

Nomura Securities Co., Ltd.
Unconsolidated Balance Sheets

(UNAUDITED)

	Millions of yen		
	March 31, 2017	December 31, 2017	Increase/(Decrease)
Assets			
Current assets:	12,893,533	12,376,629	(516,904)
Trading assets	3,387,380	4,246,585	859,205
Loans with securities as collateral	6,326,190	5,292,903	(1,033,286)
Other current assets	3,179,964	2,837,141	(342,823)
Fixed assets	61,579	34,054	(27,526)
Total assets	12,955,112	12,410,683	(544,430)
Liabilities			
Current liabilities:	11,031,314	10,741,059	(290,256)
Trading liabilities	3,089,670	2,923,860	(165,809)
Borrowings with securities as collateral	5,221,154	4,825,241	(395,914)
Other current liabilities	2,720,490	2,991,958	271,468
Long-term liabilities	1,169,378	1,005,522	(163,856)
Statutory reserves	18,455	18,294	(160)
Total liabilities	12,219,147	11,764,875	(454,272)
Shareholder's equity	735,298	645,622	(89,676)
Valuation and translation adjustments	668	186	(482)
Total net assets	735,965	645,807	(90,158)
Total liabilities and net assets	12,955,112	12,410,683	(544,430)

Nomura Securities Co., Ltd.
Unconsolidated Statements of Income

(UNAUDITED)

	Millions of yen		% Change (A-B)/(B)
	For the nine months ended		
	December 31, 2016 (B)	December 31, 2017 (A)	
Operating revenue	503,619	524,770	4.2
Commissions	260,859	298,822	14.6
Net gain on trading	170,822	164,684	(3.6)
Interest and dividend income	71,938	61,265	(14.8)
Interest expenses	80,537	64,993	(19.3)
Net operating revenue	423,082	459,777	8.7
Selling, general and administrative expenses	344,186	365,861	6.3
Operating income	78,896	93,915	19.0
Non-operating income	2,191	163	(92.6)
Non-operating expenses	397	256	(35.5)
Ordinary income	80,689	93,822	16.3
Special profits	1,179	1,466	24.3
Special losses	38	—	—
Income before income taxes	81,830	95,288	16.4
Income taxes - current	20,847	28,229	35.4
Income taxes - deferred	3,376	6,725	99.2
Net income	57,607	60,334	4.7

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	September 30, 2017	December 31, 2017
Operating revenue	175,483	153,369	174,767	159,213	178,596	161,122	185,052
Commissions	79,430	85,253	96,177	93,295	93,938	94,054	110,829
Net gain on trading	65,814	53,778	51,229	50,029	55,408	53,940	55,335
Interest and dividend income	30,239	14,338	27,361	15,888	29,249	13,128	18,888
Interest expenses	30,431	17,083	33,023	15,709	30,153	13,920	20,920
Net operating revenue	145,052	136,286	141,743	143,504	148,442	147,202	164,133
Selling, general and administrative expenses	114,305	111,795	118,086	123,618	122,126	118,423	125,312
Operating income	30,747	24,491	23,657	19,886	26,316	28,779	38,820
Non-operating income	107	1,499	585	764	56	59	48
Non-operating expenses	114	69	214	301	41	169	46
Ordinary income	30,740	25,921	24,028	20,349	26,332	28,668	38,822
Special profits	373	406	400	379	381	483	602
Special losses	38	—	—	489	—	—	—
Income before income taxes	31,074	26,327	24,429	20,238	26,713	29,151	39,424
Income taxes - current	9,012	7,292	4,543	8,801	9,238	8,690	10,301
Income taxes - deferred	518	203	2,656	△2,699	(889)	349	7,265
Net income	21,545	18,833	17,230	14,136	18,364	20,112	21,858

Nomura Securities Co., Ltd.
Supplementary Information

1. Commission Revenues

(1) Breakdown by Category

(Millions of yen, except percentages)

	For the nine months ended		% Change (A-B)/(B)
	December 31, 2016 (B)	December 31, 2017 (A)	
Brokerage commissions	71,986	88,591	23.1
<i>(Stocks)</i>	66,316	84,911	28.0
Commissions for underwriting, secondary distribution and solicitation for selling and others for Professional Investors	18,180	17,593	(3.2)
<i>(Stocks)</i>	14,215	13,278	(6.6)
<i>(Bonds)</i>	3,965	4,315	8.8
Fees for offering, secondary distribution and solicitation for selling and others for Professional Investors	61,509	69,589	13.1
<i>(Investment trust certificates)</i>	58,878	68,046	15.6
Other commissions	109,184	123,048	12.7
<i>(Investment trust certificates)</i>	42,099	48,806	15.9
Total	260,859	298,822	14.6

(2) Breakdown by Product

(Millions of yen, except percentages)

	For the nine months ended		% Change (A-B)/(B)
	December 31, 2016 (B)	December 31, 2017 (A)	
Stocks	83,107	102,004	22.7
Bonds	7,869	7,364	(6.4)
Investment trust certificates	106,180	120,220	13.2
Others	63,704	69,234	8.7
Total	260,859	298,822	14.6

2. Stock Trading (excluding futures transactions)

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

	For the nine months ended				% Change (A-B)/(B)	
	December 31, 2016 (B)		December 31, 2017 (A)		Number of shares	Amount
	Number of shares	Amount	Number of shares	Amount		
Total	134,858	165,229,511	136,961	211,769,878	1.6	28.2
<i>(Brokerage)</i>	<i>125,063</i>	<i>151,995,287</i>	<i>127,750</i>	<i>194,505,700</i>	<i>2.1</i>	<i>28.0</i>
<i>(Proprietary trading)</i>	<i>9,795</i>	<i>13,234,225</i>	<i>9,211</i>	<i>17,264,178</i>	<i>(6.0)</i>	<i>30.5</i>
Brokerage / Total ratio	92.7%	92.0%	93.3%	91.8%		
TSE share	12.1%	14.0%	13.6%	16.3%		
Brokerage commission per share (yen)	0.52		0.65			

3. Underwriting, Subscription, and Distribution

(Thousands of shares or millions of yen, except percentages)

	For the nine months ended		% Change (A-B)/(B)
	December 31, 2016 (B)	December 31, 2017 (A)	
Underwriting			
Stocks (number of shares)	88,542	271,495	206.6
(yen amount)	405,828	504,041	24.2
Bonds (face value)	5,232,958	5,451,989	4.2
Investment trust certificates (yen amount)	—	—	—
Subscription and distribution*			
Stocks (number of shares)	102,158	334,176	227.1
(yen amount)	449,672	605,457	34.6
Bonds (face value)	2,779,463	2,488,966	(10.5)
Investment trust certificates (yen amount)	12,937,448	14,043,230	8.5

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

4. Capital Adequacy Ratio

(Rounded down to millions of yen, except percentages)

		March 31, 2017	December 31, 2017	Increase/(Decrease)
Tier I	(A)	660,292	645,621	(14,671)
Tier II	Valuation and translation adjustments	667	185	(481)
	Statutory reserves	18,454	18,294	(160)
	Allowance for doubtful accounts	—	—	—
	Subordinated debts	409,198	409,199	1
	Total (B)	428,320	427,679	(641)
Illiquid asset	(C)	84,056	41,857	(42,198)
Net capital	(A) + (B) - (C) = (D)	1,004,557	1,031,444	26,886
Risk	Market risk	68,731	75,654	6,922
	Counterparty risk	146,839	154,707	7,868
	Basic risk	137,882	141,926	4,043
	Total (E)	353,453	372,288	18,835
Capital adequacy ratio	(D)/(E)×100	284.2%	277.0%	(7.2%)