

Message from the CFO



Building on our strengths as a global financial services group by allocating resources efficiently in line with changes in the operating environment and further developing our dialogue with stakeholders.

Shigesuke Kashiwagi
Chief Financial Officer

Robust Financial Position, Revenue Growth

As of March 31, 2015, we had total assets of ¥41.8 trillion and shareholders' equity of ¥2.7 trillion. Our gross leverage was 15.4 times. Our Tier 1 ratio under Basel III was 12.9%, or 12.4% on a fully loaded 2019 basis, which places us among the industry leaders.

The liability side of our balance sheet is dominated by long-term debt, and we have diversified our sources of funding, in terms of products, markets, and currencies. With a high-quality liquidity portfolio of ¥6.1 trillion as of the end of March 2015, we are positioned to continue operations for one year without the need for additional unsecured funding or selling assets, even under stressed market conditions.

This robust financial position is a major competitive strength that benefits our clients by allowing us to deliver the best products and services tailored to their diverse requirements. In FY2014/15, Moody's Investors Service upgraded Nomura Securities' long-term credit rating to A3. This has enabled us to expand our client business and the scope of our transactions. Our decisions to conduct reviews of business performance and link compensation to performance have had a clearly positive impact in increasing the profitability of our overseas operations.

Shareholder Returns

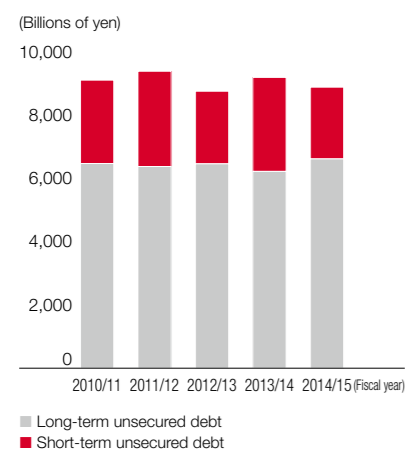
To date, one of our indicators for shareholder returns has been a full-year consolidated payout ratio of 30%. To increase transparency of dividend payments, we will apply this indicator on a semi-annual basis from this fiscal year. We will determine dividends taking into account regulatory trends in Japan and overseas, our consolidated performance, and other factors. For the fiscal year ended March 2015, we declared a dividend of ¥19 per share, ¥2 per share higher than in the previous fiscal year. In addition, we conducted a share buyback program as part of our efforts to raise capital efficiency and ensure a flexible capital management policy. Looking ahead, to move toward our EPS target for 2020 of ¥100 in net income per share, we will continue to invest in businesses with strong earnings and growth potential and deliver appropriate returns for our shareholders, taking into account our share price and regulatory capital requirements.

Dialogue with Stakeholders

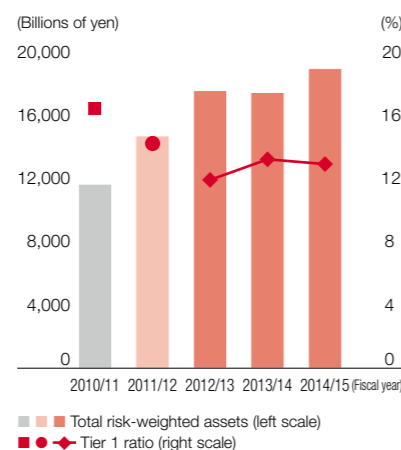
An increasing number of investors have indicated their intention to accept the "Principles for Responsible Institutional Investors" contained in Japan's Stewardship Code. Progress is being made toward creating an environment where investors can contribute to fostering investee companies' corporate value in the medium-to-long term based on in-depth knowledge and high-quality dialogue. To formulate and implement our financial strategies from a broader perspective, we will work to enhance communication with a range of stakeholders, including shareholders, business partners, rating agencies, financial regulatory authorities around the world, ESG research organizations*, and others.

* Organizations that conduct research and provide information to investors and others on the performance of corporations in the areas of ESG (Environment, Social, and Governance).

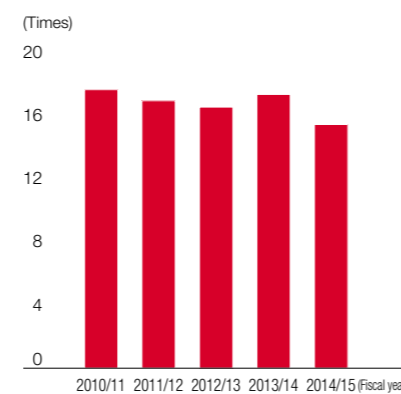
Unsecured debt



Total risk-weighted assets and Tier 1 ratio*



Gross leverage



* Figures for FY2010/11 were based on Basel II capital adequacy standards. Figures for FY2011/12 were prepared under Basel 2.5, and figures for FY2012/13, FY2013/14, and FY2014/15 were prepared under Basel III standards.