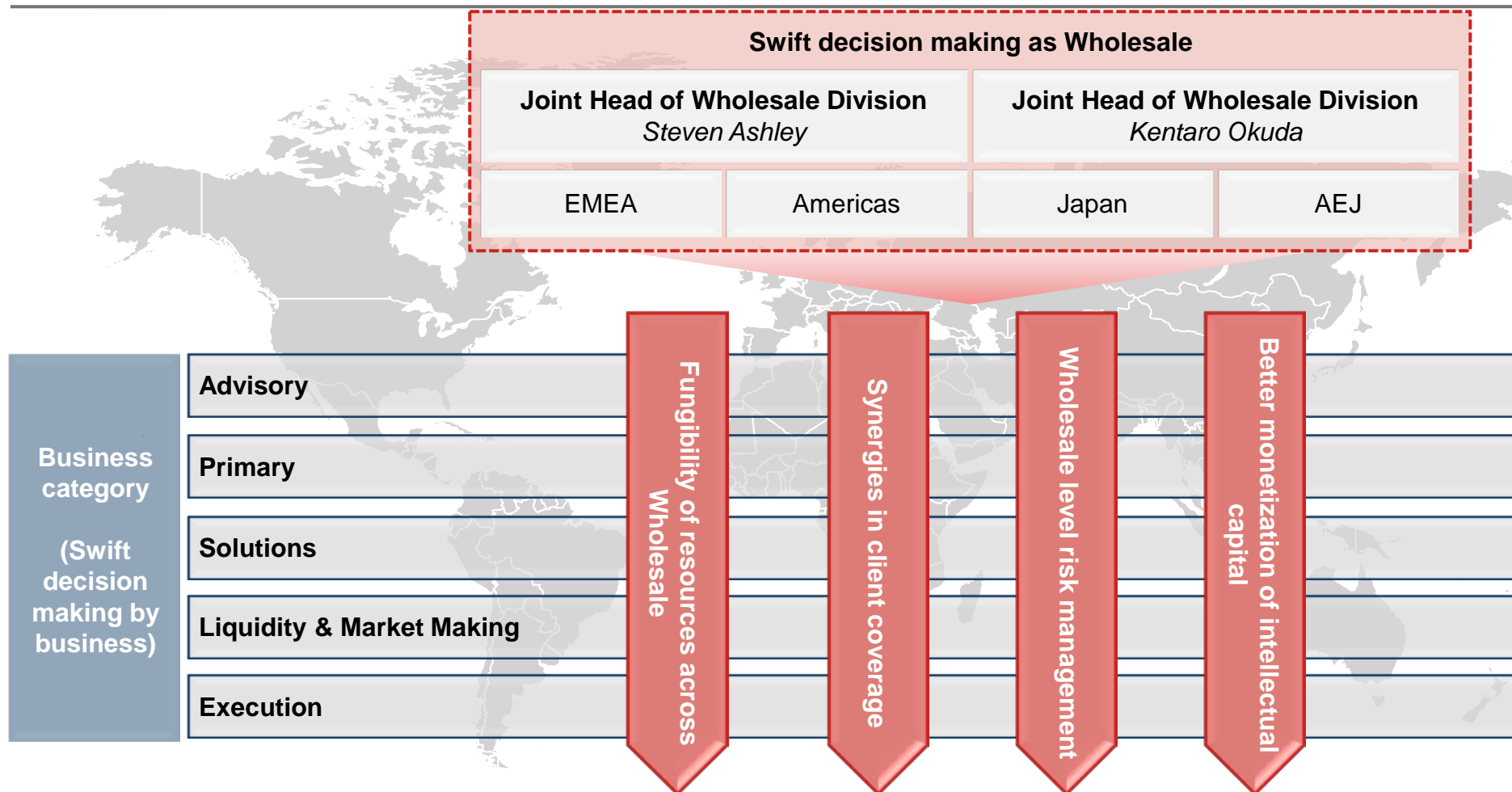
- ✓ Intensified competition in capital light, scale-driven equities businesses
- ✓ Decline in high yield issuance, delays in ECM deals
- ✓ Continued tough environment for spread products

Nomura's fee pool market share (Calendar year base)

1.8% 3.0% 3.3% 3.1% 3.3% 3.1% 3.1%

Enhance management structure: Operating model for end-to-end synergies

Enhanced management structure to enable swift decision making as Wholesale



Strategic actions

NOMURA

Maintain/grow
 Streamline
 Close

Accelerate focus on core businesses based on strategy announced at Nomura Investment Forum 2015

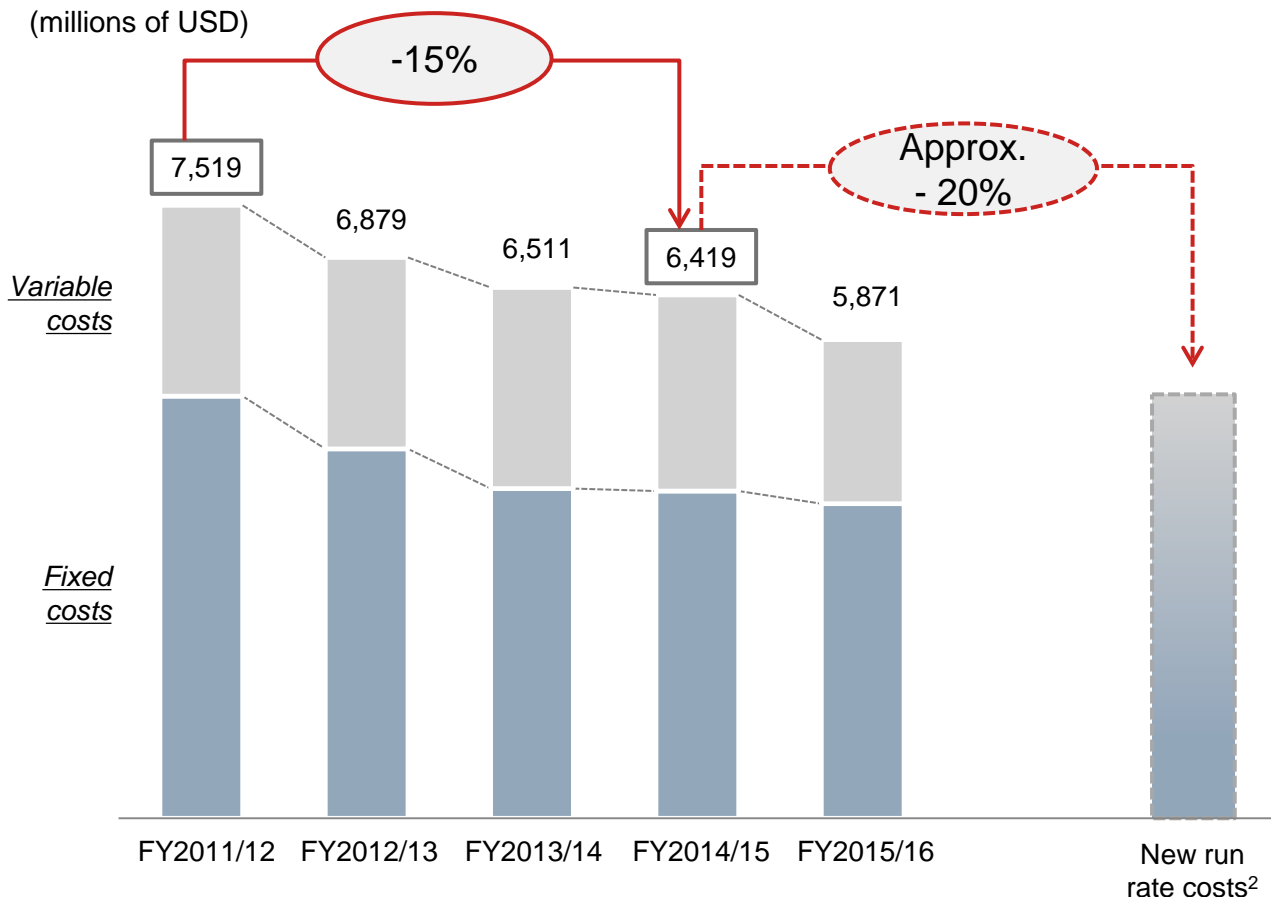
			EMEA	Americas	APAC	Key Actions
<div style="writing-mode: vertical-rl; transform: rotate(180deg);">Market risk</div> <div style="position: relative; height: 100px;"> <div style="position: absolute; top: 0; left: -10px;">Low</div> <div style="position: absolute; bottom: 0; left: -10px;">High</div> </div>	1	Advisory	M&A			<ul style="list-style-type: none"> Maintain/grow existing services, while aligning them with Primary and Solutions business
	2	Execution	Instinet			<ul style="list-style-type: none"> International Cash Equities offering mainly focused on Instinet
			Research			<ul style="list-style-type: none"> Close EMEA stock coverage, maintaining sales of APAC stocks Maintain US Research, while refocusing on sectors with strength (aligned with ECM)
	3	Primary	ECM ¹			<ul style="list-style-type: none"> Close underwriting of domestic stocks in EMEA while offering equity advisory service
			DCM			<ul style="list-style-type: none"> Focus ECM business sectors with strength in US
			ALF			<ul style="list-style-type: none"> Streamline Acquisition and Leveraged Finance cost base in US
	4	Solution	Solutions			<ul style="list-style-type: none"> Selective investment plan focused on areas of rising client opportunities
			Client Financing			<ul style="list-style-type: none"> Establish GM/IB Solutions hub in EMEA
	5	Liquidity & Market Making	Macro (Rates, FX)			<ul style="list-style-type: none"> Restructure Securitized Products (non-Agency) and Corporate Credit in US, freeing up resource usage
			Spread Products (Credit, Securitized Products)			<ul style="list-style-type: none"> Streamline Sales/Research in EMEA
		Flow Fixed Income				
		Non-Cash Equities	Equity Products			<ul style="list-style-type: none"> Close EMEA Equity Derivatives, Delta 1 trading, Equity financing, and Equity Futures and Options Maintain Global Convertibles, Prime for APAC clients and Quantitative Investment Solutions

1. Continue to offer equity advisory service related to EMEA equity.

Continued focus on reducing costs

Wholesale costs¹ and new run rate costs

(millions of USD)

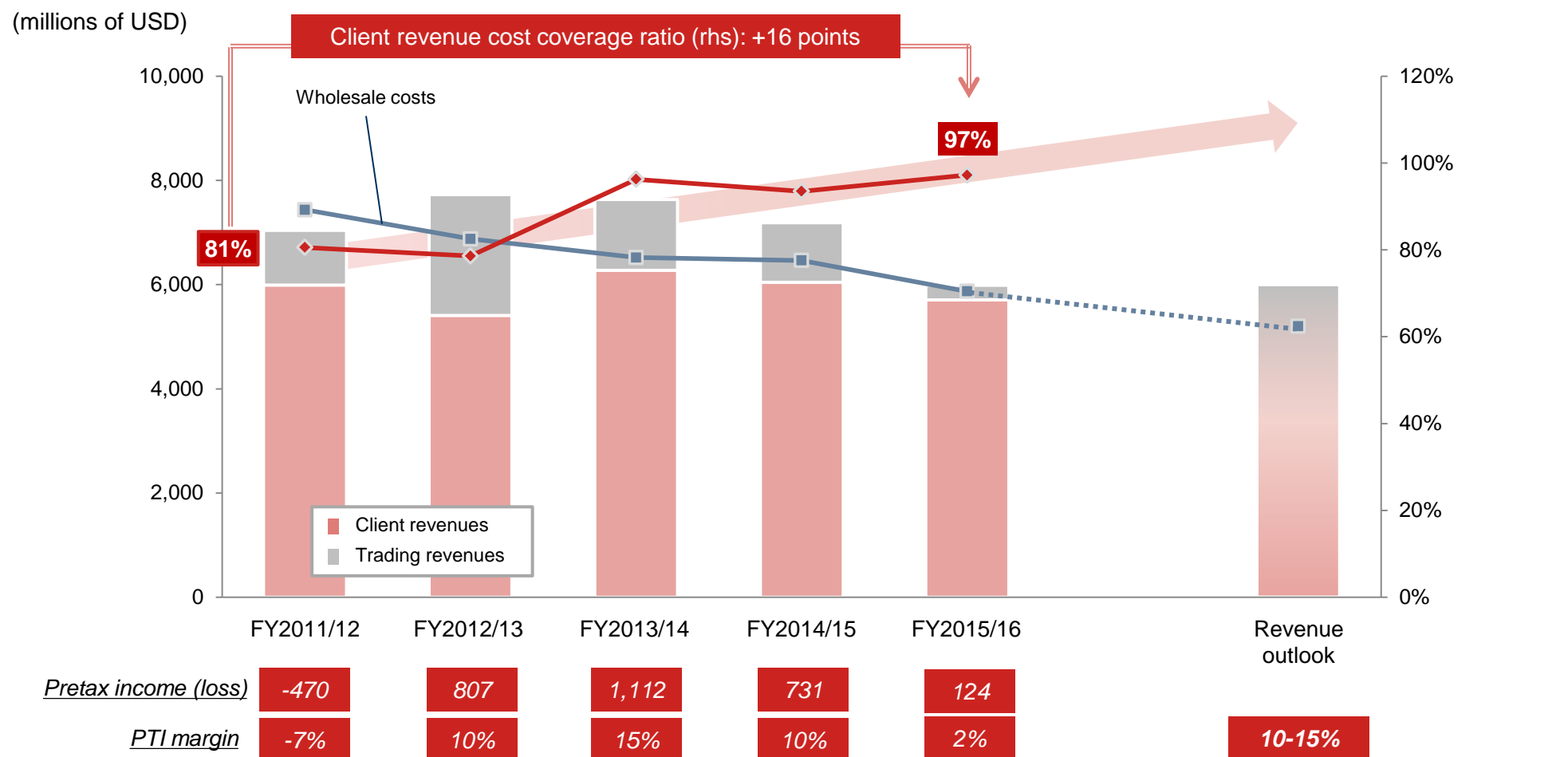


- Since 2011, Fit for the Future and other initiatives helped reduce costs by 15% over three years
- Continue to review businesses from FY2015/16 based on environment
- ✓ Focus on pay for performance in FY2015/16 brought costs down by 9%, primarily in variable costs
- ✓ Strategic reviews in EMEA and Americas aimed at reducing costs by approximately 20% compared to FY2014/15

1. Converted into USD using average month-end spot rate for each period.
 2. Based on the assumption if FY2015/16 business environment continues

Focus on client businesses in areas of strength

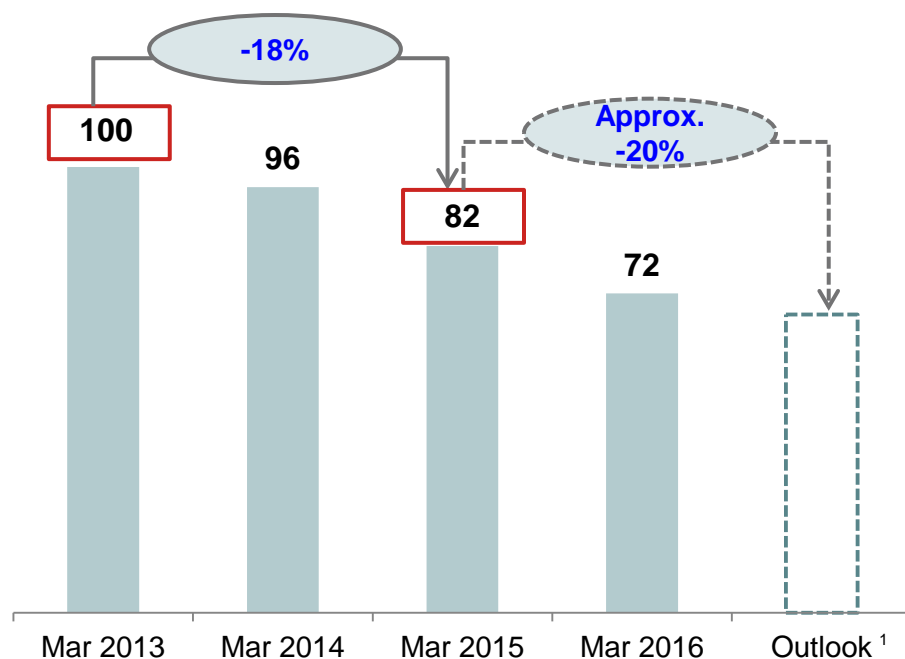
Grow client businesses in focus areas while lowering cost base: Aim for PTI margin of 10-15%



Capital Optimization

Wholesale RWA (Basel 3)

Indexed to 2013 = 100



RWA for Spread Products

Indexed to 2015 = 100



April 2016 onwards : Reallocation of Capital

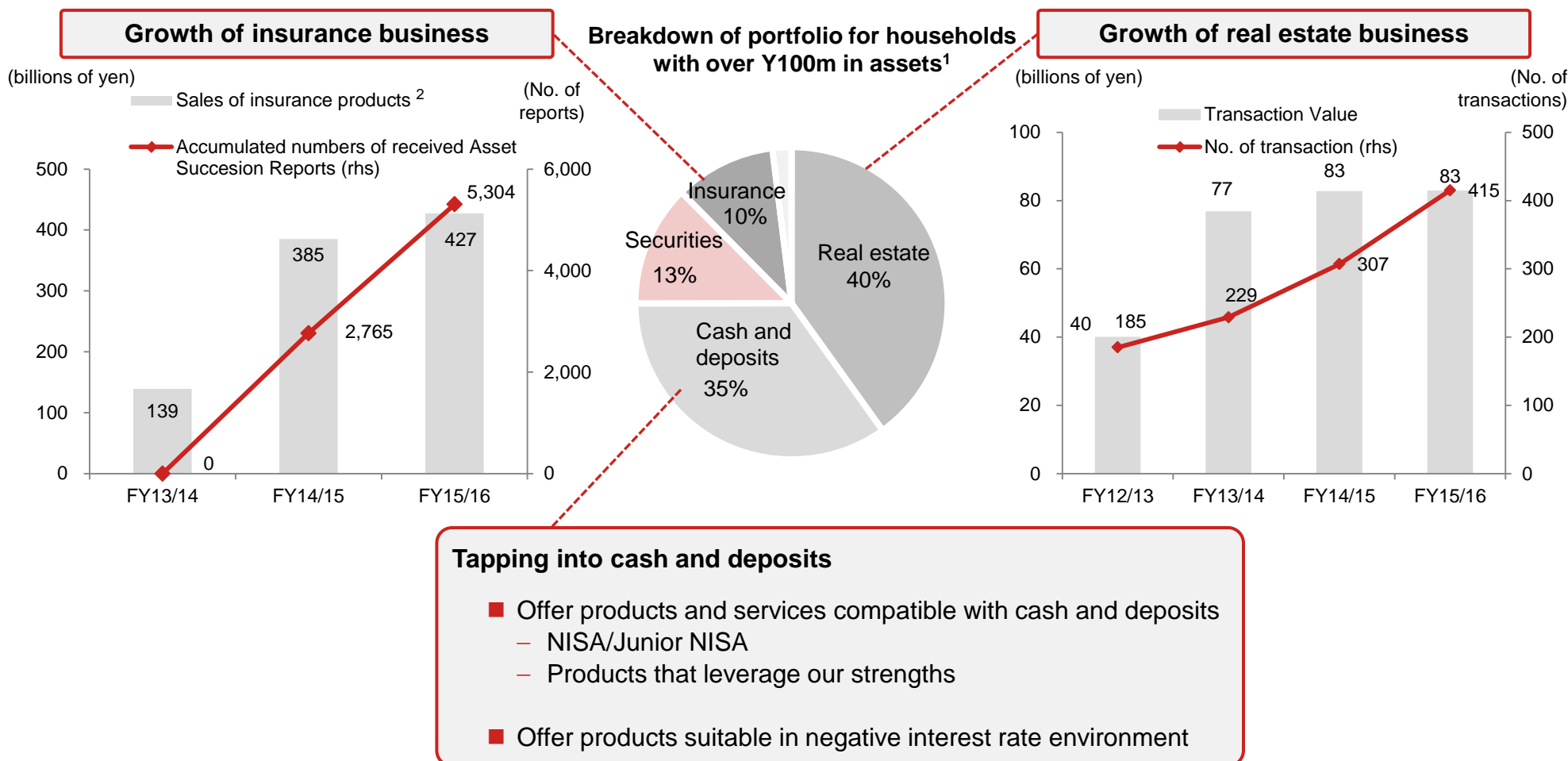
	Revenue Outlook	Outlook for Nomura capital allocation
Advisory	↑	— <u>Capital Light</u>
Agency Execution	↗	— <u>Capital Light</u>
Primary	↑	↗ <u>Partial redeployment</u> Deploy balance sheet strategically to facilitate client transactions
Solutions	↑	↗ <u>Targeted growth</u> Capital-optimised expansion to capture growing client opportunities, e.g. Insurance, EM/ LatAm, structured client financing
Liquidity & Market Making	↔	↗ <u>Resizing</u> Re-allocation of capital freed up from strategic actions to areas of market opportunity

1. Excluding influence of business expansion/ reduction and fluctuations in exchange onwards.

Retail and Asset Management

Meeting client needs through consulting services

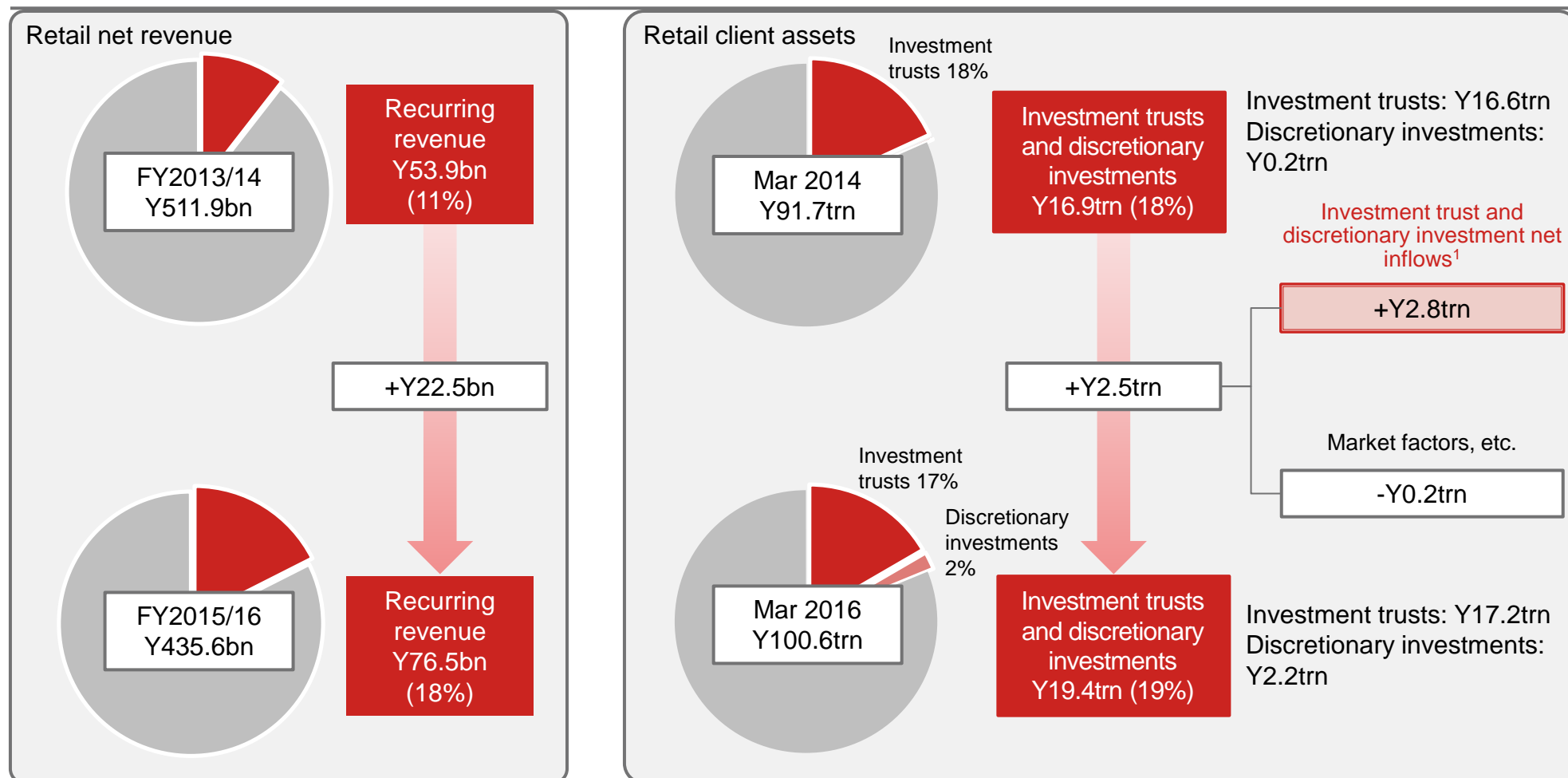
Conduct client interviews and provide services for real estate, insurance, cash and deposits, etc.



1. Source: Nomura, based on "2014 National Survey of Family Income and Expenditure" issued by Statistics Bureau.
 2. Retail channel only.

Transforming our revenues: Growth in recurring revenue

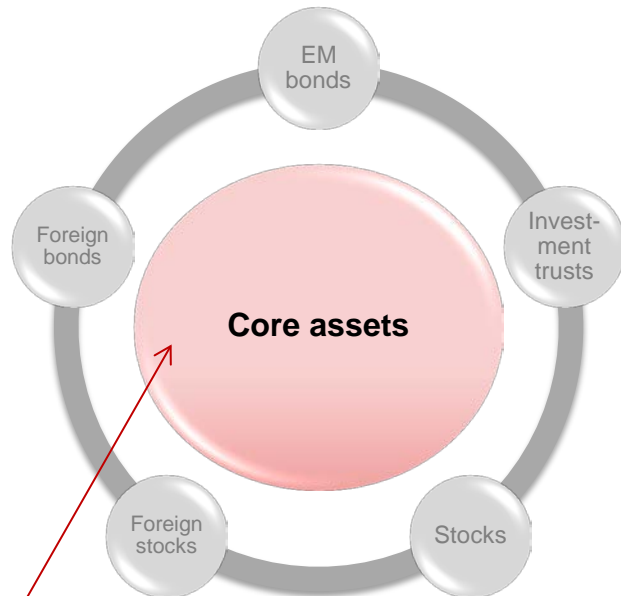
Recurring revenue up Y22.5bn over past two years driven by growth in Retail client assets



1. Retail channels and Japan Wealth management group.

Fund Wrap (1)

Core assets for growth through stable management

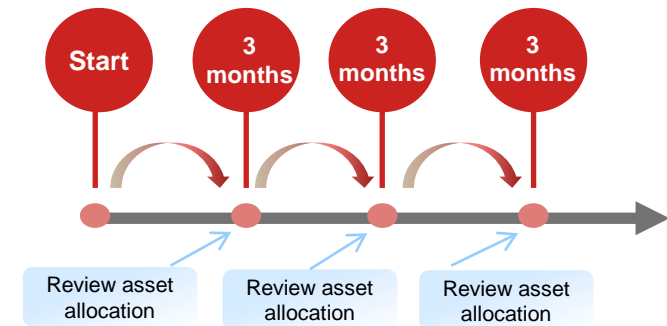


Discretionary investments for core assets: Three key points

- | | |
|-------------------------------|--|
| 1. Diversification | <ul style="list-style-type: none"> Efficient asset allocation Benefits of diversification |
| 2. Long term | <ul style="list-style-type: none"> Risk premium benefits Reduce risks by investing over long term |
| 3. Strategic asset allocation | <ul style="list-style-type: none"> Theoretical approach grounded in financial engineering Optimization |

Regular reviews of asset allocations

✓ Regular rebalancing



✓ Client's own reviews

Investment report

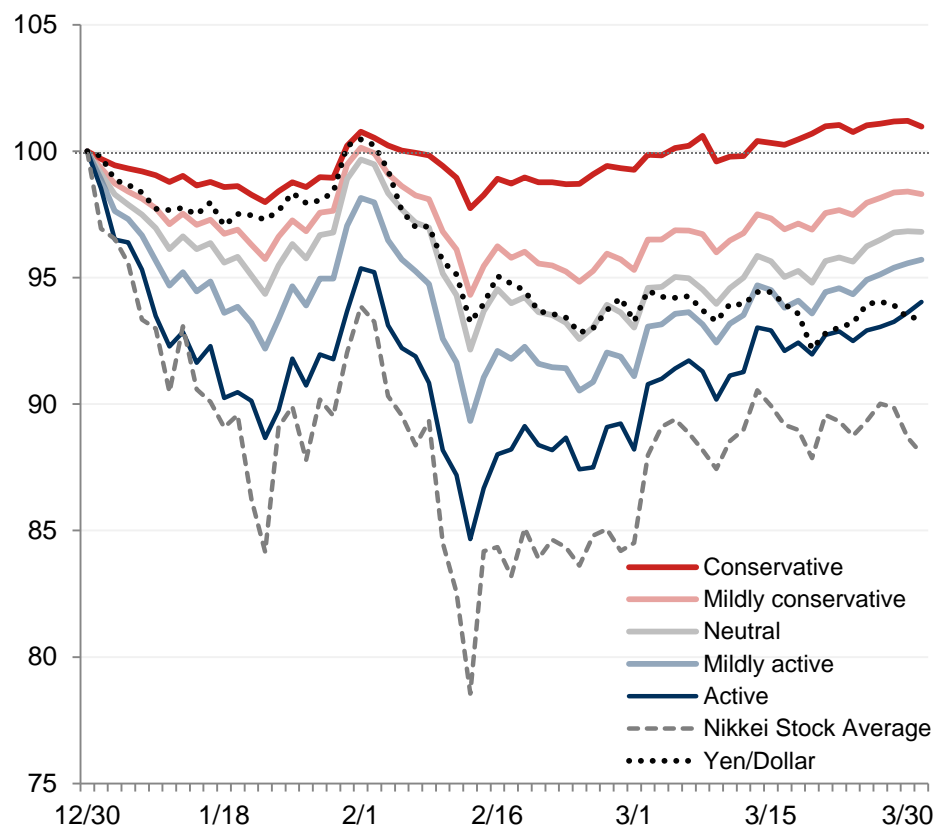
Dedicated website

項目	2015.03.31	2015.06.30	2015.09.30	2015.12.31	2016.03.31	2016.06.30	2016.09.30	2016.12.31	2017.03.31
投資の新集計	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000

Personal review

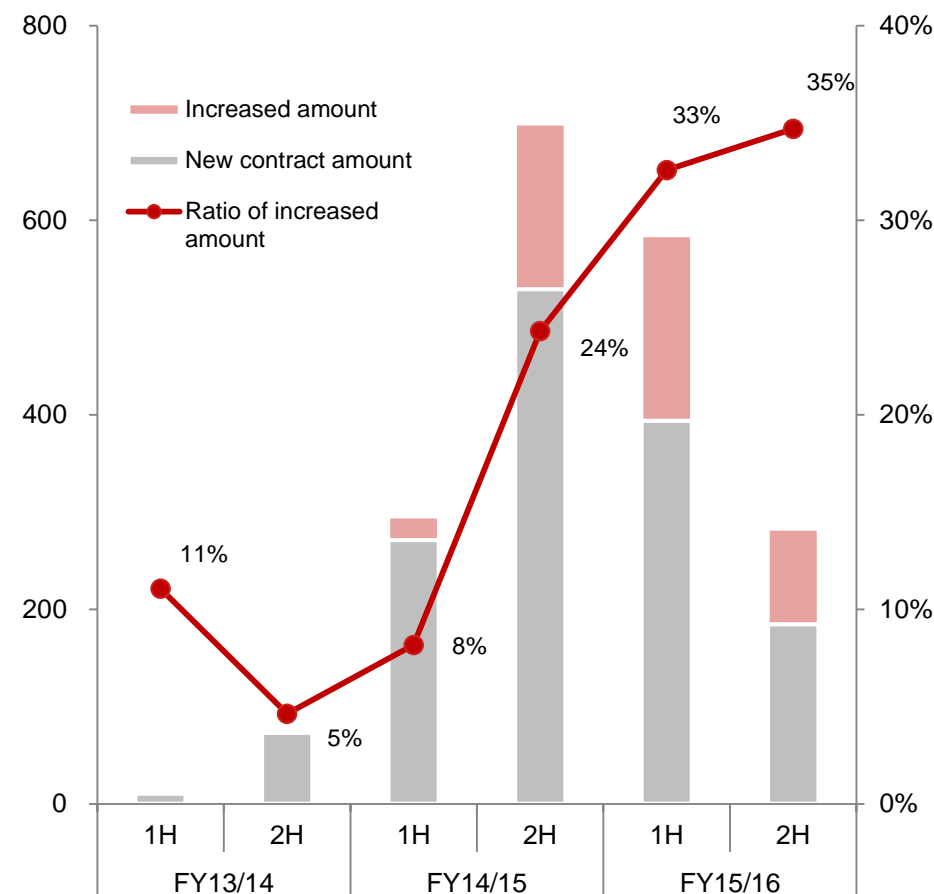
Fund Wrap (2)

Approx. 80% of clients choose conservative or mildly conservative¹



Approx. 30% of total in increased contracts

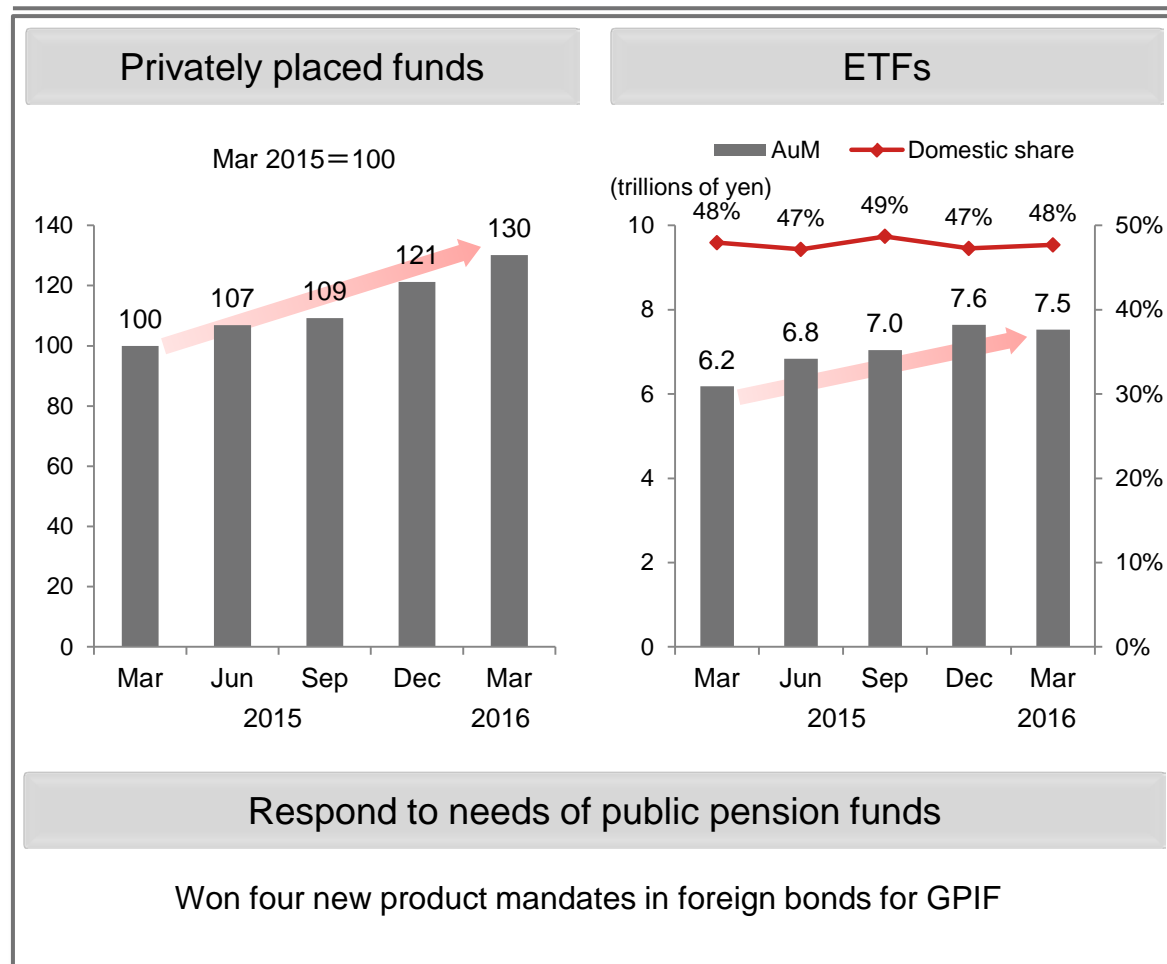
(billions of yen)



1. Indexed, December 30, 2015 = 100. Trend including Value Program/REIT. Does not take into account costs for discretionary investments. Rebalancing etc. differs to actual performance.

Asset Management: Broad range of investment solutions

Existing solutions

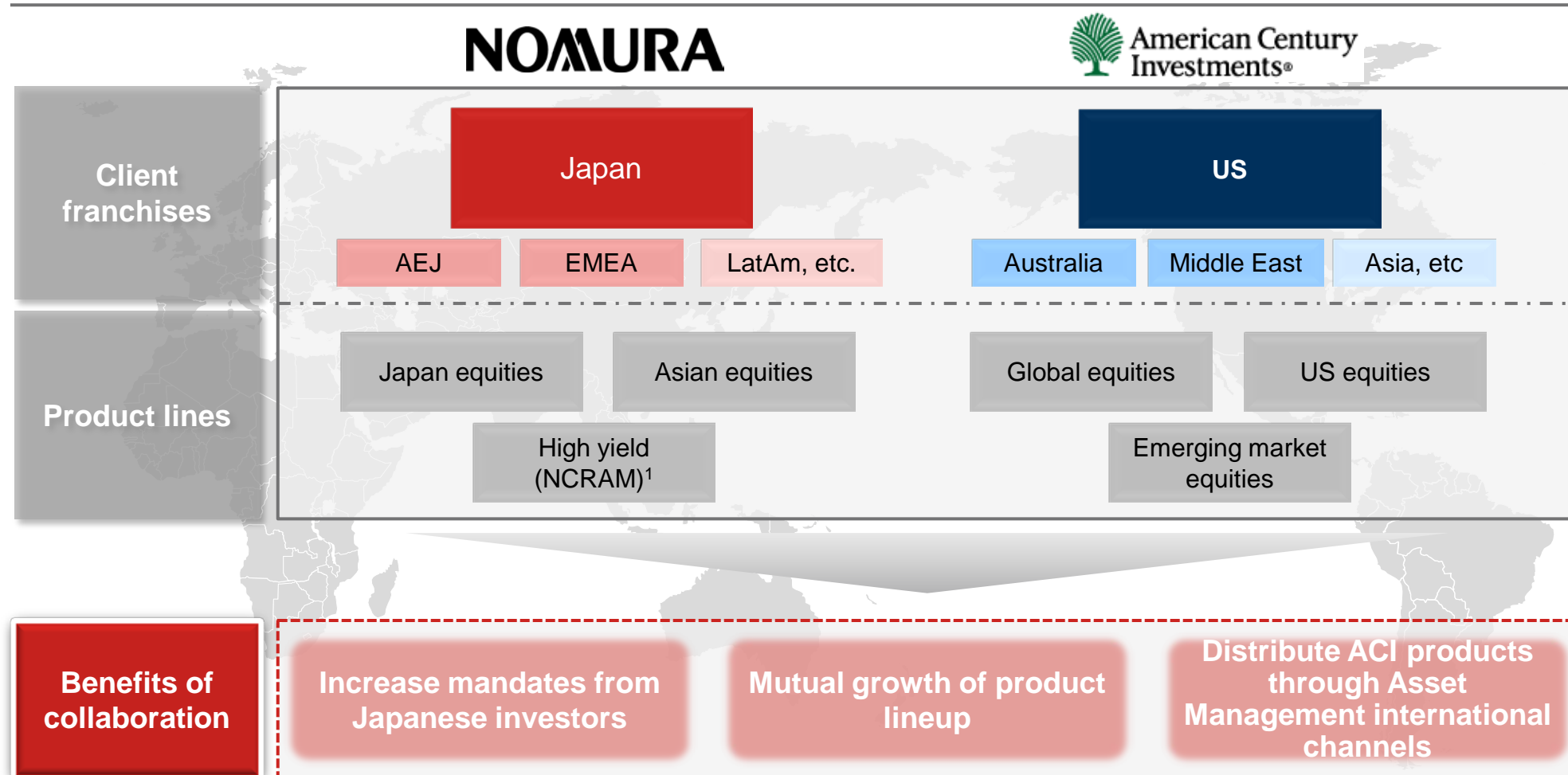


New solutions



Collaboration with American Century Investments

Seek benefits of collaboration through complementary client franchises and product lines



1. Nomura Corporate Research and Asset Management.

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