

Nomura Securities Co., Ltd.
Unconsolidated Balance Sheets

(UNAUDITED)

	Millions of yen		
	March 31, 2017	June 30, 2017	Increase/(Decrease)
Assets			
Current assets:	12,893,533	12,288,199	(605,334)
Trading assets	3,387,380	3,978,688	591,308
Loans with securities as collateral	6,326,190	5,151,519	(1,174,671)
Other current assets	3,179,964	3,157,992	(21,972)
Fixed assets	61,579	63,385	1,806
Total assets	12,955,112	12,351,584	(603,528)
Liabilities			
Current liabilities:	11,031,314	10,633,303	(398,011)
Trading liabilities	3,089,670	2,939,694	(149,976)
Borrowings with securities as collateral	5,221,154	4,802,185	(418,970)
Other current liabilities	2,720,490	2,891,425	170,935
Long-term liabilities	1,169,378	1,020,683	(148,695)
Statutory reserves	18,455	18,430	(25)
Total liabilities	12,219,147	11,672,415	(546,732)
Shareholder's equity	735,298	678,656	(56,641)
Valuation and translation adjustments	668	512	(155)
Total net assets	735,965	679,169	(56,797)
Total liabilities and net assets	12,955,112	12,351,584	(603,528)

Nomura Securities Co., Ltd.
Unconsolidated Statements of Income

(UNAUDITED)

	Millions of yen		
	For the three months ended		% Change (A-B)/(B)
	June 30, 2016 (B)	June 30, 2017 (A)	
Operating revenue	175,483	178,596	1.8
Commissions	79,430	93,938	18.3
Net gain on trading	65,814	55,408	(15.8)
Interest and dividend income	30,239	29,249	(3.3)
Interest expenses	30,431	30,153	(0.9)
Net operating revenue	145,052	148,442	2.3
Selling, general and administrative expenses	114,305	122,126	6.8
Operating income	30,747	26,316	(14.4)
Non-operating income	107	56	(47.5)
Non-operating expenses	114	41	(64.4)
Ordinary income	30,740	26,332	(14.3)
Special profits	373	381	2.3
Special losses	38	—	—
Income before income taxes	31,074	26,713	(14.0)
Income taxes - current	9,012	9,238	2.5
Income taxes - deferred	518	(889)	—
Net income	21,545	18,364	(14.8)

Nomura Securities Co., Ltd.**Unconsolidated Statements of Income - Quarterly Comparatives**

(Millions of yen)

	For the three months ended				
	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017
Operating revenue	175,483	153,369	174,767	159,213	178,596
Commissions	79,430	85,253	96,177	93,295	93,938
Net gain on trading	65,814	53,778	51,229	50,029	55,408
Interest and dividend income	30,239	14,338	27,361	15,888	29,249
Interest expenses	30,431	17,083	33,023	15,709	30,153
Net operating revenue	145,052	136,286	141,743	143,504	148,442
Selling, general and administrative expenses	114,305	111,795	118,086	123,618	122,126
Operating income	30,747	24,491	23,657	19,886	26,316
Non-operating income	107	1,499	585	764	56
Non-operating expenses	114	69	214	301	41
Ordinary income	30,740	25,921	24,028	20,349	26,332
Special profits	373	406	400	379	381
Special losses	38	—	—	489	—
Income before income taxes	31,074	26,327	24,429	20,238	26,713
Income taxes - current	9,012	7,292	4,543	8,801	9,238
Income taxes - deferred	518	203	2,656	(2,699)	(889)
Net income	21,545	18,833	17,230	14,136	18,364

Nomura Securities Co., Ltd.
Supplementary Information

1. Commission Revenues

(1) Breakdown by Category

(Millions of yen, except percentages)

	For the three months ended		% Change (A-B)/(B)
	June 30, 2016 (B)	June 30, 2017 (A)	
Brokerage commissions	21,328	27,642	29.6
<i>(Stocks)</i>	19,055	26,270	37.9
Commissions for underwriting, secondary distribution and solicitation for selling and others for Professional Investors	3,146	4,251	35.1
<i>(Stocks)</i>	2,172	3,041	40.0
<i>(Bonds)</i>	973	1,210	24.3
Fees for offering, secondary distribution and solicitation for selling and others for Professional Investors	18,516	24,323	31.4
<i>(Investment trust certificates)</i>	17,651	23,998	36.0
Other commissions	36,440	37,723	3.5
<i>(Investment trust certificates)</i>	13,854	15,686	13.2
Total	79,430	93,938	18.3

(2) Breakdown by Product

(Millions of yen, except percentages)

	For the three months ended		% Change (A-B)/(B)
	June 30, 2016 (B)	June 30, 2017 (A)	
Stocks	22,056	30,717	39.3
Bonds	2,247	1,848	(17.8)
Investment trust certificates	33,643	40,959	21.7
Others	21,484	20,414	(5.0)
Total	79,430	93,938	18.3

3. Stock Trading (excluding futures transactions)

(Millions of shares or yen, except per share data and percentages)

	For the three months ended				% Change (A-B)/(B)	
	June 30, 2016 (B)		June 30, 2017 (A)		Number of shares	Amount
	Number of shares	Amount	Number of shares	Amount		
Total	48,356	56,757,243	54,112	76,024,740	11.9	33.9
<i>(Brokerage)</i>	44,508	51,794,109	51,006	70,790,425	14.6	36.7
<i>(Proprietary trading)</i>	3,848	4,963,135	3,106	5,234,315	(19.3)	5.5
Brokerage / Total ratio	92.0%	91.3%	94.3%	93.1%		
TSE share	12.5%	14.3%	15.7%	18.6%		
Brokerage commission per share (yen)	0.42		0.50			

4. Underwriting, Subscription, and Distribution

(Millions of shares or yen, except percentages)

	For the three months ended		% Change (A-B)/(B)
	June 30, 2016 (B)	June 30, 2017 (A)	
Underwriting			
Stocks (number of shares)	10	30	184.5
(yen amount)	43,532	74,891	72.0
Bonds (face value)	1,629,103	1,877,374	15.2
Investment trust certificates (yen amount)	—	—	—
Subscription and distribution*			
Stocks (number of shares)	12	35	197.9
(yen amount)	45,836	83,895	83.0
Bonds (face value)	1,140,831	765,205	(32.9)
Investment trust certificates (yen amount)	3,971,349	4,367,634	10.0

*Include secondary offering, private placement, and solicitation for selling and others for professional investors.

5. Capital Adequacy Ratio

(Rounded down to millions of yen, except percentages)

		March 31, 2017	June 30, 2017	Increase/(Decrease)
Tier I	(A)	660,292	678,656	18,363
Tier II				
	Valuation and translation adjustments	667	512	(155)
	Statutory reserves	18,454	18,429	(25)
	Allowance for doubtful accounts	—	—	—
	Subordinated debts	409,198	409,199	0
	Total (B)	428,320	428,140	(180)
Illiquid asset	(C)	84,056	86,884	2,828
Net capital	(A) + (B) - (C) = (D)	1,004,557	1,019,912	15,355
Risk				
	Market risk	68,731	74,511	5,779
	Counterparty risk	146,839	161,867	15,027
	Basic risk	137,882	139,417	1,534
	Total (E)	353,453	375,795	22,341
Capital adequacy ratio	(D)/(E)×100	284.2%	271.4%	△12.8%