

Create Change. World-Class. Speed.



Annual Report 2008

for the Year Ended March 31, 2008

NOMURA HOLDINGS, INC.

NOMURA

Profile

Nomura is a leading financial services group and the preeminent Asian-based investment bank with worldwide reach. We provide a broad range of innovative solutions tailored to the specific requirements of individual, institutional, corporate, and government clients through an international network in 30 countries. Based in Tokyo and with regional headquarters in Hong Kong, London, and New York, Nomura employs about 18,000 staff worldwide.

We are committed to establishing a strong position as a financial services group with world-class competitiveness, and have set a management target of achieving return on equity (ROE) of between 10% and 15% on average over the medium to long term. As we work towards these goals, we remain focused on making a difference for our clients through our five business divisions: Domestic Retail, Global Markets, Global Investment Banking, Global Merchant Banking, and Asset Management.



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Forward-Looking Statements

This annual report contains forward-looking statements about the future plans, strategies, beliefs, and performance of Nomura Group.

These forward-looking statements are not historical facts. They are expectations, estimates, forecasts, and projections based on information currently available to the Company and are subject to a number of risks, uncertainties, and assumptions, which, without limitation, include market trends, economic trends, competition in the Japanese financial industry, laws and regulations, and the tax system. As such, actual results may differ materially from those projected.

Consolidated Financial Highlights (U.S. GAAP)

For the fiscal years beginning April 1 and ending March 31 of the following year

Note: These consolidated financial highlights are prepared solely for convenience. Readers are recommended to refer to the Form 20-F.

		Millions of yen					Millions of U.S. dollars ^{*1}
	FY	3/2004	3/2005	3/2006	3/2007	3/2008	3/2008
Operating Results:							
Revenue		¥ 1,045,936	¥ 1,126,237	¥ 1,792,840	¥ 2,049,101	¥ 1,593,722	\$ 15,961
Net revenue		803,103	799,190	1,145,650	1,091,101	787,257	7,884
Income (loss) before income taxes ^{*2}		282,676	204,835	545,013	321,758	(64,588)	(647)
Net income (loss)		172,329	94,732	304,328	175,828	(67,847)	(679)
Balance Sheet Data (Period End):							
Total assets		¥29,752,966	¥34,488,853	¥35,026,035	¥35,873,374	¥26,298,798	\$263,383
Shareholders' equity		1,785,688	1,868,429	2,063,327	2,185,919	1,988,124	19,911
Return on equity (ROE)^{*3}		10.1%	5.2%	15.5%	8.3%	(3.3)%	

					Yen	U.S. dollars ^{*1}
Per Share Data:						
Net income (loss)—basic	¥ 88.82	¥ 48.80	¥ 159.02	¥ 92.25	¥ (35.55)	\$ (0.36)
Shareholders' equity ^{*4}	919.67	962.48	1,083.19	1,146.23	1,042.60	10.44
Cash dividends ^{*4}	15.00	20.00	48.00	44.00	34.00	0.34

	Millions of yen					Millions of U.S. dollars ^{*1}
Cash Dividends:						
Total annual dividends	¥29,137	¥38,845	¥91,487	¥83,939	¥64,921	\$650
Share buybacks ^{*5}	3,624	—	49,335	—	2,520	25

					Yen	U.S. dollars ^{*1}
Stock Price:						
Stock price as of the end of March						
(Tokyo Stock Exchange)	¥1,895	¥1,500	¥2,625	¥2,455	¥1,490	\$14.92

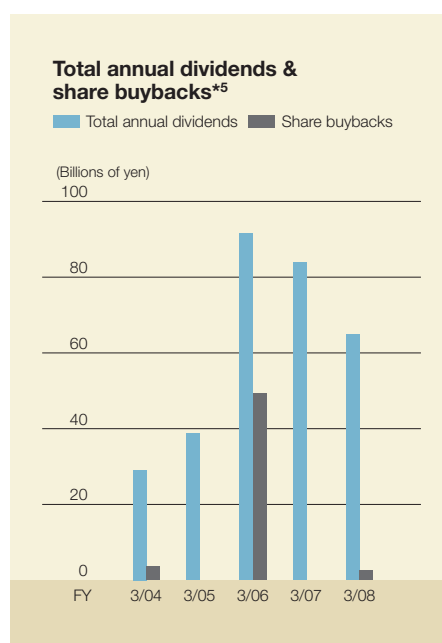
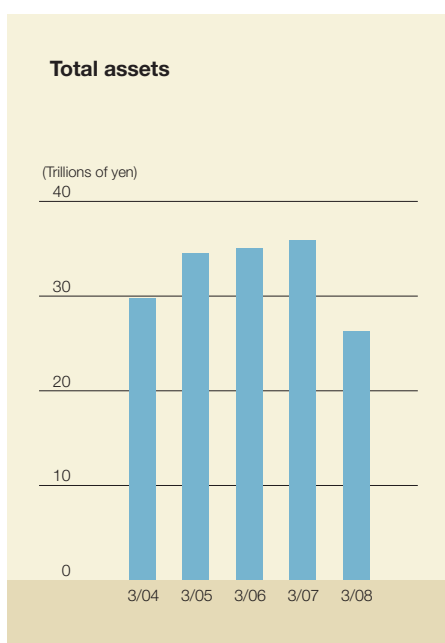
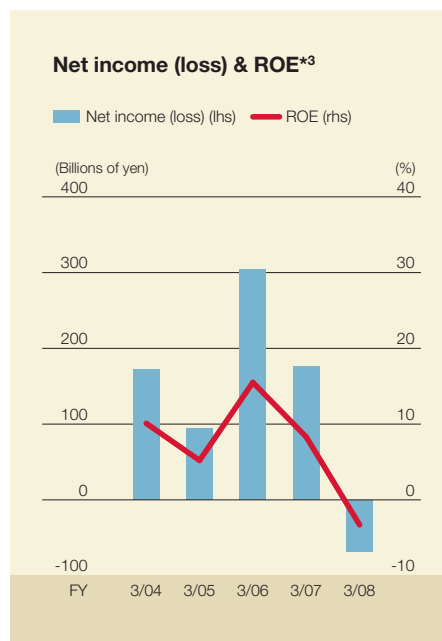
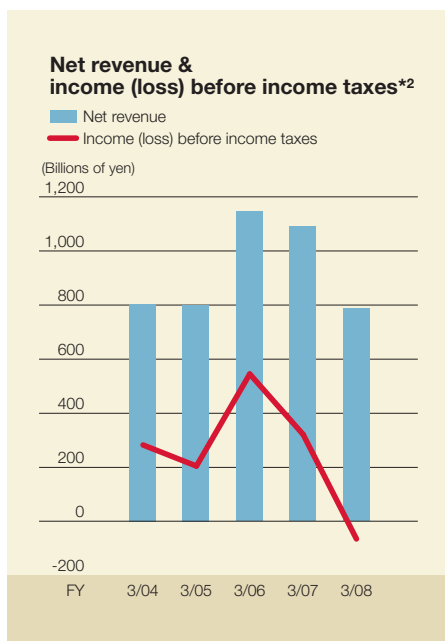
^{*1} Calculated using the yen-dollar exchange rate of U.S.\$1.00=¥99.85, the noon buying rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York on March 31, 2008.

^{*2} Total for continuing and discontinued operations for the fiscal year ended March 31, 2006.

^{*3} Calculation method: Net income (loss) divided by average shareholders' equity.

^{*4} Calculated using the number of shares outstanding at year-end.

^{*5} Excludes purchases of shares less than one trading unit.



To Our Shareholders and Customers

Kenichi Watanabe
President & CEO



Create Change. World

We are shifting strategic direction to become a creating change in the capital markets, we aim and in turn create opportunities for growth at



Takumi Shibata
Deputy President & COO

-Class. Speed.

more client-driven, business-focused firm. By
to further the development of the overall market
Nomura.

Fiscal 2007 in Review

Summary of results for fiscal 2007

During the fourth quarter of fiscal 2007, ended March 31, 2008, we acted with speed to implement specific measures aimed at minimizing future losses in our credit instrument related activities as the business environment continued to deteriorate due to turmoil in the global credit markets. As a result of these moves, we reported a loss before income taxes of ¥64.6 billion and a net loss of ¥67.8 billion for the year under review.

Despite the losses, the impact on our strong financial position was marginal and we maintain some ¥1,988.1 billion in shareholders' equity. We also moved quickly and decisively to reduce our balance sheet in response to the deteriorating environment. We reduced overseas repo transactions, exited the U.S. residential mortgage-backed securities (RMBS) related business, and reduced our exposure related to U.S. commercial mortgage-backed securities (CMBS).

Dividends

We declared an annual cash dividend for fiscal 2007 of ¥34 per share. Our target dividend for the current fiscal year, ending March 31, 2009, is ¥34 per share. Once we have achieved a sufficient level of profit, the year-end cash dividend will be increased, taking into consideration a payout ratio of over 30%.

New Management Structure

We are shifting strategic direction to become a more client-driven, business-focused firm. By creating change in the capital markets, we aim to further the development of the overall market and in turn create opportunities for growth at Nomura.

Management vision

Our management vision centers on three areas: (1) aim to become a financial services group with world-class competitiveness, (2) create change to contribute to the development of capital markets and generate growth opportunities, and (3) act as a bridge between Asia including Japan and Europe and the United States.

To realize our vision, we aim to create change, be world-class, and act with speed.

Top-down decision making by the CEO, COO, and five business division CEOs

We have set up a Group Management Committee, which includes the Chief Executive Officer (CEO), the Chief Operating Officer (COO), the CEOs of the five business divisions, and the Head of Regional Management, Europe, who is based in London. We have adopted this structure to facilitate prompt top-down decision making to deal with rapid changes in the operating environment. The CEOs of the business divisions are now expected to fulfill their duties as the leaders of their divisions while also thinking about the management of Nomura Group as a whole.

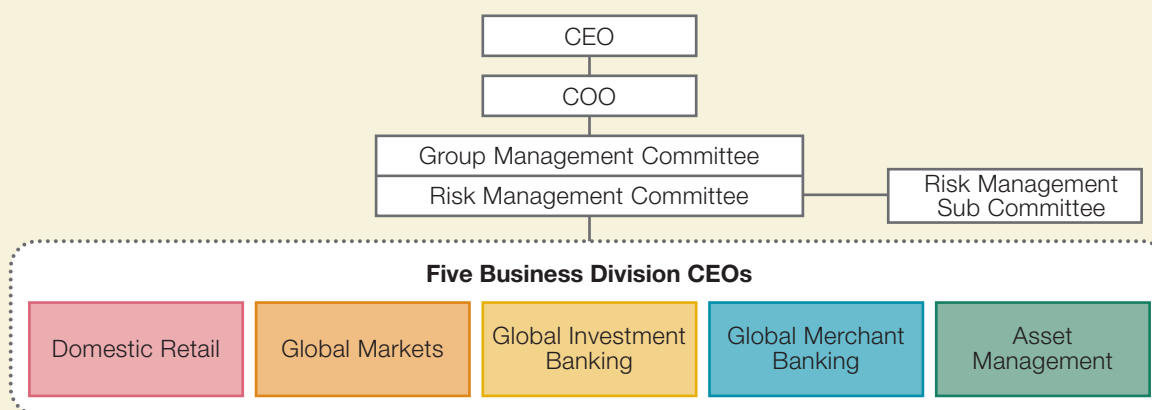
Top management directly engaged in risk management

We have also formed a Risk Management Committee and Risk Management Sub Committee, making it possible for top management to become directly engaged in risk management. We will now work to change our risk management structure from one that focuses mainly on trying to measure risk to one that is geared to anticipate risks. Our previous risk management focused mainly on ascertaining the current state of illiquid positions. Now, as previously liquid positions are becoming illiquid, the Risk Management Sub Committee will closely monitor all positions.

Reaffirmation of matrix management

We have adopted a matrix management approach, under which our businesses are run jointly by regional managers in Europe, the United States, and Asia and the CEOs of the five business divisions. This approach relies on open communication among the regional heads and divisional CEOs, complementary relationships, and mutual checking functions.

New Management Structure

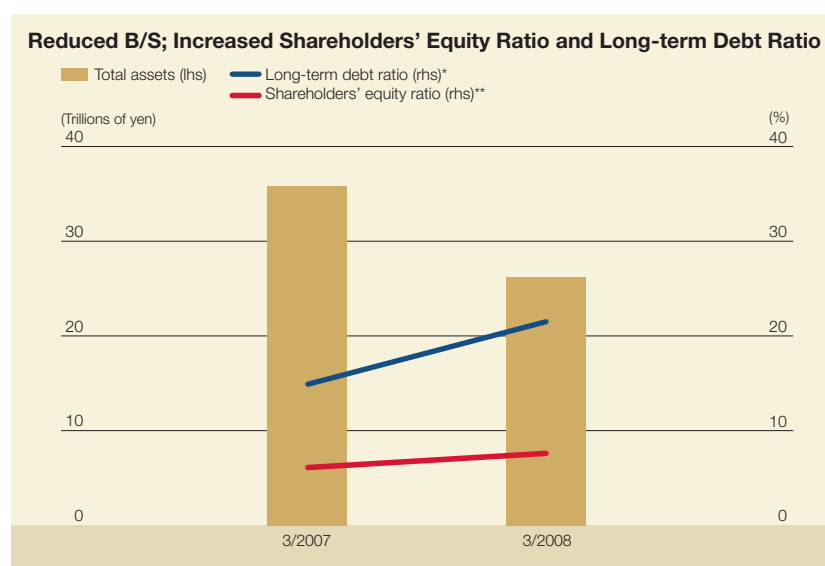


Dealing with Credit Market Turmoil

We have taken the following steps in response to the recent turmoil in the global credit markets.

Reduced balance sheet, increased shareholders' equity and long-term debt ratios

We have reduced overseas repo transactions and taken other measures to reduce the size of our balance sheet. As a result, our total assets declined from about ¥36 trillion as of March 31, 2007, to approximately ¥26 trillion as of March 31, 2008. Reflecting cutbacks in balance sheet items, the ratio of shareholders' equity to total assets rose from 6.1% to 7.6% over the same period. In addition, we have increased the ratio of long-term borrowings to total liabilities.



*Long-term debt ratio = (long-term borrowings/total liabilities) x 100.

**Shareholders' equity ratio = (total shareholders' equity/total assets) x 100.

Credit Ratings*

	Nomura Holdings		Nomura Securities	
	Long-term	Short-term	Long-term	Short-term
S&P	A-	A-2	A	A-1
Moody's	A3	—	A2	P-1
R&I	AA-	a-1+	AA-	a-1+
JCR	AA	—	AA	—

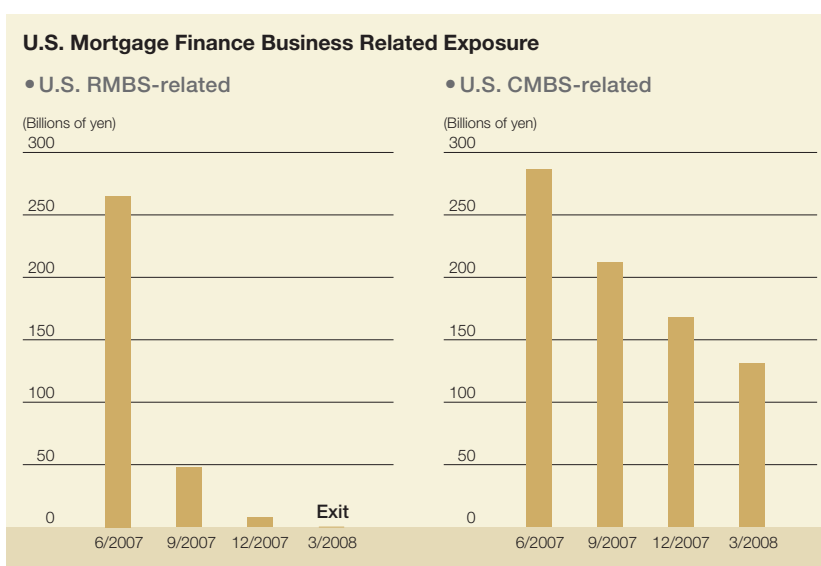
*As of June 30, 2008.

Immediately following the announcement of our results for fiscal 2007, Standard & Poor's (S&P), Moody's Investors Service, Rating and Investment Information (R&I), and Japan Credit Rating Agency (JCR) reconfirmed their ratings and outlooks for Nomura Holdings and Nomura Securities.

Exited U.S. RMBS-related business, increased provisions for exposure to monoline insurers

We also moved decisively in response to the direct effects on our position due to turmoil in the global financial markets arising from the subprime loan problems in the United States. We exited the U.S. RMBS-related business and we have reduced the exposure in our U.S. CMBS-related business to ¥130 billion as of March 31, 2008.

We have also made full provisions, as of March 31, 2008, for our exposure to lower-rated monoline insurers to prevent future losses. Even after the beginning of fiscal 2008, the environment surrounding the monoline insurers continues to be uncertain. We are, therefore, continuing to keep a close watch on the financial standing of these insurers and will respond flexibly as needed.



Capital Policy for Growth

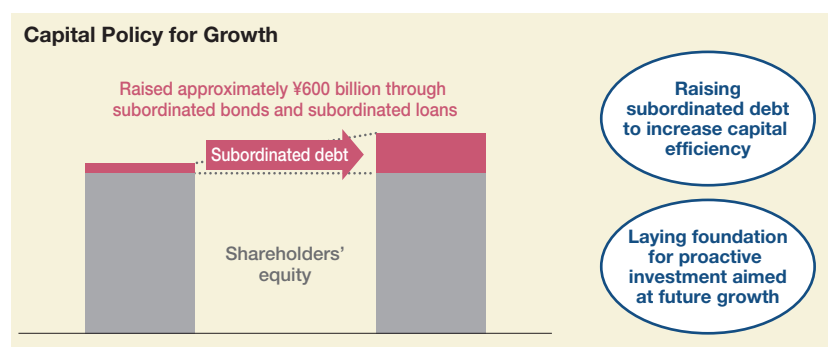
In times of turbulence in the business environment, we must look for opportunities to expand and grow over the medium to long term. In that sense, we have been presented with an unprecedented opportunity to catch up with our foreign rivals.

Raising subordinated debt for efficient use of capital, positioning financial standing for future growth

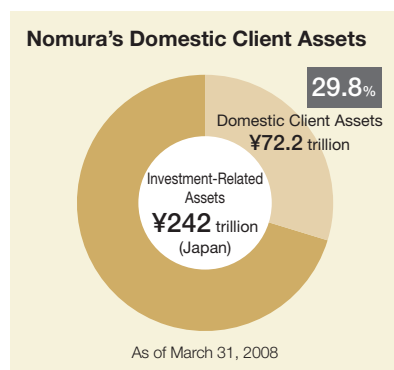
To move with speed and make investments for future growth, we issued ¥120 billion in subordinated bonds in March 2008. We also made arrangements with

a number of leading financial institutions to borrow subordinated loans. As of July 31, 2008, we had raised a total of approximately ¥600 billion from subordinated loans and subordinated bonds.

Another objective of raising the subordinated debt is to improve our capital structure, which is currently dominated by shareholders' equity. As such, we are revising our capital structure by increasing the ratio of subordinated debt in order to increase capital efficiency.



Solid Client Base in Japan



Source: Nomura, based on Bank of Japan data.
Figures are preliminary.

Our Domestic Client Assets* account for about 30% of the equities, investment trusts, bonds, and other investment-related asset portion of Japan's ¥1,500 trillion in personal financial assets. In addition, we have close relations with corporates and institutions, acting as underwriter for over 60% of listed companies in Japan. Global Markets has long-standing relationships with institutional investors developed through our equities and fixed income businesses. These relations with a broad base of clients are invaluable to our operations.

Our ability to provide these clients with world-class products and services will underpin our future growth. To that end, we must take a cross-divisional approach to identify the changing needs of our clients and focus more on delivering services that tap the strengths of the entire Group.

*Domestic Client Assets: Total of client assets in custody in Domestic Retail (including regional financial institutions) and Financial Management Division.

Medium-term Targets

ROE of 10%–15%, Revenue Capable of Generating Pretax Income of ¥500 billion

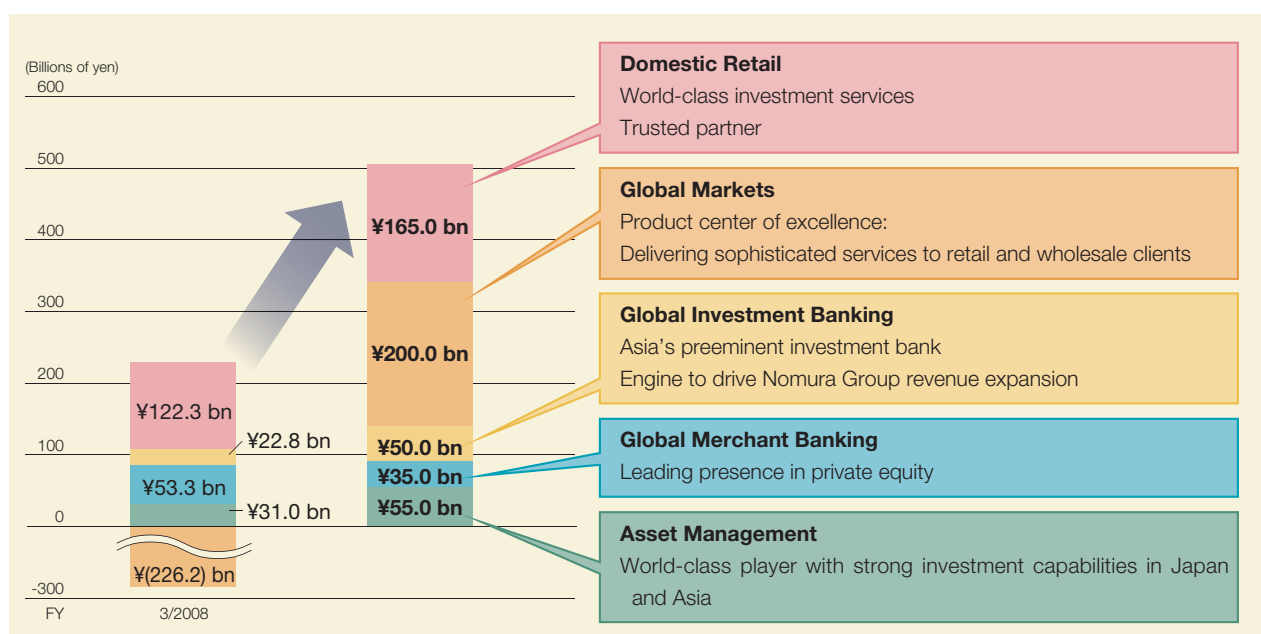
Our management target of ROE of between 10% and 15% over the medium to long term remains unchanged.

Although the turmoil in the global financial markets continues, we are looking to build a revenue base capable of generating ¥200–¥250 billion in pretax income. We are also aiming to have a revenue structure in place that will allow us to book ¥500 billion in pretax income in three years.

Major changes in the environment and competitive conditions in financial markets are expected to continue. We intend to anticipate these changes and respond accordingly to achieve further growth.

Acting with speed does not mean that we will make rash decisions. We will take a logical and flexible approach to decision making. Even regarding past decisions, we will make necessary changes in line with the prevailing operating environment and competitive conditions to be better positioned to build a revenue base geared towards future growth.

The job of the new management team is to ensure stable revenue and respond to market changes by leveraging Nomura's strengths to generate additional profits.



International Strategy

Expanding international business with global platform based in London and Tokyo

Our international strategy is another key to growth. Together with Japan, our operations in London are a cornerstone of our global strategy based on extensive expertise and experience gained through developing products and services. In the United States, we have nearly finished our downsizing. However, as the United States is a leading financial center, it will remain an essential part of our operations and we will monitor the environment and add on functions as necessary.

Our acquisition of Instinet and capital participation in Fortress Investment Group are examples of our strategy to not limit ourselves to organic growth if there are functions that we need and the industry-leading expertise is available.

Making strategic moves in Asia and emerging markets

We will invest aggressively in markets with prospects for future growth. Emerging markets such as Central and Eastern Europe, the Commonwealth of

Kenichi Watanabe,
President & Chief Executive Officer

Hitoshi Tada,
Chief Executive Officer,
Domestic Retail

Akira Maruyama,
Chief Executive Officer,
Global Markets

Hiromi Yamaji,
Chief Executive Officer,
Global Investment Banking



Independent States (CIS), the Middle East, China, and India are not only recipients of foreign investment but also investors in their own right. Therefore, demand for financial services going both ways is increasing significantly. In addition to our client base in Japan, we are looking to increase services for Asia and other emerging markets by fully leveraging our capabilities to supply products from Japan and London.

Into fiscal 2008, concerns about the emergence of global inflation and an economic downturn have risen, and the uncertainties in the environment surrounding financial and capital markets continue to be challenging. Nevertheless, we have a strong financial position, and we believe major business opportunities are unfolding around us. It is time for us to augment our position, look to the future, and steer the firm toward future growth. We look forward to your continued support.

August 2008



Kenichi Watanabe
President & CEO

Takumi Shibata,
Deputy President & Chief Operating Officer

Shoichi Nagamatsu,
Chief Executive Officer,
Global Merchant Banking

Atsushi Yoshikawa,
Chief Executive Officer,
Asset Management

Yugo Ishida,
Head of Regional Management,
Europe



Nomura Holdings acquired Instinet in February 2007. Instinet provides institutional investors with the necessary trading tools, alternative trading system (ATS) platforms, and global agency liquidity to achieve high-quality trade execution. With the ongoing global trend toward best execution, Instinet is well-placed to capitalize on new business opportunities. Nomura seeks to achieve further growth by making full use of Instinet's cutting-edge technology platform, specialized knowledge base, and extensive experience.

● Optimal Solutions for Institutional Investors

The demand for equity trading execution services is rapidly expanding globally, driven largely by technological advances in the available trading tools.

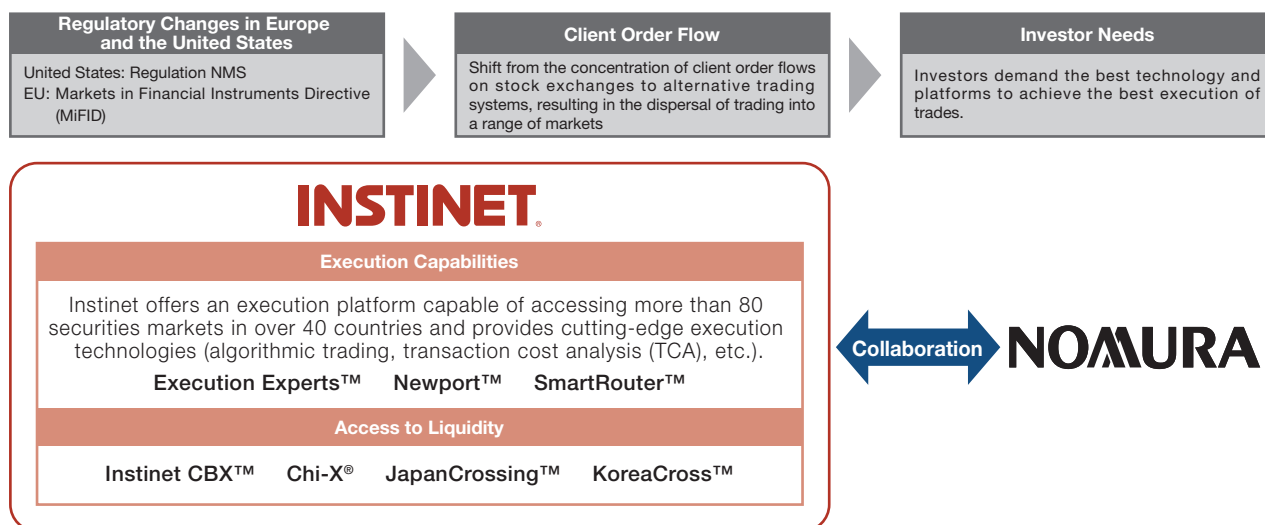
In the United States, institutional investors placing large orders seek to avoid causing major fluctuations in equity prices as a consequence of their trading activities. Increasingly, these investors are breaking their trades into smaller lots and requesting that their trades be executed in markets that offer the best prices. In addition, as a result of the tightening of restrictions by the U.K. Financial Services Authority (FSA) in March 2005, securities firms are increasingly unbundling research and execution services and quoting the costs of these services separately. Moreover, with the advent of the Markets in Financial Instruments Directive

(MiFID) in the European Union in November 2007, brokers are now required by law to obtain best execution for their clients. These developments are spreading to Japan and the rest of Asia and are pushing up demand for cutting-edge trade execution services.

The unbundling of research and execution has led to an increase in the number of clients who select brokers purely on the basis of their execution capabilities. As such, Nomura recognized the need for a global order platform and enhanced execution capabilities. By acquiring Instinet, we were able to blend our high-quality research with a solid platform to deliver optimal solutions for order execution to meet the demanding needs of investors.

**INSTINET**

Business: Leading agency broker, providing electronic trading services to institutional investors Services: Electronic trading based on



● Revenue Expansion

Recently, as world stock markets fluctuated sharply due to turmoil in the financial markets, the increased volume of transactions led to an expansion in revenue at Instinet. In all geographic regions, trading agreements from all client segments, especially orders from hedge funds, showed significant expansion. Trading on a value basis in Europe and Asia,

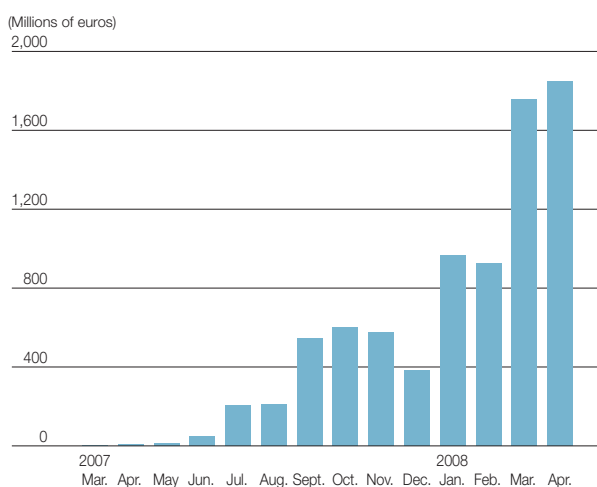
meanwhile, set new records. In the United States also, orders from hedge funds investing globally increased, and Instinet steadily expanded its market share of transactions and reported new records for transactions on a volume basis.

● Chi-X

In March 2007, Chi-X Europe, a subsidiary of Instinet, commenced operation as a multilateral trading facility (MTF). Following the implementation of MiFID in the European Union, rules requiring brokers to route client orders through public exchanges were abolished. As a result, Chi-X Europe has seen a surge in order flow as investors seek to gain the benefits of its superior execution capabilities, including execution speeds and messaging capacities significantly greater than those of European exchanges, and at prices that are up to one-tenth the cost. By April 2008, Chi-X Europe's executed volume regularly exceeded 10% of the total FTSE 100 volume. By having its systems ready before the implementation of MiFID, Chi-X Europe has been able to reap the benefits as a pioneering MTF.

Chi-X Europe will continue to increase its coverage, which currently includes component stocks of German, Dutch, British, French, Swiss, Scandinavian, and Belgian indices.

Chi-X Europe's Average Daily Single-Sided Trading Volume



The My Story Profit Distribution-Type Fund is the largest equity fund marketed by Nomura Securities, with net assets of approximately ¥1,800 billion as of March 31, 2008. This fund was developed based on feedback from our customers, who find themselves in the midst of a tough investment environment characterized by low savings deposit interest rates, the removal of blanket government guarantees on bank deposits, uncertainty about Japan's pension fund system, and concerns about inflation. We developed the My Story Profit Distribution-Type Fund in response to customer requests for a diversified fund that invests in a range of asset types. This fund has won the trust of a broad range of customers because of its management philosophy of aiming for long-term stable performance and periodic distributions.

● My Story Profit Distribution-Type Fund in Profile

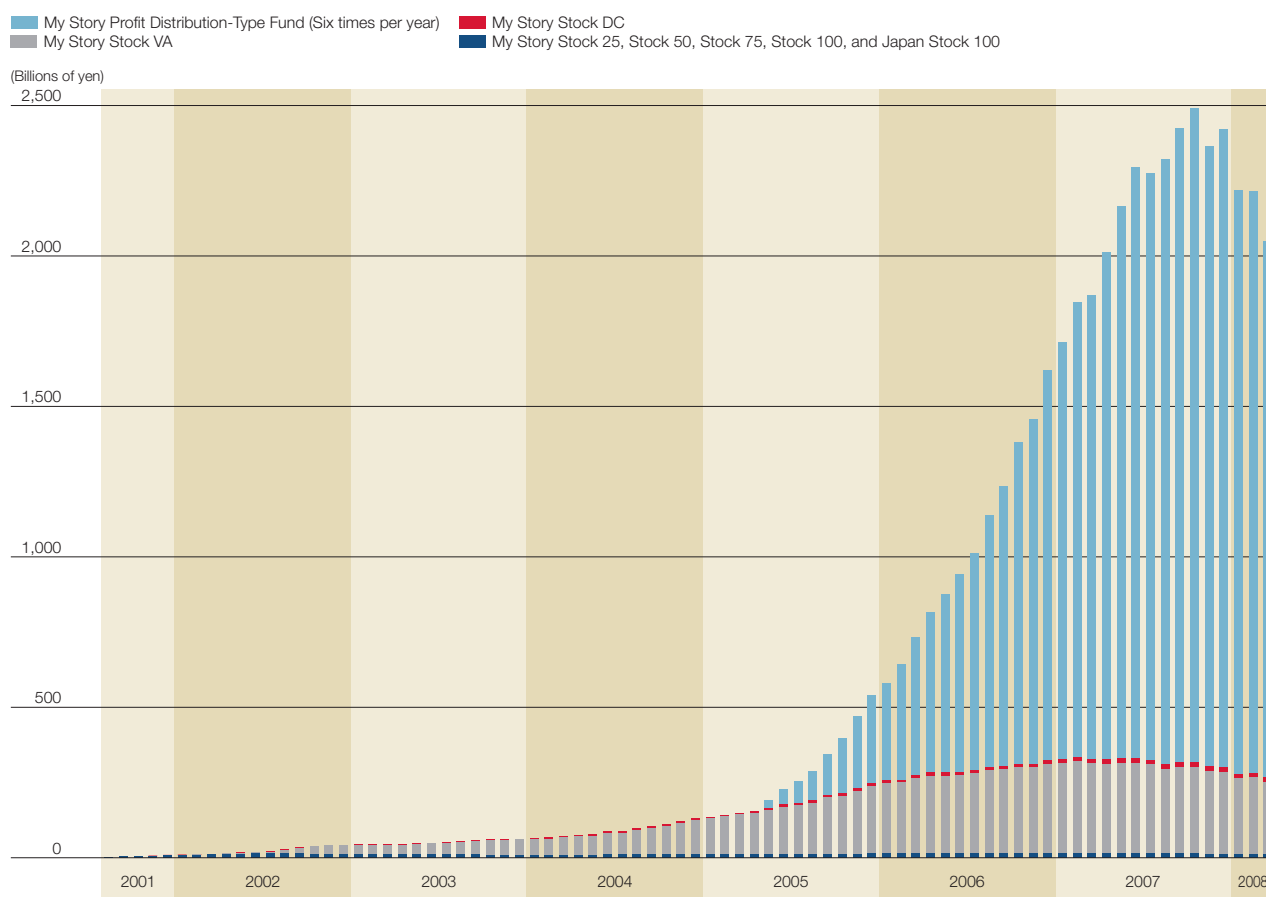
This fund is based on the concept of providing asset management support to customers and was created with the idea that it would be a core investment in customer portfolios, offering them a long-term investment they can hold for many years.

Since the fund pays regular distributions every other month, it provides retirees with a supplement to their government pension payments, which are paid in the even months of the year. This bimonthly distribution feature was designed into the fund to appeal to members of the baby-boom generation, who have recently been retiring in large numbers. The fund is designed to respond to the needs of mature,

retired investors, and it draws on the services of a number of fund management companies and invests in a balanced portfolio of bonds and stocks. It is thus stable in the face of fluctuations in the economy, and aims to offer the benefits of regular distributions along with capital gains.

Moreover, as the fund is designed as a fund of funds, it is able to diversify its holdings by investment style and by investment manager, in addition to achieving asset diversification. Another distinguishing feature of the fund is that since the features of the funds it invests in may evolve over time, managers continually monitor the funds they have invested in and reshuffle their portfolios as deemed appropriate.

My Story Net Assets* (Month-End Balances)



*Balances also include net amounts of funds sold by companies other than Nomura Securities.

My Story Profit Distribution-Type Fund

● Marketing Based on In-depth Consulting

Nomura Securities has increased the balance of funds invested in its My Story Profit Distribution-Type Fund by providing customers with in-depth consulting to meet their financial needs. Nomura Securities offers a consulting service entitled Nomura Asset Design that enables customers to receive advice from Nomura consultants. Based on specific information obtained in conversation with customers regarding their objectives, events that seem likely to occur in the future, and risk-return profile, Nomura consultants are able to assist customers in addressing their concerns about the future and propose specific financial plans. This capability to offer consulting-based marketing is one of Nomura's key strengths.

Sales of the My Story Profit Distribution-Type Fund were relatively slow at first, as most retail investors were not familiar with fund of funds. However, we were able to familiarize customers with the product through proactive communication, and many began to shift funds such as maturing time deposits into the My Story Profit Distribution-Type Fund. Satisfied customers also introduced other potential customers, and net assets have expanded substantially.



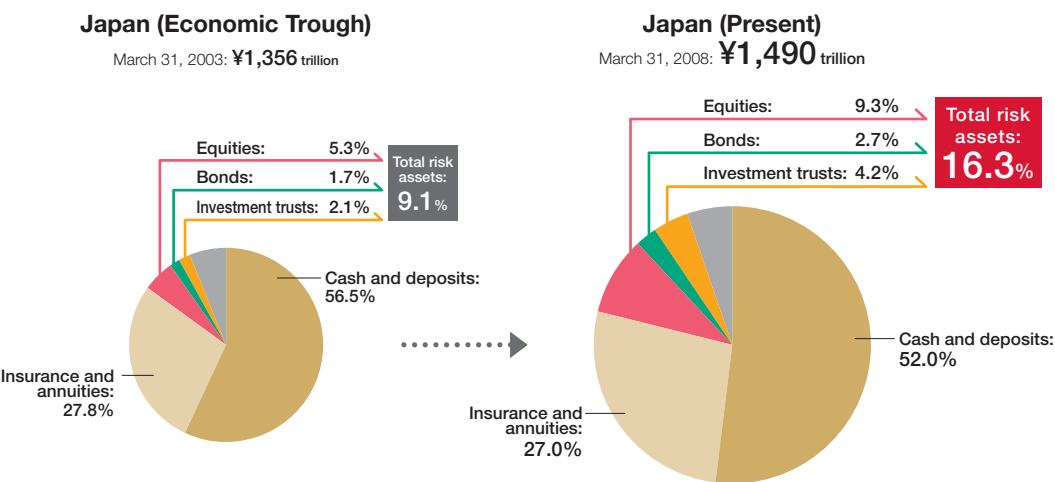
Financial plan proposals for customers



Winning Client Trust, Pursuing Growth in Changing

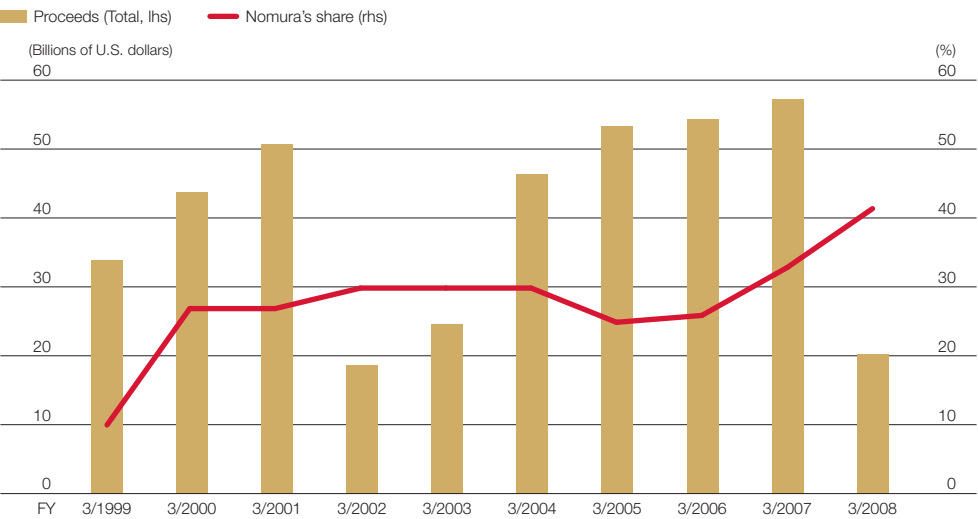
Personal Financial Assets

- Individuals are diversifying their portfolios to include more risk assets because of such factors as low savings rates, continuing uncertainty regarding Japan’s pension system, and the removal of the government’s blanket guarantees on savings deposits.



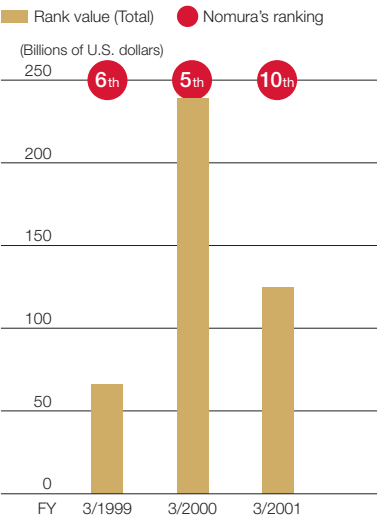
Source: Nomura, based on data issued by the Bank of Japan and the U.S. Federal Reserve Bank. Figures for March 31, 2008, are preliminary.

Equity Capital Markets Bookrunner League Table—Japan Equity & Equity-Related



Source: Thomson Reuters.

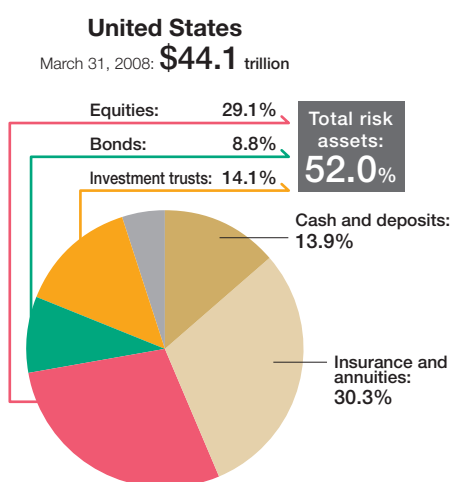
M&A Financial Advisors



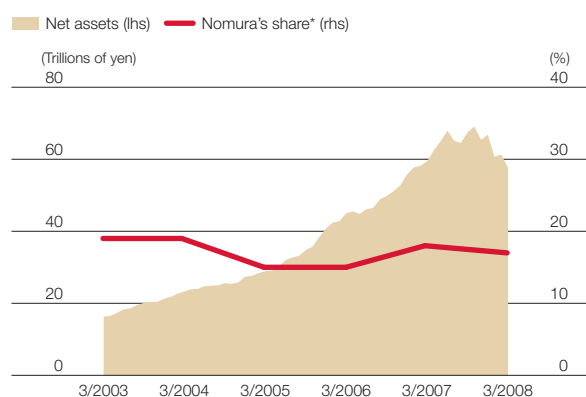
Source: Thomson Reuters.

Business Environment

- The percentage of risk assets in personal financial assets is much lower in Japan than in the United States.



Japanese Market for Publicly Offered Stock Investment Trusts

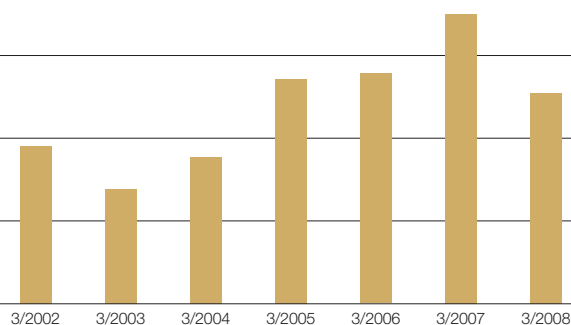


*Nomura Asset Management.

Source: The Investment Trusts Association, Japan.

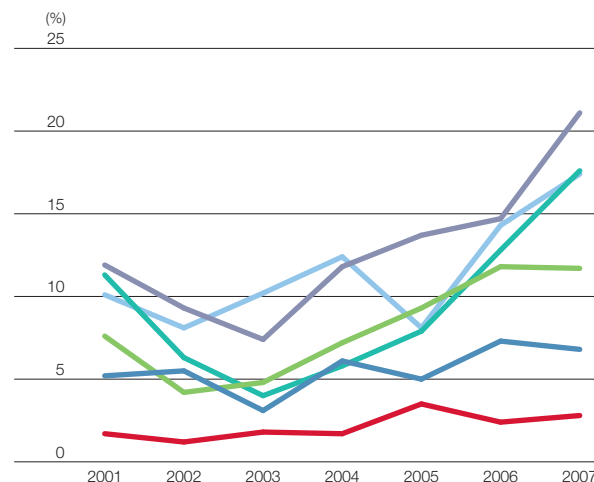
League Table—Any Japanese Involvement Announced

4th 2nd 3rd 1st 1st 3rd 1st



Ratio of M&A to Nominal GDP

Japan United Kingdom France
United States Canada Australia



Source: Nomura, based on data issued by the International Monetary Fund (IMF) and Thomson Reuters.

Business Outline

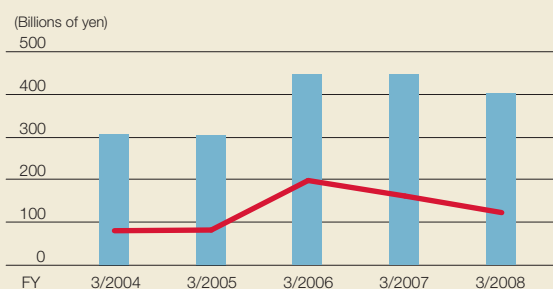
■ Net revenue ■ Income (loss) before income taxes

Domestic Retail

Offers consulting services and financial products to meet investment needs

FY2007

- Net revenue ¥402.0 billion (-8.7% YoY)
- Income before income taxes ¥122.3 billion (-24.0% YoY)

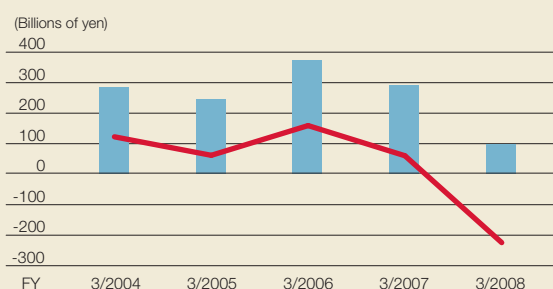


Global Markets

Handles origination, sales, and trading of bonds, equities, foreign exchange, and derivatives for institutional investors in Japan and international markets

FY2007

- Net revenue ¥95.6 billion (-67.0% YoY)
- Loss before income taxes ¥226.2 billion

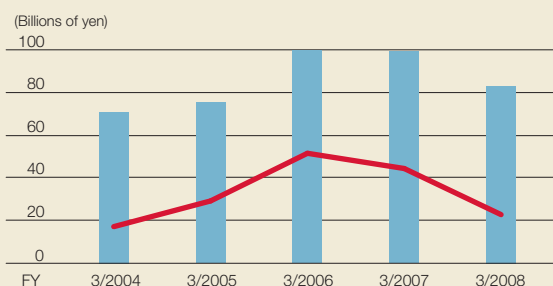


Global Investment Banking

Underwrites bond and equity issues, provides M&A and financial advisory services

FY2007

- Net revenue ¥83.1 billion (-16.2% YoY)
- Income before income taxes ¥22.8 billion (-48.7% YoY)

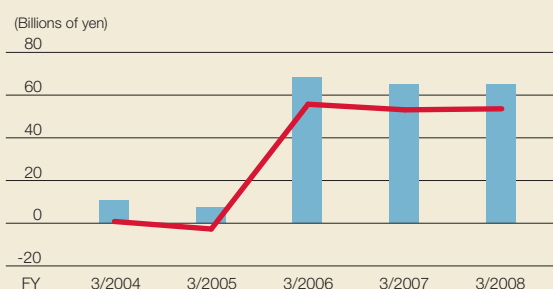


Global Merchant Banking

Uses Nomura's own capital to make private equity investments and investments in venture companies

FY2007

- Net revenue ¥64.8 billion (-0.3% YoY)
- Income before income taxes ¥53.3 billion (+1.0% YoY)

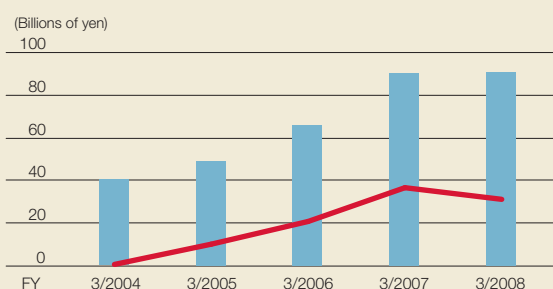


Asset Management

Delivers a diverse lineup of investment trusts and asset management services as well as administrative services for defined contribution pension plans

FY2007

- Net revenue ¥90.6 billion (+0.6% YoY)
- Income before income taxes ¥31.0 billion (-15.0% YoY)



Customer Base Continues to Expand Steadily

The overall market slump triggered by turmoil in the global financial markets led to a decline in brokerage commissions; however, the distribution of newly launched investment trusts was robust, especially for bond investment trusts, and commissions for the distribution of investment trusts remained at the same level as last year. Sales of structured bonds declined as a result of the rapid rise of the yen, leading to lower sales credit. However, sales of foreign currency bonds were strong in the second half of the year. Although Domestic Client Assets* declined by ¥13 trillion from the prior year, to ¥72.2 trillion, due to the impact of the downturn in the stock market, our client base steadily expanded, with net asset inflow of ¥4.9 trillion and an increase of 213,000 accounts with balance, to a total of 4.165 million accounts.

*Domestic Client Assets = Total of client assets in custody in Domestic Retail (including regional financial institutions) and Financial Management Division.

Credit Market Turmoil Led to Loss

The environment in Fixed Income remained harsh, as a global credit crunch sparked by subprime problems hit and the yen appreciated sharply. Amid this environment, Fixed Income revenue declined as a result of significantly increased provisions made for transactions with monoline insurers, a realized loss booked on our exit from the U.S. residential mortgage-backed securities (RMBS) related business, and a realized and unrealized loss in the U.S. commercial mortgage-backed securities (CMBS) related business. In Equity, although trading revenue from multiple private offerings (MPOs) and equity derivatives declined, revenue increased thanks to the contribution from Instinet, which was acquired in February 2007, expanded order flow for non-Japanese equities, and trading of listed equities. Meanwhile, expenses increased due to a rise in commissions and floor brokerage as a result of higher revenue at Instinet.

Ranked First in League Tables for “Japan Equity & Equity-Related” and “Any Japanese Involvement Announced”

While the mergers and acquisitions (M&A)-related business remained strong and we maintained our high market share, revenue decreased due to a marked decline in overall transaction value in the equity finance market. In equity financing, we acted as lead manager on major deals for Sony Financial Holdings and Yamada Denki, and ranked No. 1 in the “Japan Equity & Equity-Related” league table* for the seventh straight year in fiscal 2007.

In M&A, we acted as financial advisor on All Nippon Airways’ sale of its hotel business and the tender offer by Promise to acquire all shares in Sanyo Shinpan Finance. We topped the fiscal 2007 “Any Japanese Involvement Announced” league table*. Internationally, we were global coordinator on Russia’s largest-ever initial public offering (IPO), for PIK Group, a major Russian residential property developer.

*Source: Thomson Reuters.

New Private Equity Investments and Exits Proceeding Smoothly

We booked realized and unrealized gains on the sale of Deutsche Annington and valuation at fair value of Annington in the United Kingdom, both investee companies of Terra Firma*, as well as on the sale of our stake in Nomura Principal Finance investee companies Sliontec and Wanbishi Archives.

*Terra Firma is an independent private equity firm based in Europe.

Robust Sales of Newly Launched Funds

Assets under management grew on the back of firm sales of newly launched funds, such as the Nomura New Global High Interest Rate Currencies Fund, and existing balanced funds, such as the My Story Profit Distribution-Type Course B Fund, as well as new mandates in the domestic and overseas investment advisory business. However, deteriorating market conditions due to the slump in stock prices and appreciation of the yen led to a ¥1.2 trillion decline in the outstanding balance of assets under management from the prior year, to ¥25.8 trillion.

Although asset management fees increased, unrealized losses were booked on pilot funds* and seed money** for new product development and revenue was flat compared to the prior year, which included realized gains booked on sales of affiliated companies. Compensation and benefits were up due to increased headcount, and information technology expenses increased due to new investment.

*Funding for product development. **Funding used to originate funds when launching new products.

Domestic Retail

World-Class Investment Services, Trusted

Business Environment

Increasingly Sophisticated and Diverse Investor Needs, Heightened Competitive Environment

As a result of continued low interest rates in Japan and uncertainties regarding the pension system, individuals are continuing to shift their financial assets from savings to investment products. In view of the interest rate differentials between Japan and overseas financial markets as well as the retirement of Japan's baby boomers, which started in earnest last year, this trend toward investment products is expected to continue in the medium to long term.

Customers who have diversified their portfolios are looking for investment products and services tailored to their individual needs, and investors' requirements are becoming more sophisticated and diverse. Moreover, as the megabanks and foreign financial institutions increase their presence in growth sectors in Japan's financial markets, competition is intensifying, and financial institutions must offer higher-quality products and services as well as improved consulting services to meet customer needs.

Becoming World-Class

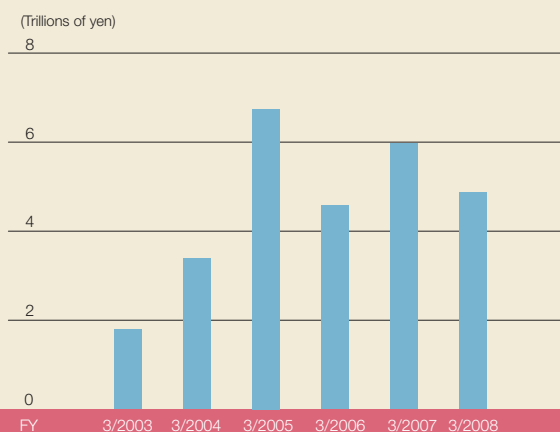
Amid this environment, we are further developing our investment services and products to ensure we continue to meet world-class standards. At the same time, we aim to be a trusted partner of our customers and have set the goal of increasing Domestic Client Assets, which are a measure of the confidence that customers have in Nomura, to ¥110 trillion over the next three years.

Providing Higher-Quality Products and Services

Improving Efficiency, Increasing Customer Consultations

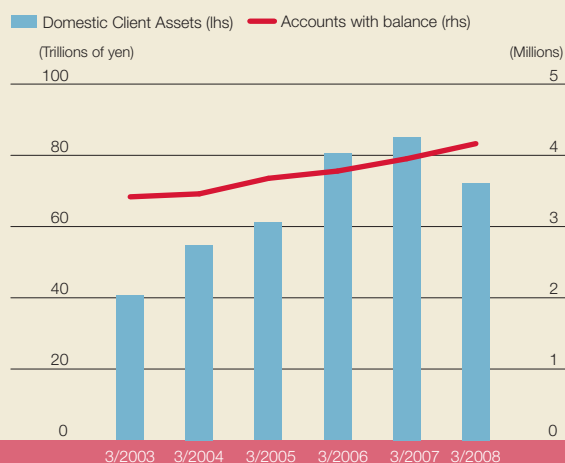
To make more time for consultations with our customers, we are taking significant steps to increase the efficiency of operations at our branch offices. These initiatives have included switching our ATMs to Seven Bank, eliminating the handling of cash, concentrating back-office functions, and delivering documents electronically. In addition, by increasing the number of customer inquiries handled by call centers, we are improving responsiveness and increasing efficiency, making it possible to spend more time in face-to-face consultations with our customers.

Domestic Client Assets—Net Asset Inflow*



*Excludes portion from regional financial institutions.
Net asset inflow = asset inflow - asset outflow.

Domestic Client Assets and Accounts with Balance



Note: Domestic Client Assets = Total of client assets in custody in Domestic Retail (including regional financial institutions) and Financial Management Division.

Partner



Hitoshi Tada,
Chief Executive Officer,
Domestic Retail

A Wider Variety of Products and Services

We have adopted an open-architecture strategy for products and created a structure that makes it possible to offer the best products to meet a wide range of customer needs and market conditions.

In addition to our Nomura Fund Wrap management account, which requires a minimum balance of ¥10 million, we have added a Value Program, which offers fund management for amounts starting at ¥5 million. This new account helps customers reach their financial objectives by making use of cost-efficient index fund management. We will continue to focus on providing investment consulting and fund management services for a broader base of investors.

To give our customers more freedom in terms of cash management, we offer loans using stock holdings and other securities as collateral.

A Broader Interface with Clients

Increasing Number of Branch Offices Offering Different Functions and Services, Improving Quality

In response to the transition to electronic shares in 2009, we have added over 30 new branches since 2006, mainly in Tokyo,

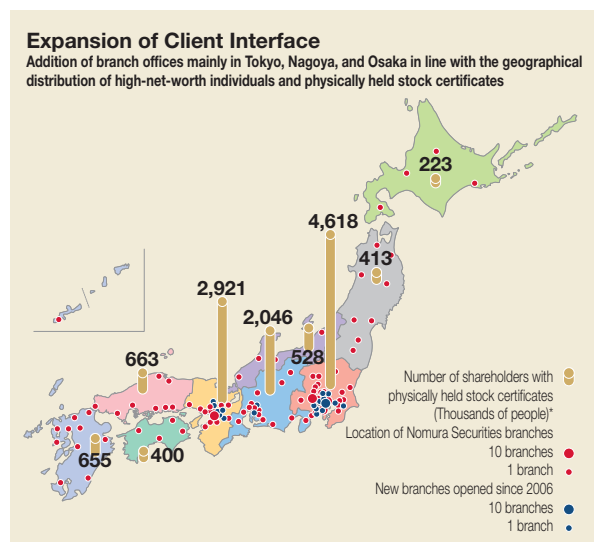
Nagoya, and Osaka, where there is a high concentration of financial assets. We will continue to open new branches that focus on providing services to meet the needs of specific regions, such as Nomura Cube consultation booths* and branches without back-office functions. Also, by opening more online outlets we will be able to approach customers that we have not reached sufficiently in the past, such as asset builders.

*Nomura Cube consultation booths are permanently staffed and offer easy access for passersby to receive investment information and brochures on financial products.

Diverse Approaches

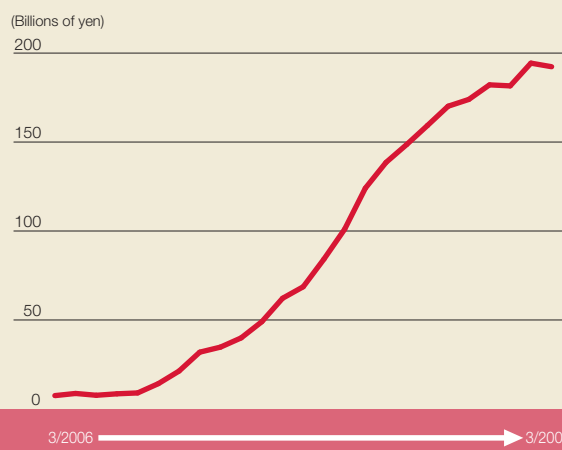
With "Hotto Direct," we are offering efficient telephone response via call centers and online services to our customers not only during regular business hours but also on weekends and after regular office hours on weekdays.

In addition, we are holding Nomura Money Fairs more frequently and are offering more information and services through seminars for people approaching retirement as well as Japan's equivalent of employee stock ownership plans.



*Source: Nomura, based on Japan Securities Dealers Association, Reform Promotion Center for Securities Clearing and Settlement System, "Distributional Survey of Stock Certificates Physically Held by Shareholders (December 2007)."

Client Assets Held by Branches Opened since 2006



Global Markets

Product Center of Excellence: Delivering Sophisticated Services to Retail

Business Environment

Subprime Loan Fallout

The subprime loan problems caused by the decline in the market for U.S. residential mortgage-backed securities (RMBS) have had a number of knock-on effects. These include the drop in the market for U.S. commercial mortgage-backed securities (CMBS), deterioration in the performance and credit standing of monoline insurers, and volatility in foreign exchange markets. In the latter half of 2007, market liquidity began to dry up, and severe business conditions persisted worldwide, adversely impacting the performance of many financial institutions.

Evolving Client Base

In recent years, new types of investors such as hedge funds, private banks, and private equity funds have taken on an increasingly prominent role alongside traditional institutional investors. Rising commodity prices and growth in emerging economies, meanwhile, have seen sovereign wealth funds gain attention as new suppliers of risk capital.

At the same time, investor interest in sophisticated hybrid investment products is increasing and this area is expected to grow into a core business.

Market Changes

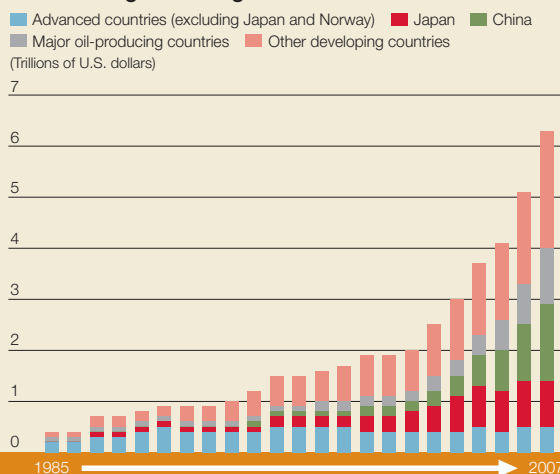
Recent market developments include the movement in the United States toward best execution to minimize the impact of large orders on securities prices and the shift toward the unbundling of research and order execution fees following the tightening of regulations by the U.K. Financial Services Authority (FSA) three years ago. Also, as a result of the implementation of the Markets in Financial Instruments Directive (MiFID) in the European Union in November 2007, the rule that allowed EU member states to require brokers to route client orders through regulated markets has been abolished, and brokers are now required to use the exchange offering the best execution. These developments have led to a rapid rise in demand for equity trade execution services that incorporate cutting-edge technologies.

Becoming World-Class

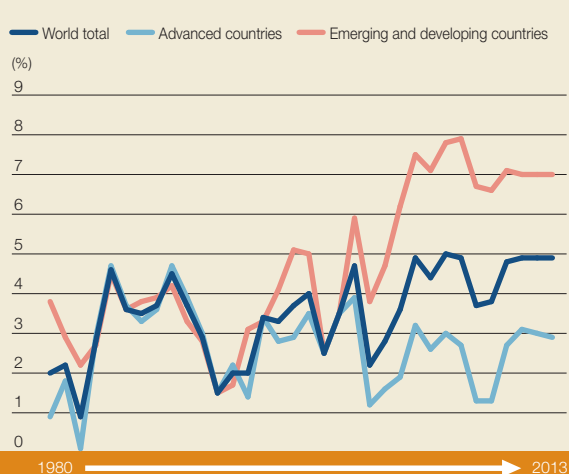
Product Center of Excellence

In Fixed Income, we have set the objective of becoming a top-class fixed income house in Japan and the rest of Asia. In Equity, we will leverage our dominant position in the Japanese market to establish our position as an Asian equity house with a competitive advantage in Japanese equities and become a bulge bracket firm

World Foreign Exchange Reserves



World GDP Growth Forecast



Akira Maruyama,
Chief Executive Officer,
Global Markets



and Wholesale Clients

in the pan-Asian equity brokerage business. In Asset Finance, we are enhancing our expertise to supply financial products that meet investors' real estate related investment needs.

Expanding and Enhancing Client Base

Along with the expansion in the investor base for structured product sales, we are working with our colleagues in Global Investment Banking to expand and reinforce our client base. In broadening our investor base, we are targeting hedge funds, sovereign wealth funds, international private banks, high-net-worth individuals in Asia, China's Qualified Domestic Institutional Investors, and Japanese real estate investment trusts (J-REITs) as well as other real estate investment funds. At the same time, we are responding to the funding needs for project finance as well as of regional financial institutions and local governments.

Enhancing Products and Services

We are building up our capabilities for originating and developing products and delivering financial solutions to our clients.

● Fixed Income

Our expertise in developing structured products in Japan's low interest rate environment and our derivative structuring skills are

being put to use to offer investment opportunities to our Japanese client base, as well as to new international clients such as investment funds and private banks.

We are also expanding our offerings in the area of credit and commodity-linked products and enhancing systems that support product distribution.

● Equity

We are extending our product origination and offering capabilities for Japanese equities as well as our industry-leading research and sales strengths to include pan-Asian equities.

Our lineup of exchange-traded funds (ETFs), including the Next Funds series developed by Nomura Asset Management and ETFs listed on exchanges outside Japan, is growing, and we are developing and supplying equity derivative products.

Moreover, in today's market, where the demand for best execution is increasing and the trend is toward the unbundling of execution and research, we are offering execution services based on cutting-edge technologies such as algorithmic trading and transaction cost analysis (TCA). Through the combination of Nomura's comprehensive services and Instinet's execution capabilities, we are well positioned to respond to the needs of a broad spectrum of investors.

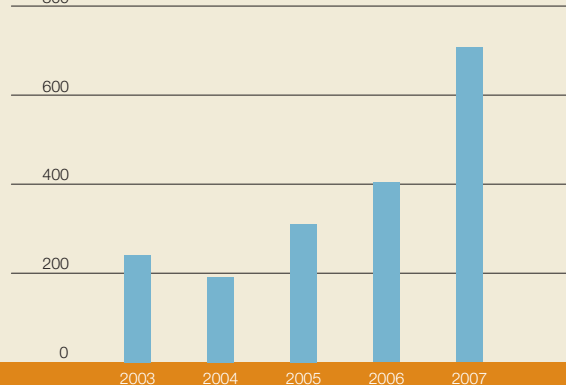
● Asset Finance

In real estate finance, we offer high-value-added services including financial advisory, the structuring of privately placed funds and CMBS, equity and mezzanine financing, and other services through a one-stop approach that draws on the capabilities of DBJ Nomura Investment (DNI) and Nomura Capital Investment (NCI), where appropriate. We are also branching out into real estate management operations, mainly through DNI, and are looking to deliver Asian real estate related products to clients.

In addition, NCI delivers a flexible range of solutions to clients, focusing on providing financing for corporate M&A and buyouts.

**Average Monthly Equity Transactions in Asian Markets
(Excluding Japan and China)**

(Billions of U.S. dollars)



Source: World Federation of Exchanges.

Global Investment Banking

Asia's Preeminent Investment Bank, Engine to Drive Nomura Group Revenue

Business Environment

M&A Taking Off in Japan, Corporates Shifting Gear in Global Strategies

To raise their corporate value and stay ahead in today's globally competitive environment, Japanese companies are increasingly tapping external resources and taking a closer look at strategic mergers and acquisitions (M&A).

In 2007, there were about 3,000* M&A deals involving Japanese companies, with a total value of US\$153.9 billion*. There have been over 2,000 M&A deals a year between Japanese companies since 2005, while acquisitions of foreign companies by Japanese corporations have amounted to about 400. Moreover, in 2007 acquisitions of Japanese companies by foreign corporations increased sharply to record levels in terms of number and value.

In view of the rapid growth in the Brazil, Russia, India, and China (BRIC) markets and other emerging countries as well as the forecast for shrinking demand in Japan as a result of long-term population decline, many Japanese companies are stepping up their global strategies. In particular, non-manufacturers are expected to adopt a strategic focus on China as the country's service industries develop.

This will no doubt stimulate realignment inside Japan and spur the formation of global alliances, thereby increasing demand for investment banking services.

*Source: Thomson Reuters.

Becoming World-Class

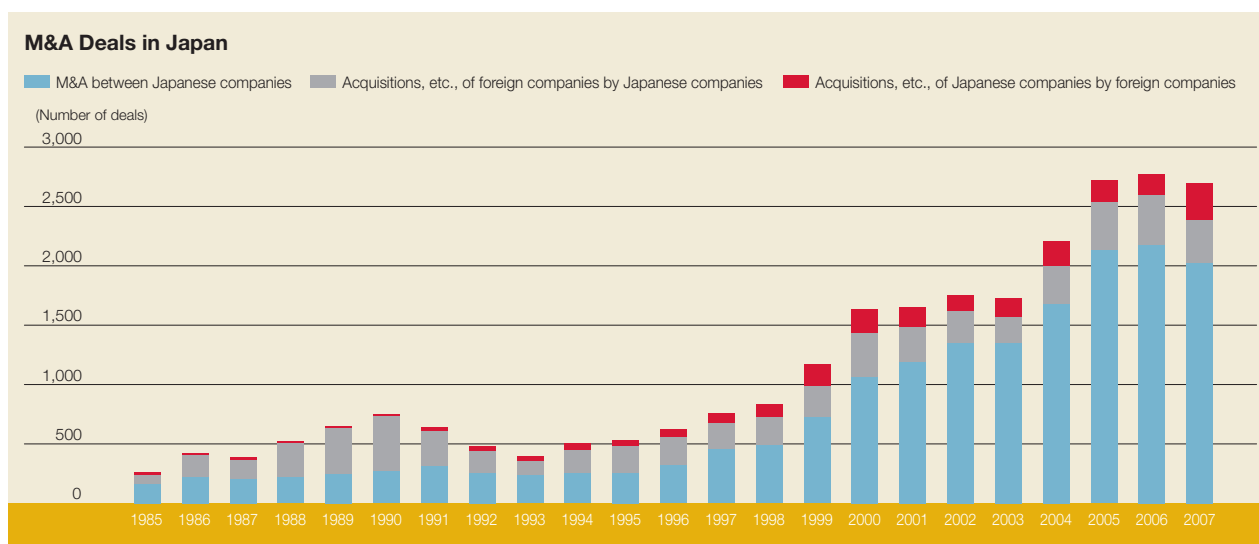
Global Investment Banking is building its position as Asia's pre-eminent investment bank. We aim to be the investment bank of choice in Asia and an engine to drive revenue expansion at Nomura Group.

Leadership in Japan: Maintaining a High Market Share

Our strength lies in our dominant presence in Japan, backed by our solid client base.

Equity Finance

In fiscal 2007, the overall value of equity market transactions in Japan declined due to the slump in domestic equity markets. However, we acted as lead manager for a number of major issues, including the initial public offering (IPO) of Sony Financial Holdings, a euroyen convertible bond issue for recapitalization by



Source: Nomura, based on data from RECOF.

Hiromi Yamaji,
Chief Executive Officer,
Global Investment Banking



Expansion

Yamada Denki, and a public offering by Daikin Industries. As a result, Nomura ranked No. 1 in the “Japan Equity & Equity-Related” league table* for the seventh consecutive year in fiscal 2007. In Europe, we have undergone a strategic buildup of our operations and acted as global coordinator on Russia’s largest-ever IPO, for PIK Group, a leading residential property developer.

M&A

During fiscal 2007, Global Investment Banking acted as financial advisor on such deals as the sale of All Nippon Airways’ hotel business, the acquisition of all shares of Sanyo Shinpan Finance by Promise, and the sale of Procter & Gamble’s Attento business to Daio Paper. As a result, Nomura topped Japan’s fiscal 2007 “Any Japanese Involvement Announced” league table*.

*Source: Thomson Reuters.

Product Diversification and Development

Global Investment Banking provided a number of new financial solutions during fiscal 2007, including the underwriting of an issue of non-voting preferred shares for ITO EN, a convertible bond issue for recapitalization by Yamada Denki, and the securitization of earthquake risk (catastrophe bond) for East Japan

Railway. Going forward, we will continue to market these solutions and products more broadly while developing other new products.

International Operations: Asia’s Preeminent Investment Bank

To take our international operations to the next level, we are increasing locally oriented businesses in each region and continuing to “Deliver Asia” by making our strengths in Asia, including Japan, available to clients in Europe and the United States.

In Europe, we are increasing the use of our business platform built up over the past couple of years and expanding our operations into the Commonwealth of Independent States (CIS) and Eastern Europe. In the Americas, we are maintaining and strengthening the functions and services of our global franchise. In Asia, we are focusing on key areas and strengthening our operations in India and China. We plan to raise the number of professional staff members in our Asian operations from 90 to 130. Moreover, following our practice in Japan and Europe, we are stationing sector bankers in Asia outside Japan and will expand the client coverage of our global network by strengthening teamwork.

League Tables

Equity Capital Markets Bookrunner League Table
Japan Equity & Equity-Related

Rank	Bookrunner	April 1, 2007 to March 31, 2008		
		Proceeds (US\$ mn)	Mkt. Share	No. of Deals
1	Nomura	8,434.4	41.6%	56
2	JPMorgan	2,300.8	11.3%	3
3	Daiwa Securities SMBC	2,204.6	10.9%	48
4	Nikko Citigroup	1,955.5	9.6%	17
5	Morgan Stanley	1,405.6	6.9%	7

Source: Thomson Reuters.

M&A Financial Advisors League Table
Any Japanese Involvement Announced Value base

Rank	Advisor	April 1, 2007 to March 31, 2008		
		Rank Value (US\$ mn)	Mkt. Share	No. of Deals
1	Nomura	24,778.8	19.4%	138
2	Mitsubishi UFJ Financial Group	15,257.0	12.0%	112
3	JPMorgan	14,714.4	11.5%	24
4	Daiwa Securities SMBC	14,559.9	11.4%	119
5	Citigroup	14,063.1	11.0%	84

Global Merchant Banking

Leading Presence in Private Equity

Business Environment

Global Financial Market Turmoil, Declining Equity Prices

The operating environment in fiscal 2007 was characterized by turmoil in the global financial markets and a prolonged decline in equity markets. Although Global Merchant Banking reported a strong profit for the third consecutive year, the decline in equity prices that began in the middle of fiscal 2007 had an impact on our exit and new investment activities.

Strategic Delistings

Japanese companies pursuing growth are starting to see strategic delisting as a viable solution to address such management issues as realigning and restructuring businesses and revitalizing operations. As investments by private equity funds increase, the opportunities for unlisted companies to raise outside capital are growing.

Changing Management Mind-Set

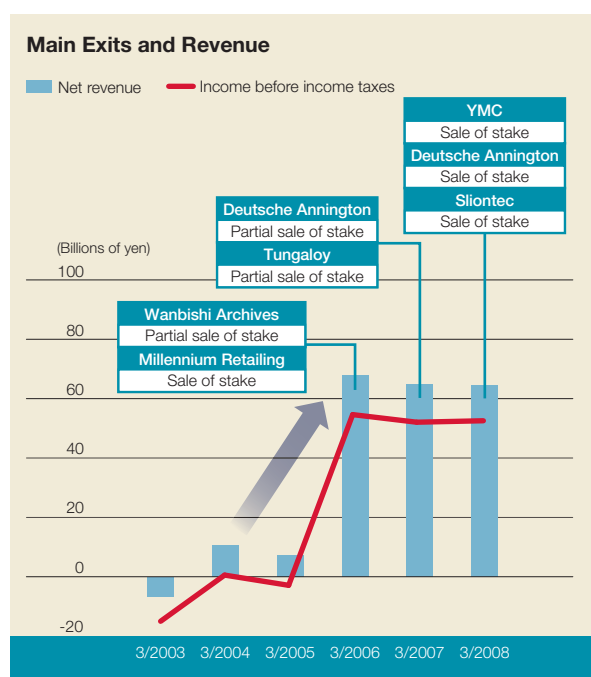
Corporate managers in Japan are also changing their views. As global competition becomes more intense, there is a growing awareness that increasing corporate value is important for survival. An increasing number of managers are concluding that, if their companies are to make effective use of their resources as they focus on their core strengths, outside capital and human resources should be considered as an alternative.

Becoming World-Class

We are establishing a leading presence in private equity by making full use of Nomura Group's resources.

Structuring the Right Portfolio

To realize our objective of generating annual income before income taxes of ¥30–¥40 billion on a sustainable basis, we are diversifying our portfolio of private equity investments, including the exit timing.



NFP Selected to Acquire Ashikaga Bank

In March 2008, a consortium led by Nomura Financial Partners (NFP) and Next Capital Partners was selected to acquire Ashikaga Bank. Nomura Group is committed to contributing to the local communities where Ashikaga Bank has its home base by supporting the bank's growth and development as a regional financial institution. The main focus now will be on creating a more stable earnings base, structuring and maintaining a sound asset portfolio, and reinvesting in selected areas to return to growth in preparation to take the bank public.



Shoichi Nagamatsu,
Chief Executive Officer,
Global Merchant Banking

Over the next five years, we aim to build up a portfolio of around 25 investee companies by investing in three to five Japanese companies each year, with an investment horizon ranging from three to five years, and with a target internal rate of return of 20%. As of March 31, 2008, our business exposure excluding Terra Firma* was about ¥210 billion. We aim to increase this to ¥300 billion over the next few years to ensure we are able to deliver stable profits, and we are looking to exit the majority of our exposure through Terra Firma.

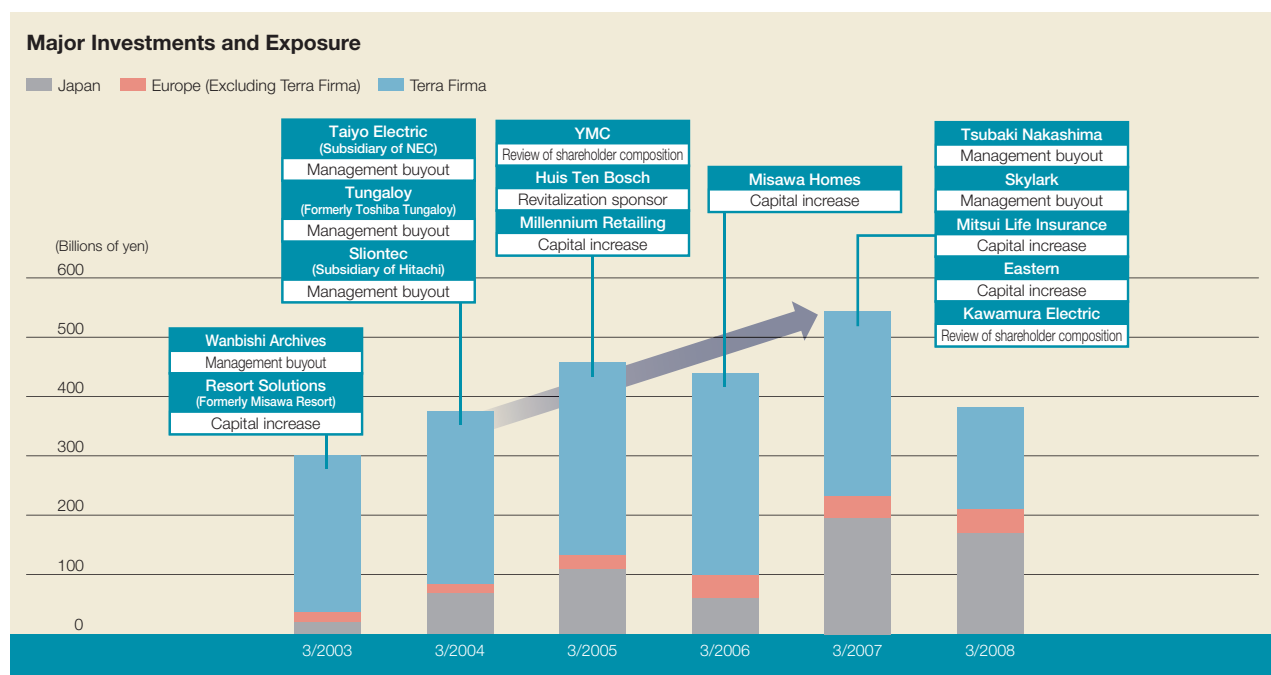
The private equity market in Japan is becoming increasingly competitive as private equity funds grow in size and become more active. To differentiate ourselves in this competitive market, we will tap the deep internal resources of Nomura Group throughout the whole investment process. Drawing on our own network will allow us to seek out new investment opportunities without having to go through a competitive bid process, and to provide a difference when boosting the value of investee companies and exiting from investments.

*Terra Firma is an independent private equity firm based in Europe.

Strategic Development Overseas

In May 2007, we established Asia Merchant Banking in Hong Kong, which will draw on the extensive merchant banking experience of Nomura Group in Japan and Europe and leverage the strength of the Nomura brand in Asia to identify promising, growth-stage Asian companies and provide them with risk capital. Our main focus will be growth investments in companies in the environment, consumer, and media related fields in China and India.

We are also engaged in venture capital activities in Japan, Europe, and the United States. From our base in London, we invest in biopharma, healthcare, and clean technologies companies, and we are creating funds in Europe to take advantage of the special characteristics of this region.



Notes: 1. Exposure in Japan is the total for Nomura Principal Finance (NPF), Nomura Financial Partners (NFP), Nomura Research and Advisory (NR&A), and others.
2. Exposure in Europe (excluding Terra Firma) is the total for Private Equity Group (PEG) and Nomura Phase4 Ventures (NPV).

Asset Management

World-Class Player with Strong Investment Capabilities in Japan and

Business Environment

Continuing Flow of Funds into Investment Trusts

With the ongoing shift from savings to investment products in Japan, the investment trust market is expanding rapidly on the back of increased demand for asset management services and the opening up of new sales channels. Although total assets under management in investment trusts in the Japanese market declined 4%, to ¥102 trillion, in the year to March 2008 due to a drop in global equity markets and an appreciating yen, publicly offered investment trusts saw a net inflow of ¥11.6 trillion, marking the third straight year of inflows above ¥10 trillion.

Diversification of Sales Channels

Since the market for the sale of investment trusts in Japan was opened to financial institutions other than securities firms in 1998, the range of investment trust sales channels has continued to expand, increasing the investor base. As of March 31, 2008, the balance of net assets in domestic investment trusts sold through banks was approximately ¥30 trillion. Of this total, Japan Post Bank accounted for ¥1 trillion.

Becoming World-Class

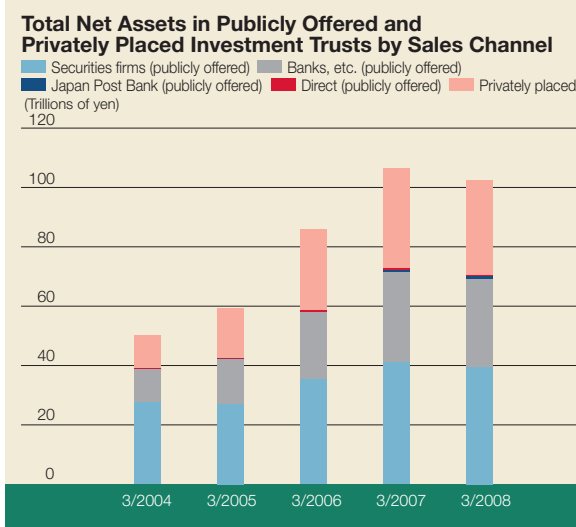
We have adopted a multiproduct, multichannel approach and are developing our advisory services for Japanese investors by enhancing our expertise to deliver world-class investment capabilities. In addition, we are offering a broad spectrum of investment products to leading institutional investors outside Japan as we develop new sales channels. To facilitate these activities, we are aggressively investing in the necessary IT infrastructure and fostering a culture where our people can create new value. Our aim is to be a world-class player with assets under management of ¥43 trillion* in three years.

*Total of ¥50 trillion for all Asset Management Division firms minus asset overlap.

Multiproduct, Multichannel Strategy

In the investment trust market for Japanese retail investors, we are further developing our multiproduct, multichannel approach and working to establish a dominant presence.

For some time now, we have focused on strengthening our investment capabilities. These efforts were recognized when the Nomura Global Six Assets Diversified Fund (Profit Distribution Type) received the Morningstar Award "Fund of the Year 2007" Best Awarded Fund in the Hybrid Fund Division. To build on this



Source: The Investment Trusts Association, Japan.



Notes: 1. Total assets under management of Nomura Asset Management, Nomura Corporate Research and Asset Management, Nomura Funds Research and Technologies, MAINTRUST KAG, Nomura Funds Research and Technologies America, and Private Equity Funds Research and Investments. Adjusted for asset overlap among Group companies. Data to March 31, 2006, includes Nomura BlackRock Asset Management.
2. Nomura Funds Research and Technologies America data as of the end of February 2008.

Atsushi Yoshikawa,
Chief Executive Officer,
Asset Management

Asia

momentum, we remain focused on offering world-class investment capabilities to our clients.

Multiproduct Strategy

Nomura Asset Management has set a goal of establishing its brand as the largest originator of exchange-traded funds (ETFs) in Japan. In October 2007, we introduced Next Funds, a unified brand for our ETFs, which had grown to 26 funds as of March 31, 2008.

Private Equity Funds Research and Investments (PEFR&I) commenced operations in February 2008 to manage and evaluate private equity funds and has added private equity vehicles to our investment product lineup.

Multichannel Strategy

As part of our multichannel strategy, we are working to ensure we are able to respond with speed to provide products and services that meet the specific needs of each channel. In the bank sales channel, we hold seminars and run advertisements to support the sales strategies of individual banks and we are working to raise the profile of the Nomura brand.

International Initiatives: Enhancing Capabilities, Expanding Distribution Channels

Internationally, we are expanding our asset management business across Asia. In view of the increasing global demand for portfolio management services for Asian equities, we are increasing the number of portfolio managers and related personnel and bolstering our investment management structure for Asian equities. In Korea and Taiwan, we are also selling investment trusts that invest in Japanese stocks and other investment instruments through local distribution channels. Looking ahead, we plan to extend our investment trust distribution channels to other countries in Asia.

In the investment advisory business, demand among overseas investors for our fund management services is strong. In addition to our extensive experience in managing Japanese equities, we are also continuing to receive further mandates from major overseas institutional investors for the management of non-Japanese Asian equities. This is another area where we aim to be a world-class player in the supply of Japanese and Asian equity products and other financial instruments.

Award-Winning Funds

2008

- "R&I Fund Award 2008": First Prize for a Japanese REIT Fund in the Investment Trusts Category
- "R&I Fund Award 2008": Award for a Global Bond Fund in the Defined Benefit Pension Category
- "Lipper Fund Awards Japan 2008": First Prize among 14 Entries in the Investment Trusts Category
- Morningstar Award "Fund of the Year 2007": Morningstar Best Awarded Fund in the Hybrid Fund Division

2007

- "Fifth Annual Mercer MPA (Japan) Awards": Comprehensive Division Award for Foreign Bonds
- "R&I Fund Award 2007": First Prize for Japanese Mid and Small Caps Equity Fund in the Investment Trusts Category
- "R&I Fund Award 2007": First Prize for a Global Equity Fund in the Investment Trusts Category
- "R&I Fund Award 2007": First Prize for an Asia-Oceania Equity Fund in the Investment Trusts Category
- "R&I Fund Award 2007": First Prize in the Japanese Bond Fund Defined Contribution Pension Category
- "R&I Fund Award 2007": Second Prize in the Japanese Bond Fund Defined Contribution Pension Category
- "Lipper Fund Awards Japan 2007": First Prize among Four Entries in the Investment Trusts Category
- Morningstar Award "Fund of the Year 2006": Morningstar Best Awarded Fund in the International Stock Fund Division
- Morningstar Award "Fund of the Year 2006": Morningstar Awarded Fund in the Domestic Stock Fund Division
- Morningstar Award "Fund of the Year 2006": Morningstar Awarded Fund in the Hybrid Fund Division

🏆 J-REIT Open

🏆 International Bond Active

🏆 Nomura Global Six Assets Diversified Fund (Profit Distribution Type)

🏆 International Bond Active
🏆 Small Capitalization Blue Chip Open

🏆 Global High Income Stock Fund

🏆 Nomura China Stock Fund Course B

🏆 NOMURA Japan Bond Fund DC

🏆 NOMURA Japan Bond Open DC

🏆 Global High Income Stock Fund

🏆 Nomura Japan Open

🏆 Global Three Assets Balance Fund (Monthly Distribution) ("Session")

Global Research

Our Global Research operations are charged with keeping a close watch on changing economic, industrial, and corporate trends around the world and developing timely investment ideas for clients.

Our strength lies in the research and analytical expertise we have accumulated since our founding and the extensive databases that support this. In addition to providing information to help clients

History of Nomura Research

Research is part of Nomura's DNA. Our founder, Tokushichi Nomura II, realized the importance of scientific research early on. He formed a research department in Nomura Shoten, the predecessor company to Nomura Securities, in 1906, and started publishing the *Osaka Nomura Business News*, which later became the *Weekend Report* and is now known as the *Nomura Weekly Report*.

When Nomura Securities was founded in 1925, it formed a research department from the outset. In 1926, the research department began the publication of *Capital Market Research*, which later became *Capital Market Visions*, to communicate the results of its research in Japan and overseas.

One of the milestones in research during the postwar period was the splitting off of Nomura's research department in 1965

into a separate company, Nomura Research Institute (NRI), thus following the precedent established by U.S. companies in setting up think tanks. Subsequently, Nomura reviewed its research activities and in April 1997 securities research functions were assigned to the Nomura Securities Financial Research Center.

The center has marked its 10th anniversary and undergone a number of organizational changes. At present, the center consists of two research divisions: the Financial & Economic Research Center, which conducts fundamental research, and the Quantitative Research Department.

Additionally, Nomura Research & Advisory was established in February 2000 to conduct research on unlisted companies. In April 2004, the Nomura Institute of Capital Markets Research was launched as a think tank independent of Nomura Group's research organization to conduct practical research and make proposals for public policy.

Financial & Economic Research Center Marks 10th Anniversary

Nomura's Financial & Economic Research Center celebrated its 10th anniversary last year with the publication of three books, as discussed below. Also, on March 15, 2008, the center held a 10th anniversary seminar entitled, "China Money Moves the World—Japan Seeks to Sustain Its Economic Vitality."



The Era of China Money

While China continues to experience remarkable development, it is also wrestling with a number of problems such as environmental issues, gaps in income levels, regional disparities, and a growing external imbalance. To deal with its external imbalance, the Chinese government is relaxing restrictions on overseas travel and outward investment. At the same time, the presence of "China money" is growing. Where will China go from here? Why have the prices of Chinese equities risen so sharply? This publication examines current conditions in China as the country seeks to attain sustainable growth while confronting the major issues it must address.



The Japanese Economy— Conditions for Sustaining Vitality

Japan is said to be in a "Goldilocks economy," characterized by low inflation, low interest rates, and economic expansion without signs of overheating. As the Japanese population declines, Japan is aiming to create a new economic structure, but where will it go from here? How can Japan's manufacturers compete in an increasingly global world, and what lies ahead for non-manufacturing industries as they confront weakening domestic demand? Unless the government and household sectors respond to ongoing changes, they may not be able to overcome the challenges of population decline. This publication focuses on the corporate dynamism in both the manufacturing and nonmanufacturing industries and gives specific examples of Japan's evolving economy.



Learning from Cutting-Edge Financial Engineering— Strategies for Asset Management

Financial engineering has made substantial progress in many areas over the past 10 years. Nomura's Quantitative Research Department conducts R&D activities aimed at applying these new developments to practical operations. This publication selects 11 fields within financial engineering and presents explanations by financial professionals of the latest research results. These include the age-old but always topical issue of whether returns from equity investments can be forecast as well as the diverse range of financial derivatives, investment styles, and methods for individual investors to manage their assets.

make asset management decisions, we work to enhance our financial technologies by developing systems that take full advantage of financial engineering techniques.

Global Research Structure

Nomura's Global Research team includes approximately 520 members, about 340 in Japan and 180 in international offices. The research structure in Japan includes the Financial & Economic Research Center, the Quantitative Research Department, the Global Research Planning & Support Department, and Nomura Research & Advisory. In addition, Nomura has researchers across Asia, in the United Kingdom, and in the United States.

In the fundamental research field, the Financial & Economic Research Center has more than 100 professionals in Japan, including economists, strategists, and analysts. They collaborate with colleagues in our offices in the rest of Asia, Europe, and the United States to analyze economies, stock markets, industries, companies, and related issues. In view of Nomura's strategic focus on Asia, we are enhancing our research capabilities in that region.

Moreover, we are building up our research team in London that covers emerging markets, an area of increasing interest to investors.

In quantitative research, the Quantitative Research Department acts as the focal point and works closely with offices in New York, London, and Hong Kong. Principal activities include drawing on the core skills of financial engineering and IT to conduct R&D in a broad range of areas, including asset management, trading, product development, risk management, and financial management.

Global Research teams in Japan and overseas work together closely to follow developments in economies and capital markets, prepare forecasts of future trends, and distribute information proactively through reports and seminars. We remain dedicated to providing information that helps our clients enhance their investment performance.

Analyst Ranking (2008) by *The Nikkei Veritas*

Rank	Firm Name	Points
1	Nomura Securities	13,573
2	Daiwa Institute of Research	12,532
3	UBS	9,444
4	Mitsubishi UFJ Securities	9,021
5	Nikko Citigroup	7,657
6	JPMorgan Securities Japan	6,590
7	Credit Suisse	6,569
8	Goldman Sachs Japan	5,820
9	Mizuho Securities	5,290
10	Morgan Stanley Japan Securities	4,165

All-Japan Research Team (2008) by *Institutional Investor*

Rank	Firm Name	Total Team Position
1	Nomura Securities	24
2	Daiwa Institute of Research	18
2	UBS	18
4	JPMorgan Securities Japan	15
5	Goldman Sachs Japan	13
5	Morgan Stanley Japan Securities	13
7	Credit Suisse	12
8	Merrill Lynch Japan Securities	11
9	Mitsubishi UFJ Securities	10
9	Nikko Citigroup	10

● Key Topics in Fiscal 2007

The Economic Research Department of Nomura's Financial & Economic Research Center has developed an original indicator, the Nomura Regional Economic Index (NMRI). This index consists of a coincident indicator that reflects trends in regional economies and a leading indicator that shows the future direction of economic conditions, thus making it possible to confirm the current situation in regional economies and future directions at a glance. These indicators are revised on a monthly basis and are expected to be extremely useful as they provide a faster and surer way to understand trends in regional economies.

In addition, the Quantitative Research Department develops and offers indexes to provide benchmarks for the management of various types of securities in Japan and overseas markets. On October 23, 2007, an exchange-traded fund (ETF) linked to one of those indexes, the Russell/Nomura Small Cap Core Index, was listed on the Osaka Securities Exchange. This ETF is one of the Next Funds, a series of next-generation funds being developed by Nomura Asset Management. It is the first ETF in Japan linked to small-cap stocks.

Corporate Governance and Internal Control System

Basic Stance

Nomura Holdings aims for transparency in all its operations and strives to ensure the quick, responsive management of Nomura Group as a whole. While working to enhance the corporate value of the Group in the medium to long term, we are fully aware that strengthening corporate governance is of the highest priority and accordingly implement initiatives to strengthen and improve our governance systems.

Among these initiatives, we are actively implementing reforms to ensure management transparency. When the Group made the transition to a holding company structure in October 2001, we appointed outside members to our Board of Directors with the objective of strengthening management oversight functions. Nomura Holdings also formed an Internal Controls Committee in which an outside director also participates, created a Compensation Committee with a majority of outside directors, and formed an Advisory Board composed of prominent persons. When we listed our shares on the New York Stock Exchange in December 2001, we further expanded our information disclosure to increase the transparency of our management systems and activities. In June 2003, we adopted the Committee System corporate governance model and separated the management oversight functions from the day-to-day execution of business activities.

We also focused governance on the Nomination, Audit, and Compensation committees, thereby substantially strengthening management oversight functions and increasing transparency.

Along with this, the Group's executive officers were delegated substantially greater authority for conducting operations and they have subsequently executed business activities quickly and responsively from a consolidated perspective.

Moreover, in 2004, we drew up the Code of Ethics of Nomura Group, which specifies issues related to corporate

governance and corporate social responsibility (CSR) that all Nomura Group executives and employees should be in compliance with in order to fulfill their responsibilities to Nomura Holdings shareholders and all other stakeholders.

During the fiscal year under review, we sincerely regret to report that a former employee of our subsidiary Nomura Securities was found to have engaged in insider trading. We wish to express our apologies for the concern and inconvenience this has caused our customers and other stakeholders.

Following the arrest of this former employee in April 2008, Nomura Securities formed a special investigation committee composed of independent, outside members to provide their assessment and recommendations regarding this issue. Based on their recommendations, to prevent a recurrence of similar incidents in the future, we are devoting our fullest efforts to strengthening our information management policies and procedures as well as to making improvements in the content of our personnel management and training activities. In July 2008, we received an order, which was not related to any legal violations, from Japan's Financial Services Agency (FSA) to implement business reforms in areas where the FSA saw certain inadequacies in our operations. In response, we have submitted a report on corrective measures we will implement, and it has been accepted by the FSA.

As our business operations have become increasingly diverse and global in scope and have come to require different types of employment relationships as well as a greater diversity in personnel, we are acutely aware that strengthening our compliance systems has become an increasingly important issue. We are committed to creating top-class internal control systems, even by international standards, by placing maximum emphasis on the observance of rules and regulations and making improvements in our education and training programs for workplace ethics.

Corporate Governance (Nomura Holdings)

Business Execution, Audit/Oversight, Nomination, and Compensation Decision Making

Since Nomura Holdings adopted the Committee System of corporate governance, the Board of Directors has delegated substantial authority for the execution of business

operations to the executive officers, allowing executive officers to carry out business activities flexibly.

We are working to strengthen and expand our internal control systems to ensure the proper conduct of corporate activities throughout the Group, with the aims of

securing transparency and efficiency in management, ensuring compliance with laws and regulations, managing risk properly, securing the reliability of business and financial reporting, and promoting timely and appropriate information disclosure.

● Three Committees

The Nomination Committee, Audit Committee, and Compensation Committee have been given the authority to make decisions on issues including candidates for the Board of Directors, audits concerning the business execution of directors and executive officers, and compensation for directors and executive officers, respectively. As such, management oversight is conducted by the Board of Directors.

○ Nomination Committee

The Nomination Committee is composed of a majority of outside directors and is responsible for decisions regarding proposals made to the Ordinary General Meeting of Shareholders concerning the appointment and dismissal of directors. No directors who are representative executive officers, including the CEO, or executive officers are members of the Nomination Committee.

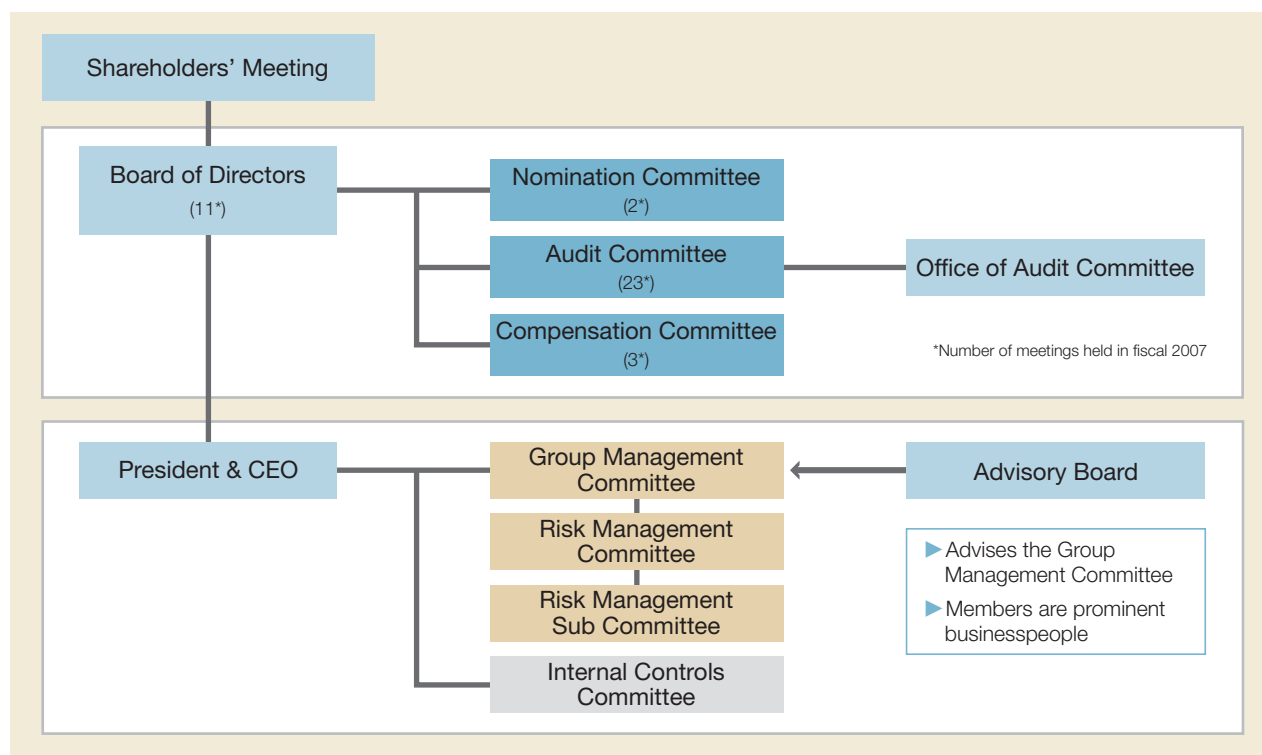
○ Audit Committee

The Audit Committee is composed of a majority of outside directors and is responsible for auditing the business execution of the directors and executive officers and preparing audit reports. It also makes decisions regarding proposals to be submitted to the Ordinary General Meeting of Shareholders concerning the appointment and dismissal of independent auditors. No directors who are representative executive officers, including the CEO, or executive officers are members of the Audit Committee.

○ Compensation Committee

The Compensation Committee is composed of a majority of outside directors. This committee decides on policy for decision making regarding the content of compensation and related matters for directors and executive officers, and makes decisions on the specific content of compensation and related matters for individual directors and executive officers. No directors who are representative executive officers, including the CEO, or executive officers are members of the Compensation Committee.

Management Structure



Business Execution System

Nomura has formed a Group Management Committee, Risk Management Committee, and Internal Controls Committee to ensure that executive officers make business decisions smoothly and in an appropriate manner.

Group Management Committee

Chaired by the CEO, the Group Management Committee includes the COO, the business division CEOs, and other person(s) designated by the CEO. The Group Management Committee is responsible for deliberating and making decisions related to important management issues for Nomura Group, such as management strategies, business plans, and budgets as well as the allocation of management resources.

Risk Management Committee

The Risk Management Committee is chaired by the CEO and includes the COO, the business division CEOs, and other person(s) designated by the CEO. Under the delegation of the Group Management Committee, the Risk

Management Committee is responsible for deliberating and deciding on important risk management issues for Nomura Group, such as the Group's response to requirements under Basel II. The Risk Management Sub Committee has been established under the Risk Management Committee to make assessments and decisions regarding positions and important risk management issues.

Internal Controls Committee

The Internal Controls Committee is chaired by the CEO and is comprised of person(s) designated by the CEO, Audit Committee member(s) designated by the Audit Committee, and Director(s) (Audit Mission Director(s)) designated by the Board of Directors. The Internal Controls Committee is responsible for establishing and evaluating internal controls concerning Nomura Group operations as well as for deliberations and decisions to promote proper corporate behavior.

Internal Controls

Nomura Holdings adopts a range of measures to ensure that decision making related to the conduct of operations by the executive officers proceeds smoothly and appropriately.

Fair Disclosure

To ensure investors have fair access to information regarding Nomura Group, we have established Nomura Group's Statement of Global Corporate Policy Regarding Public Disclosure of Information. The Disclosure Committee deliberates and makes decisions regarding appropriate ways of disclosing material information related to Nomura Group, preparation of legally mandated disclosure documents, and important items related to the disclosure of corporate information based on this statement.

Crisis Management

To minimize the impact of natural disasters, fires, and other crises, both in Japan and overseas, and return to normal operations as quickly as possible following such incidents, Nomura Group has established the Nomura Group Crisis Management Policy. In addition, the Nomura Group Crisis Management Committee is responsible for Groupwide crisis management plans and action programs.

Information Security

Nomura Group has established an Information Security Policy in relation to client information to ensure that such information is strictly protected and managed. Nomura Securities has also prepared internal regulations that include Regulations Regarding Insider Trading to strictly manage information related to corporate clients.

Compliance

Nomura Group works to prevent behavior that may give rise to the suspicion of violations of legal regulations. The following measures have been taken to ensure that all related information is promptly communicated to management without exception, should such issues arise.

- Appointment of a Group Compliance Officer
- Appointment of Compliance Officers
- Provision of a compliance hotline
- Addressing legal risk globally

Risk Management

To provide for comprehensive control, monitoring, and reporting on the various types of risks inherent in the activities of Nomura Group, the following measures have been implemented.

- Top management actively committed to risk management
- Establishment of overall control of risk management through the formation of a Risk Management Committee and Risk Management Sub Committee
- Management by globally linked risk management departments and risk management at operating level

Note: For details regarding internal controls in the conduct of business operations, please refer to Corporate Governance in the Investor Relations section of www.nomura.com.

Compensation for Directors and Executive Officers

Nomura Holdings has two basic compensation policies for directors and executive officers: (1) in line with the attainment of management objectives, to set compensation levels flexibly to significantly raise management motivation and empower individuals to realize their maximum potential and (2) to introduce compensation linked to the value of the Company's stock to enhance long-term incentives. The total amount of compensation paid to directors and executive officers for the fiscal year ended March 31, 2008, was ¥1,643 million. The compensation of directors and executive officers is composed of a base salary, cash bonus, and stock bonus.

As of March 31, 2008

Position	Number ¹	Compensation
Directors (Outside directors)	8 (4)	¥445 million (¥131 million)
Executive Officers	13	¥1,198 million
Total	21	¥1,643 million ^{2, 3, 4}

1. As of March 2008, there were 11 directors and 13 executive officers. Of this total, three persons held positions as directors and executive officers concurrently. Compensation of the persons holding offices of director and executive officer concurrently is included in the compensation figure for executive officers.

2. The figure of ¥1,643 million includes ¥534 million in compensation paid in the form of stock options (stock-related compensation). (A total of 21 persons received compensation in the form of stock options.)

3. The figure of ¥1,643 million includes ¥2 million in compensation paid in a non-monetary form.

4. The figure of ¥1,643 million includes ¥213 million paid as retirement allowances (to two persons), as approved by a vote at the 98th Ordinary General Meeting of Shareholders (held on June 26, 2002).

(1) Base Salary

The base salary of each director and executive officer is the sum of amounts based on each individual's career, posts held to date, responsibilities, and the degree of attainment of the target return on equity (ROE) on a consolidated basis.

(2) Cash Bonus

The cash bonus is based on quantitative factors such as consolidated net income, ROE, and the earnings of business divisions. This bonus is also based on qualitative items, such as the degree of attainment of management targets and personal targets, assessments of individual contributions, and other factors. The aggregate cash bonuses of directors and executive officers may not exceed 1% of consolidated net income.

(3) Stock Bonus

The stock bonus is determined separately for each individual by taking into consideration all applicable factors. These include parameters such as consolidated net income and ROE as well as the level of this compensation relative to the base salary, cash bonus, and other stock bonuses and the benefits relative to the cost of providing such compensation.

Board of Directors

(As of July 1, 2008)

Title	Name	Responsibilities and Status in Other Companies	Nomination Committee	Audit Committee	Compensation Committee	Audit Mission Director
Chairman of the Board	Junichi Ujiie		◎		◎	
Director	Kenichi Watanabe	President & Chief Executive Officer				
Director	Takumi Shibata	Deputy President & Chief Operating Officer				
Director	Masaharu Shibata	Chairman of NGK Insulators, Ltd. Chairman of NGK Technica, Ltd. Statutory Auditor of Chubu-Nippon Broadcasting Co., Ltd.	○		○	
Director	Hideaki Kubori	Chairman of Hibiya Park Law Offices Statutory Auditor of SOURCENEXT CORPORATION	○		○	
Director	Haruo Tsuji	Corporate Advisor of Sharp Corporation Outside Director of Kobayashi Pharmaceutical Co., Ltd.		◎		
Director	Fumihide Nomura	President of Nomura Shokusan Co., Ltd.		○		
Director	Tsuguoki Fujinuma	Advisor of The Japanese Institute of Certified Public Accountants Director of Tokyo Stock Exchange Group, Inc. Governor of Tokyo Stock Exchange Regulation External Corporate Auditor of Sumitomo Corporation External Auditor of Takeda Pharmaceutical Company Limited Outside Director of Sumitomo Life Insurance Company		○		
Director	Masahiro Sakane	Chairman of the Board of Komatsu Ltd. External Corporate Director of Tokyo Electron Limited				
Director	Masanori Itatani					○
Director	Yoshifumi Kawabata					○

Note: A double circle indicates the committee chair.

From left: [Back row] Masanori Itatani, Junichi Ujiie, Kenichi Watanabe, Takumi Shibata, Yoshifumi Kawabata

From left: [Front row] Tsuguoki Fujinuma, Fumihide Nomura, Haruo Tsuji, Masaharu Shibata, Masahiro Sakane, Hideaki Kubori



Executive Officers and Business Division CEOs

Executive Officers (As of July 1, 2008)

Title	Name	Main Responsibilities
President	Kenichi Watanabe	Chief Executive Officer
Deputy President	Takumi Shibata	Chief Operating Officer
Executive Managing Director	Akihiko Nakamura	Chief Information Officer
Executive Managing Director	Toshio Hirota	Head of Communications
Executive Managing Director	Hideyuki Takahashi	Head of Internal Audit
Executive Managing Director	Yugo Ishida	Head of Regional Management, Europe
Senior Managing Director	Akihito Watanabe	Head of Group Human Resources Development
Senior Managing Director	Shigesuke Kashiwagi	Head of Regional Management, Americas
Senior Managing Director	Masafumi Nakada	Chief Financial Officer
Senior Managing Director	Noriaki Nagai	Head of Corporate Office
Senior Managing Director	Yoshinori Go	Head of Regional Management, Asia
Senior Managing Director	Yuji Nakata	Global Markets (Based in Europe)
Senior Managing Director	Yoshihiro Fukuta	Head of Regional Management, Asia

Business Division CEOs (As of July 1, 2008)

Responsibility	Name
Domestic Retail	Hitoshi Tada
Global Markets	Akira Maruyama
Global Investment Banking	Hiromi Yamaji
Global Merchant Banking	Shoichi Nagamatsu
Asset Management	Atsushi Yoshikawa

Corporate Social Responsibility

Our Commitment to the Environment

Nomura Group is committed to reducing the environmental impact of the Group as a whole and contributing to resolving environmental challenges through our innovative financial services. With this in mind, we focus our efforts on the following priority areas: promoting environmental conservation activities, disclosing environmental information, and proactively working to resolve environmental issues. In addition to these efforts, Nomura Group is actively involved in solving environmental problems by investing its own capital in environment-related companies.

Reducing the Environmental Impact of the Group as a Whole

- Environmental Activities Working Group
- Purchasing Green Power Certificates
- Nihonbashi headquarters wins the highest evaluation, “AAA,” from the City of Tokyo
- Reducing paper consumption
- Nomura International plc receives ISO 14001 certification

Fiscal 2007 Objectives and Results

Programs	Policies	Targets	Fiscal 2007 Results	Comments
Global warming prevention	Reduce greenhouse gas emissions at Nihonbashi headquarters	20% reduction vs. FY2001	28% reduction vs. FY2001	Seek further cuts
	Study how to reduce domestic office energy consumption	Track results for all domestic offices	Energy consumption for all balances was estimated on the basis of a survey of a sample of branches	Studying measures to cut energy consumption at all branches
Promotion of green purchasing	Increase “green” procurement ratio	75% “green” procurement	61% (55.8% in FY2006)	Continued training of purchasing officers
	Establish Group guidelines	Policy-making/staff training	Formulation of specialized guidelines for green purchasing of IT equipment	Studying ways to incorporate within Group
Waste management/reduction	Promote recycling	Recycle 90% of waste	92.6% (93.6% in FY2006) Nihonbashi HQ	Continuing to promote
	Promote paper recycling	Recycle ratio of 98%	94.8% (98.5% in FY2006) Nihonbashi HQ	Continuing to promote
Management systems	Strengthen Group promotion system, Group environmental training	Build global network of Group offices and companies	Environmental awareness-raising through our intranet	Continuing initiatives to raise employee awareness

* The recycling rate was lower than the previous year largely because the volume of waste produced was reduced significantly, down 10.3% from FY2006.

* Initiatives to achieve 2008 targets to focus on the FY2007 goals not achieved.

Efforts to Solve Environmental Issues through Investment

- Investing our own capital in environment-related companies
 - Regarding environmental and new energy fields as growth areas, supporting unlisted companies in their path towards initial public offerings and investing in cutting-edge environment-related companies
 - Clean technology venture funding from a global point of view
- Providing environment-related research and information to investors
 - Launching the NOMURA ECOLOGY FOCUS project to enhance our environmental conservation efforts by providing investors with additional research on industries and technologies that contribute to the protection of the earth’s environment
 - Holding the Nomura Global Environment Technology Conference
- Providing environment-related funds
 - Nomura Aqua Investment
 - Global Umbrella - UBS (JP) Global Warming Ecology
 - World Water Fund



Relationship with Society

With “Investing for the future—Contributing to a brighter tomorrow” as Nomura Group’s philosophy concerning contributing to society, we aim to support the economy, arts, and academia through our business activities. We focus on the three important areas of: (1) the spread of financial and economic education, (2) promoting exchange and dialog with local communities, and (3) socially minded business activities.

Support for Culture, the Arts, and Academia

● Financial and economic education

- Providing a broad range of opportunities for financial and economic education



In March 2008, with guidance from Professor Sawa, we produced *The Economics Classroom* as a supplementary text for students in the latter years of elementary school. This text was positioned as a lead-in to the previously released *T-Shirt Shop*.

● Support for culture and the arts

- Nomura Group and the Nomura Cultural Foundation support the Pacific Music Festival as one of the festival’s special corporate supporters since its inception in 1990.

● Community involvement initiatives

- Nomura Group undertakes various initiatives to meet its responsibilities as a good corporate citizen in each of the communities to which it belongs.

Contributing to the Development of Society through Investment

● Providing financial solutions in the healthcare field

- Supporting a management improvement program for hospitals and nursing homes, arranging and investing in financing solutions
- Investing in life-science-related companies and cutting-edge medical companies

● Providing Nomura Group's SRI funds

- Nomura Global SRI 100, popularly known as Nomura Global Social Responsibility Investment
- Morningstar SRI Index Open, popularly known as *Tsunagari*
- Nomura Global SRI Index Fund DC (for defined contribution pension plans)

Relationship with Customers

Nomura Group is committed to engaging in business in a manner that meets the needs of its clients, and strives to be recognized as an asset to society by satisfying the expectations of a broad spectrum of customers. In recognition of their importance, we focus on promoting client-oriented management, eliminating information asymmetry, and responding to the diverse needs of markets and customers.

Initiatives to Improve Customer Satisfaction

- Initiatives to address the enforcement of the Financial Instruments and Exchange Law

The Financial Instruments and Exchange Law and associated ordinances (new law and ordinances) came into effect on September 30, 2007. In addition to creating an internal structure to ensure compliance with the new law and ordinances, we have initiated measures so that our clients will also understand the new requirements.

Providing Products and Information to Clients (Eliminating Information Asymmetry)

We analyze the financial products we offer with due care and provide our clients with accurate information and easy-to-understand advice. These measures demonstrate our commitment to offering services fit for a responsible financial institution in originating products, providing information, and soliciting business.

Nomura Securities is establishing completely new types of branches that are not held back by conventional concepts. Through these new branches, such as virtual branches, we invite people to enjoy learning about investment trends and how investing works.

- Established an information hub, Nomura Cube, within *Second Life*®
- Opening joint branch with St-Marc Café
- Opening branches in medical centers



Virtual branch

Relations with Our Employees

Training to Realize Full Potential

Allowing our employees to reach their full potential is at the core of Nomura Group's personnel system. Nomura Group treats its employees as individuals and provides a variety of opportunities for employees with ability and desire, regardless of gender or age. Employees who perform to their potential are compensated accordingly. This aims to give all employees greater responsibility for their work and provide the incentive for them to perform to their full potential. We believe this also adds vitality to the Company as a whole.

- Retiree rehiring system
- Providing training and development program

Securing Diverse Human Resources and a Work-Friendly Environment

Nomura Securities actively recruits and promotes women. We have women-only branch offices and

departments and have established a section to plan and formulate career development policies for our female employees. We also have guidelines for actively recruiting the elderly, persons with disabilities, and non-Japanese people in Japan.

- Happy Career & Life project
- Mental health care
- Child care and family nursing care support
- Work/life initiatives

Diversity and Human Rights (in Japan)

People (employees) are Nomura Group's most important asset. Increasing human rights awareness in order to maintain respect for human rights and prevent discrimination and harassment is a top priority.

- In-house human rights training programs

Seven-Year Financial Summary (U.S. GAAP)

For the fiscal years beginning April 1 and ending March 31 of the following year

Note: This financial summary is prepared solely for convenience. Readers are recommended to refer to the Form 20-F.

Operating Results:

	FY	3/2002	3/2003
Revenue:			
Commissions	¥	140,001	¥ 141,640
Fees from investment banking		75,255	81,847
Asset management and portfolio service fees		109,985	79,290
Net gain on trading		162,228	172,308
Gain (loss) on private equity investments		232,472	(14,391)
Interest and dividends		500,541	368,656
Gain (loss) on investments in equity securities		(55,860)	(41,288)
Gain from changes in equity of an affiliated company		3,504	—
PFG entities product sales		294,931	—
PFG entities rental income		177,053	—
Gain on sales of PFG entities		116,324	—
Private equity entities product sales		—	6,229
Other		68,965	13,360
Total revenue		1,825,399	807,651
Interest expense		504,048	241,377
Net revenue		1,321,351	566,274
Non-interest expenses:			
Compensation and benefits		379,540	244,167
Commissions and floor brokerage		20,962	20,844
Information processing and communications		87,252	77,389
Occupancy and related depreciation		73,787	57,152
Business development expenses		26,652	24,361
PFG entities cost of goods sold		200,871	—
PFG entities expenses associated with rental income		111,529	—
Private equity entities cost of goods sold		—	4,968
Other		247,786	89,984
Total non-interest expenses		1,148,379	518,865
Income (loss) from continuing operations before income taxes and cumulative effect of accounting change		172,972	47,409
Income from discontinued operations before income taxes and cumulative effect of accounting change		—	—
Income tax expense		4,926	37,295
Income (loss) from continuing operations before cumulative effect of accounting change		168,046	10,114
Gain on discontinued operations		—	—
Cumulative effect of accounting change		—	109,799
Net income (loss)	¥	168,046	¥ 119,913

Balance Sheets (Period End):

Cash and cash deposits	¥	775,734	¥ 955,509
Loans and receivables		1,046,014	1,137,265
Collateralized agreements		6,680,001	8,603,170
Trading assets and private equity investments		7,841,533	9,286,507
Other assets		1,414,991	1,186,995
Total assets	¥	17,758,273	¥21,169,446
Short-term borrowings	¥	629,279	¥ 343,837
Payables and deposits		1,251,592	821,659
Collateralized financing		9,087,597	11,791,833
Trading liabilities		2,693,746	3,888,720
Other liabilities		518,156	411,699
Long-term borrowings		1,972,974	2,269,370
Total liabilities		16,153,344	19,527,118
Total shareholders' equity		1,604,929	1,642,328
Total liabilities and shareholders' equity	¥	17,758,273	¥21,169,446

Cash Flows:

Net cash provided by (used in) operating activities from continuing operations	¥ (1,170,028)	¥ 133,892
Net cash provided by (used in) investing activities from continuing operations	(42,882)	120,851
Net cash provided by (used in) financing activities from continuing operations	1,052,851	(111,189)
Effect of initial adoption of SOP 07-1 on cash and cash equivalents	—	—
Effect of exchange rate changes on cash and cash equivalents	13,018	(8,952)
Discontinued operations, net	—	—
Net increase (decrease) in cash and cash equivalents	¥ (147,041)	¥ 134,602

*Calculated using the yen-dollar exchange rate of U.S.\$1.00=¥99.85, the noon buying rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal

Millions of yen					Millions of U.S. dollars*
3/2004	3/2005	3/2006	3/2007	3/2008	3/2008
¥ 210,216	¥ 221,963	¥ 356,325	¥ 337,458	¥ 404,659	\$ 4,053
86,994	92,322	108,819	99,276	85,096	852
66,193	78,452	102,667	145,977	189,712	1,900
229,042	201,686	304,223	290,008	61,720	618
13,138	7,744	12,328	47,590	76,505	766
343,260	401,379	693,813	981,344	796,540	7,978
55,888	15,314	67,702	(20,103)	(48,695)	(488)
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
17,640	75,061	88,210	100,126	—	—
23,565	32,316	58,753	67,425	28,185	282
1,045,936	1,126,237	1,792,840	2,049,101	1,593,722	15,961
242,833	327,047	647,190	958,000	806,465	8,077
803,103	799,190	1,145,650	1,091,101	787,257	7,884
259,336	274,988	325,431	345,936	366,805	3,674
19,169	23,910	32,931	50,812	90,192	903
80,031	81,408	89,600	109,987	135,004	1,352
54,221	53,534	55,049	61,279	64,841	649
23,100	28,214	32,790	38,106	38,135	382
—	—	—	—	—	—
—	—	—	—	—	—
11,852	44,681	48,802	57,184	—	—
72,718	87,620	115,447	106,039	156,868	1,571
520,427	594,355	700,050	769,343	851,845	8,531
282,676	204,835	445,600	321,758	(64,588)	(647)
—	—	99,413	—	—	—
110,347	110,103	240,685	145,930	3,259	32
172,329	94,732	256,628	175,828	(67,847)	(679)
—	—	47,700	—	—	—
—	—	—	—	—	—
¥ 172,329	¥ 94,732	¥ 304,328	¥ 175,828	¥ (67,847)	\$ (679)

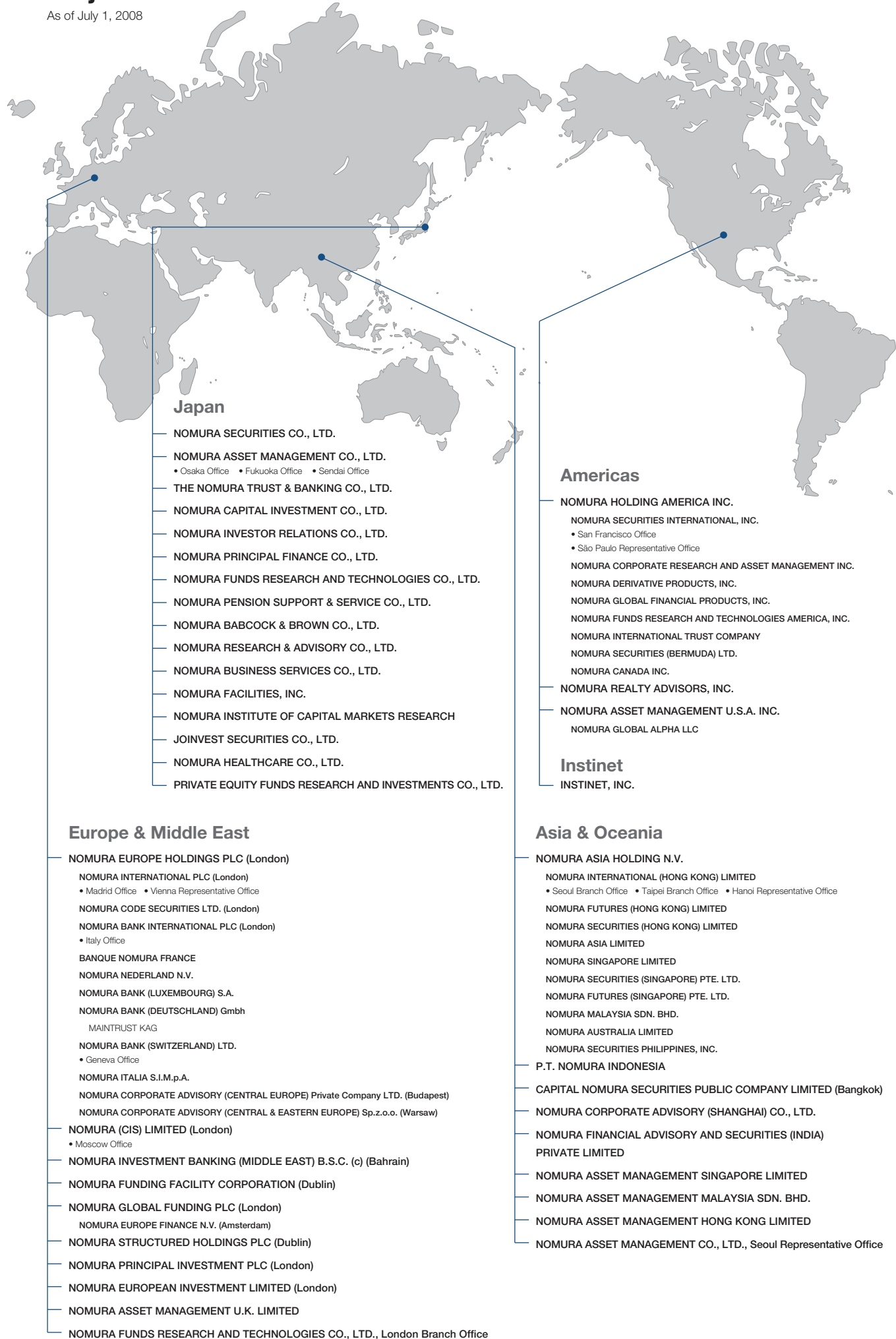
Millions of yen					Millions of U.S. dollars*
¥ 930,637	¥ 1,047,234	¥ 1,555,636	¥ 1,054,012	¥ 1,434,067	\$ 14,362
1,013,636	1,221,083	1,363,681	1,618,411	1,872,027	18,748
12,881,752	14,389,045	17,027,807	17,838,227	10,391,367	104,070
13,838,396	15,600,521	13,697,441	13,178,220	10,656,505	106,725
1,088,545	2,230,970	1,381,470	2,184,504	1,944,832	19,478
¥29,752,966	¥34,488,853	¥35,026,035	¥35,873,374	¥26,298,798	\$263,383
¥ 437,124	¥ 520,605	¥ 691,759	¥ 1,093,529	¥ 1,426,266	\$ 14,284
1,384,096	963,965	1,239,731	1,345,855	1,328,698	13,307
17,367,758	21,666,185	20,263,012	20,599,256	10,540,731	105,566
5,976,966	5,332,173	6,527,627	4,800,403	5,154,369	51,621
415,865	1,309,944	641,980	845,522	636,184	6,371
2,385,469	2,827,552	3,598,599	5,002,890	5,224,426	52,323
27,967,278	32,620,424	32,962,708	33,687,455	24,310,674	243,472
1,785,688	1,868,429	2,063,327	2,185,919	1,988,124	19,911
¥29,752,966	¥34,488,853	¥35,026,035	¥35,873,374	¥26,298,798	\$263,383

Millions of yen					Millions of U.S. dollars*
¥ (57,125)	¥ (360,780)	¥ (565,214)	¥ (1,627,156)	¥ (647,906)	\$ (6,488)
20,971	(103,443)	(4,678)	(533,813)	(102,019)	(1,022)
201,267	448,531	829,219	1,568,703	942,879	9,443
—	—	—	—	(38,427)	(385)
(18,978)	13,697	16,419	10,333	(57,319)	(574)
—	(50,262)	131,100	—	—	—
¥ 146,135	¥ (52,257)	¥ 406,846	¥ (581,933)	¥ 97,208	\$ 974

Reserve Bank of New York on March 31, 2008.

Major Subsidiaries and Affiliates

As of July 1, 2008



Nomura Securities Domestic Network

As of July 1, 2008

Kinki

Akashi Branch
Daito Branch
Esaka Branch
Gakuenmae Branch
Higashiosaka Branch
Himeji Branch
Hirakata Branch
Ibaraki Branch
Kishiwada Branch
Kobe Branch
Kurakuen Branch
Kyoto Branch
Nanba Branch
Nara Branch
Nishinomiya Branch
Okamoto Branch
Osaka Branch
Otsu Branch
Sakai Branch
Senri Branch
Takarazuka Branch
Takatsuki Branch
Tennoji-eki Branch
Toyonaka Branch
Tsukaguchi Branch
Uehonmachi Branch
Umeda Branch
Wakayama Branch
Kyoto Branch, Kyoto Station Building, The Cube Office (Opening in August)
Umeda Branch, Diamor Office (Opening in July)

Kanto

Aobadai Branch
Atsugi Branch
Chiba Branch
Fujisawa Branch
Funabashi Branch
Futamatagawa Branch
Hiratsuka Branch
Ichikawa Branch
Kamakura Branch
Kashiwa Branch
Kawagoe Branch
Kawaguchi Branch
Kawasaki Branch
Kofu Branch
Konandai Branch
Koshigaya Branch
Kumagaya Branch
Matsudo Branch
Mito Branch
Odawara Branch
Omiya Branch
Omiya Nishiguchi Branch
Ota Branch
Sagamihara Branch
Saitama Branch
Shiki Branch
Shinyokohama Branch
Shinyurigaoka Branch
Takasaki Branch
Tama Plaza Branch
Tokorozawa Branch
Totsuka Branch
Tsuchiura Branch
Tsurumi Branch
Urawa Branch
Utsunomiya Branch
Yachiyodai Branch
Yokohama Branch
Yokohama Bashamichi Branch
Yokohama-eki Nishiguchi Branch
Yokosuka Branch

Hokkaido

Asahikawa Branch
Hakodate Branch
Kushiro Branch
Sapporo Branch

Tohoku

Akita Branch
Aomori Branch
Fukushima Branch
Hachinohe Branch
Koriyama Branch
Morioka Branch
Sendai Branch
Yamagata Branch

Hokuriku

Fukui Branch
Kanazawa Branch
Niigata Branch
Toyama Branch

Chugoku

Fukuyama Branch
Hiroshima Branch
Kurashiki Branch
Matsue Branch
Okayama Branch
Shimonoseki Branch
Tokuyama Branch
Yonago Branch

Tokyo Metropolitan Area

Chofu Branch
Fuchu Branch
Gotanda Branch
Hachioji Branch
Hamadaya Branch
Hatagaya Branch
Head Office
Iidabashi Branch
Ikebukuro Branch
Ikebukuro Metropolitan Plaza Branch
Jiyugaoka Branch
Kamata Branch
Kanda Branch
Kichijoji Branch
Kinshicho Branch
Koishikawa Branch
Koiwa Branch
Kojimachi Branch
Kokubunji Branch
Machida Branch
Mita Branch
Nakameguro Branch
Nakano Branch
Nerima Branch
Ogikubo Branch
Omori Branch
Sakurashinmachi Branch
Sangenjaya Branch
Seijo Branch
Senju Branch
Shibuya Branch
Shinbashi Branch
Shinjuku Branch
Shinjuku-eki Nishiguchi Branch
Shinjuku Nomura Building Branch
Tachikawa Branch
Tamagawa Branch
Tanashi Branch
Tokyo Branch
Toranomon Branch
Ueno Branch
Denenchofu Branch (Opening in July)

Shikoku

Kochi Branch
Matsuyama Branch
Takamatsu Branch
Tokushima Branch

Chubu

Gifu Branch
Hamamatsu Branch
Kanayama Branch
Kariya Branch
Kasugai Branch
Matsumoto Branch
Nagano Branch
Nagoya Branch
Nagoya-ekimae Branch
Numazu Branch
Okazaki Branch
Shizuoka Branch
Toyohashi Branch
Toyota Branch
Tsu Branch
Yokkaichi Branch

Kyushu

Fukuoka Branch
Kagoshima Branch
Kitakyushu Branch
Kumamoto Branch
Kurume Branch
Miyazaki Branch
Nagasaki Branch
Oita Branch
Saga Branch
Sasebo Branch

Okinawa

Naha Branch

Major Subsidiaries and Affiliates/
Nomura Securities Domestic Network

Corporate and Other Data

Corporate Data

Date of Incorporation

December 25, 1925

Head Office

1-9-1, Nihonbashi, Chuo-ku, Tokyo 103-8645, Japan

Paid-in Capital

¥182.8 billion (As of March 31, 2008)

Group Employees

18,026 (As of March 31, 2008)

Share Data

Common Stock Issued

1,965,919,860 shares (As of March 31, 2008)

Listings

The common shares of Nomura Holdings are listed on the Tokyo, Osaka, Nagoya, and Singapore stock exchanges. The shares are also listed on the New York Stock Exchange in the form of American Depositary Receipts. (As of March 31, 2008)

Securities Code

8604 (Tokyo Stock Exchange)

NMR (New York Stock Exchange)

Number of Shareholders

263,427 (Unit shareholders: 239,339) (As of March 31, 2008)

Major Shareholders (Top 10) (As of March 31, 2008)

Ranking	Shareholder Name	Shares Held (Thousand Shares)	Percentage of Issued Shares (%)
1	Japan Trustee Services Bank, Ltd. (Trust Account)	120,113	6.11
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	115,525	5.88
3	State Street Bank and Trust Company	75,485	3.84
4	Hero & Co.*	53,896	2.74
5	State Street Bank and Trust Company 505103	37,230	1.89
6	Japan Trustee Services Bank, Ltd. (Trust Account 4)	32,938	1.68
7	The Chase Manhattan Bank, 385036	21,017	1.07
8	Nippon Life Insurance Company	19,007	0.97
9	Trust & Custody Services Bank, Ltd. (Investment Trust Account)	16,680	0.85
10	The Sumitomo Trust and Banking Co., Ltd. (Trust Account B)	16,653	0.85

Note: The Company had 57,887 thousand shares of treasury stock (ranked 4th if included).

* The fourth-largest shareholder, Hero & Co., is the former Depository Nominees Inc., following a name change.

	First Quarter	Second Quarter	Third Quarter	Year-end
Date of Record for Dividend Payments	June 30	September 30	December 31	March 31
Dividend Payment Date*	September 1	December 1	March 1 (of following calendar year)	June 1

* If the payment date falls on a weekend or Japanese national holiday, the dividend will be paid on the next business day.

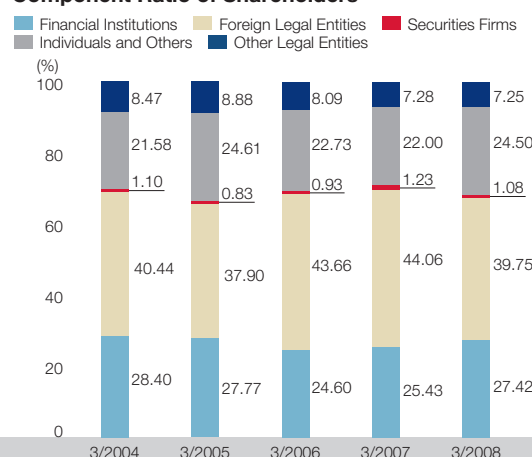
Transfer Agent and Registrar

Mitsubishi UFJ Trust and Banking Corporation
Corporate Agency Department: +81 (3) 5391-1900

Depository for American Depositary Receipts (ADRs)

The Bank of New York Mellon
Depository Receipts Division: +1 (866) 680-6825
<http://www.adrbnymellon.com>
Ratio: 1 ADR = 1 ordinary share

Component Ratio of Shareholders



Other

Credit Ratings*

	Nomura Holdings		Nomura Securities	
	Long-term	Short-term	Long-term	Short-term
S&P	A-	A-2	A	A-1
Moody's	A3	—	A2	P-1
R&I	AA-	a-1+	AA-	a-1+
JCR	AA	—	AA	—

* As of June 30, 2008.

Auditor

Ernst & Young ShinNihon LLC

For More Information

Investor Relations Department

Nomura Holdings, Inc.

Otemachi Nomura Building

2-1-1, Otemachi, Chiyoda-ku, Tokyo 100-8170, Japan

Tel.: +81 (3) 5255-1000

www.nomuraholdings.com/investor/

Nomura Holdings Website Top Page

www.nomura.com



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