

Investor Day

FY2015/16 overview of results

Takumi Kitamura

CFO

Nomura Holdings, Inc.

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Executive summary

FY2015/16 full year highlights

■ Smooth start to year, but earning environment deteriorated in 2H

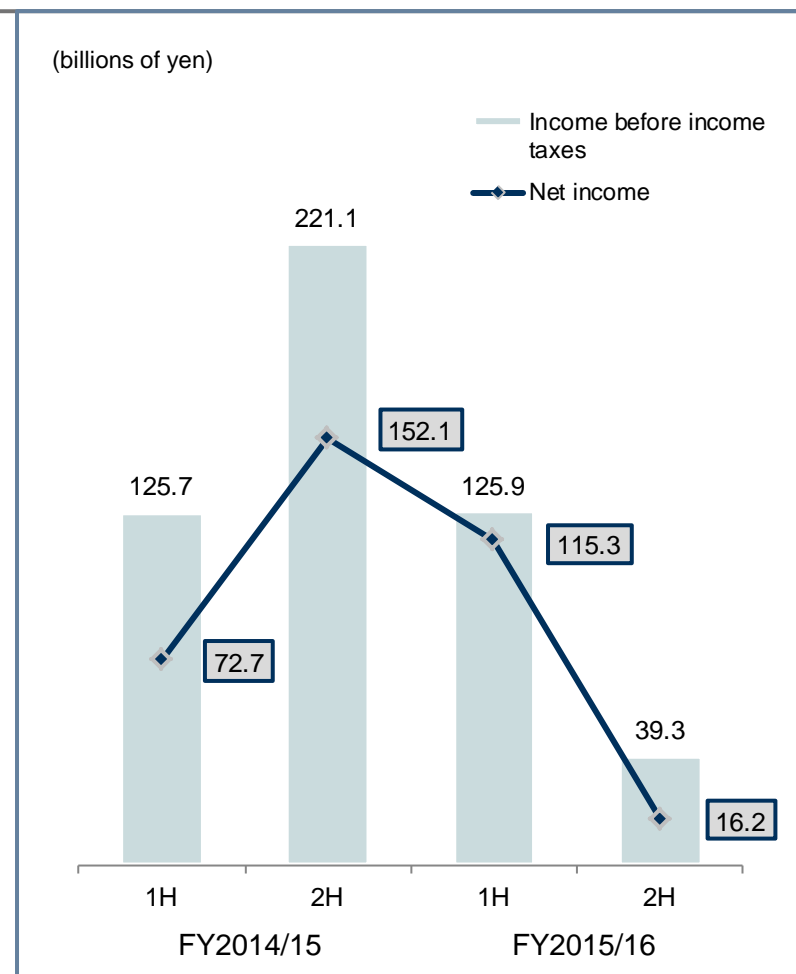
- Impacted by market dislocation from August and lower client activity
- Retail and Wholesale performance slowed
- Asset Management performed well

■ Group income before income taxes: Y165.2bn (-52% YoY); Net income¹: Y131.6bn (-41% YoY)

- Group income before income taxes weighed down by unrealized loss on security holdings², and impact of settlement in legal proceedings³

■ Shareholder returns

- Dividend per share: Year end Y3; Annual Y13
- Launch of share buyback program to deliver shares upon the exercise of stock options and to raise capital efficiency and ensure a flexible capital management policy
 - ✓ Total shares: Upper limit of 35 million shares
 - ✓ Total value: Upper limit of Y20bn



(1) Net income attributable to Nomura Holdings shareholders.

(2) Unrealized loss on investments in equity securities held for operating purposes (Y20.7bn), unrealized loss from Ashikaga Holdings shares (Y22.5bn)

(3) Impact of settlement with Banca Monte dei Paschi di Siena SpA (approx. Y35bn).

Overview of results

Highlights

(billions of yen, except EPS and ROE)

	FY2015/16 Full year	FY2014/15 Full year	YoY
Net revenue	1,395.7	1,604.2	-13%
Non-interest expenses	1,230.5	1,257.4	-2%
Income before income taxes	165.2	346.8	-52%
Net income¹	131.6	224.8	-41%
EPS²	Y35.52	Y60.03	-41%
ROE³	4.9%	8.6%	

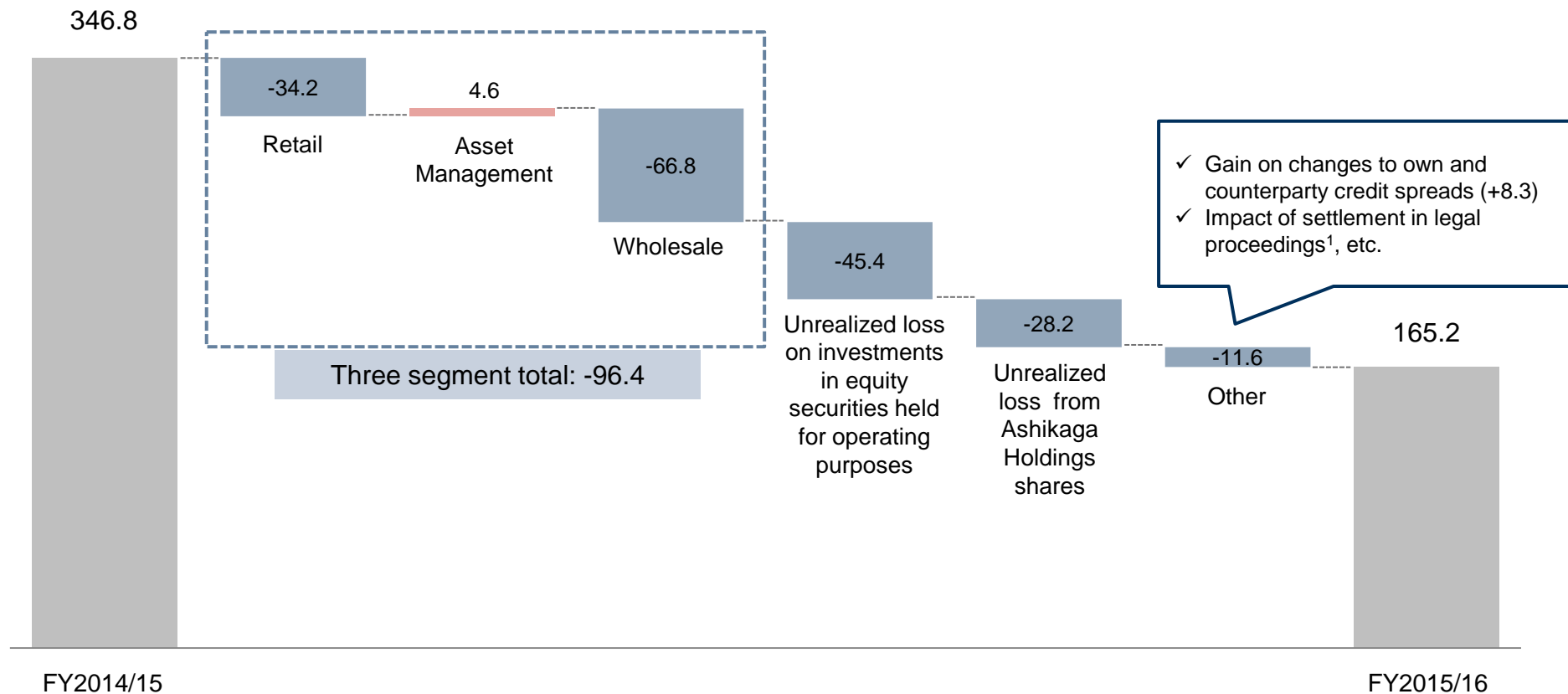
(1) Net income attributable to Nomura Holdings shareholders.

(2) Diluted net income attributable to Nomura Holdings shareholders per share.

(3) Calculated using annualized net income for each period.

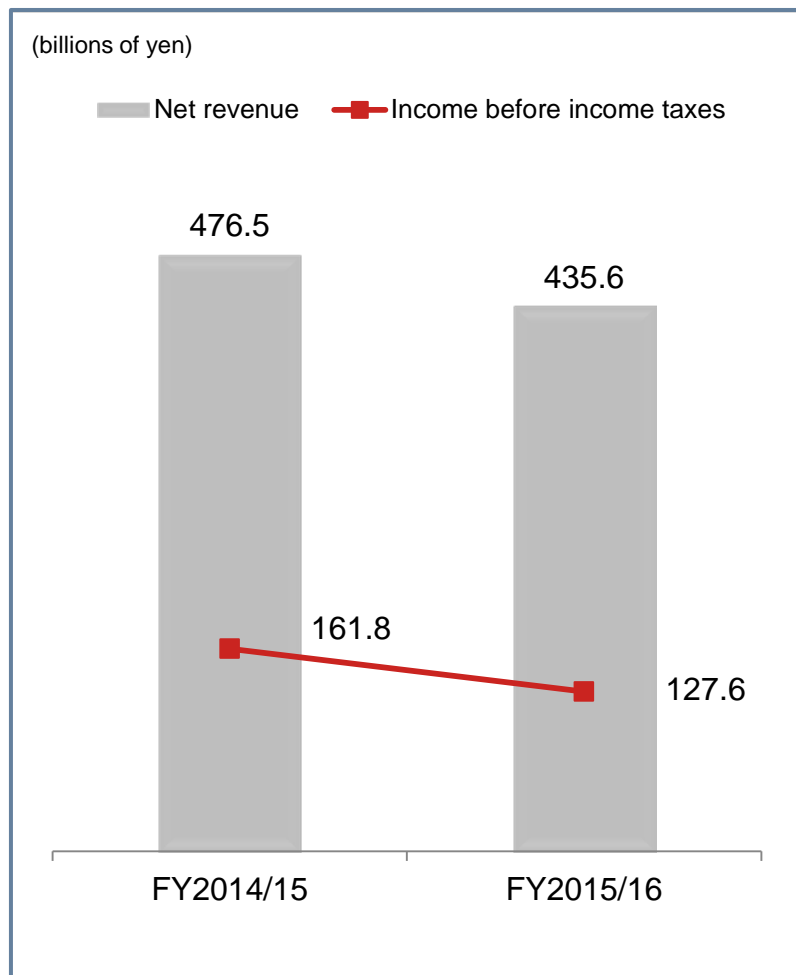
Income before income taxes

(billions of yen)

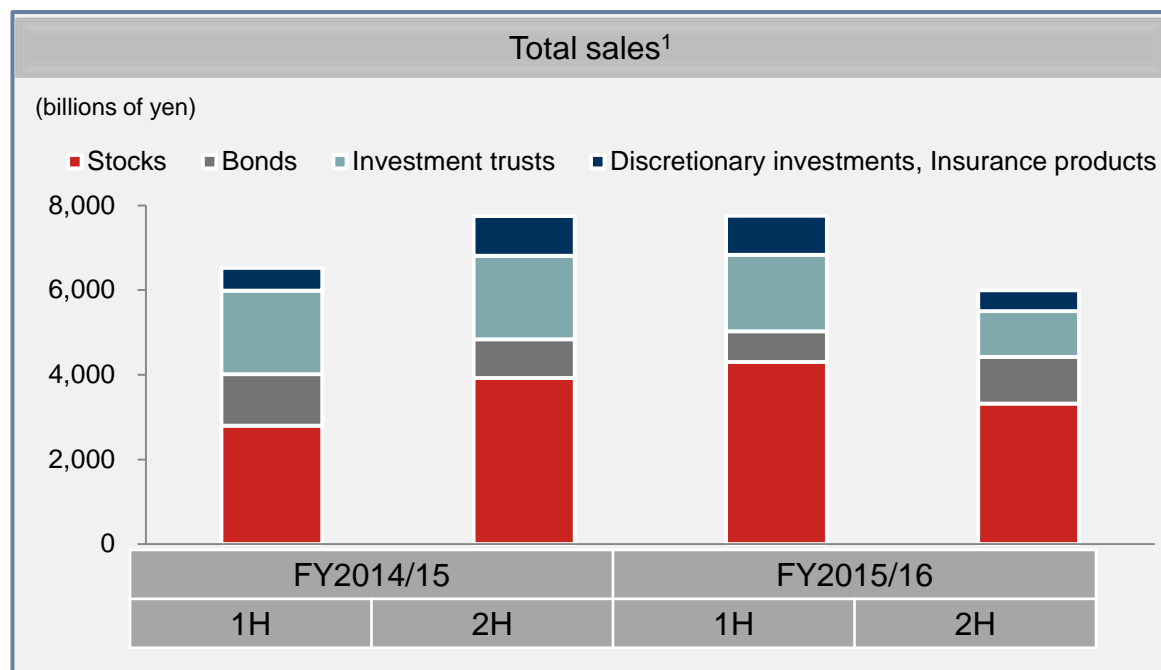


1. Impact of settlement with Banca Monte dei Paschi di Siena SpA

Retail revenues and Income before income taxes



- Solid performance in 1H
- Sales of stocks and investment trusts slowed from August as market conditions deteriorated
- Continued to transform business model: Recurring revenue up 20% YoY (from Y63.5bn to Y76.5bn)



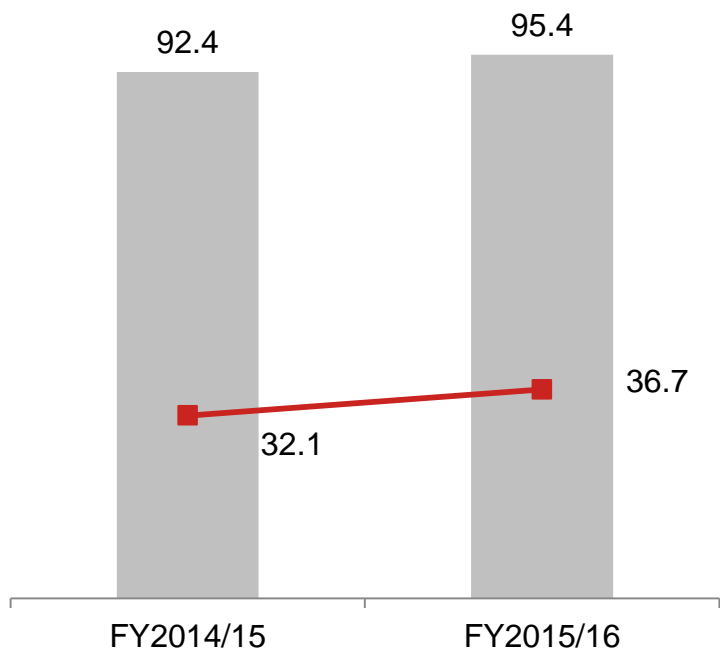
1. Retail channel only.

Asset Management

Asset Management revenues and Income before income taxes

(billions of yen)

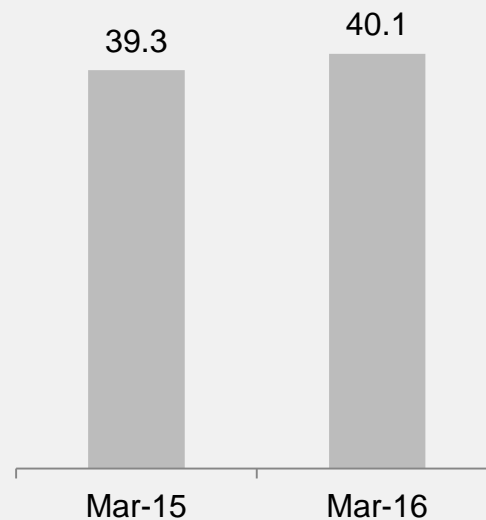
■ Net revenue ■ Income before income taxes



- AuM growth drove net revenue to record high and income before income taxes to strongest level since the year ended March 2007
- Significantly stronger inflows into ETFs, investment trusts for discretionary investments and privately placed funds for regional financial institutions amid heightened market volatility

Assets under management

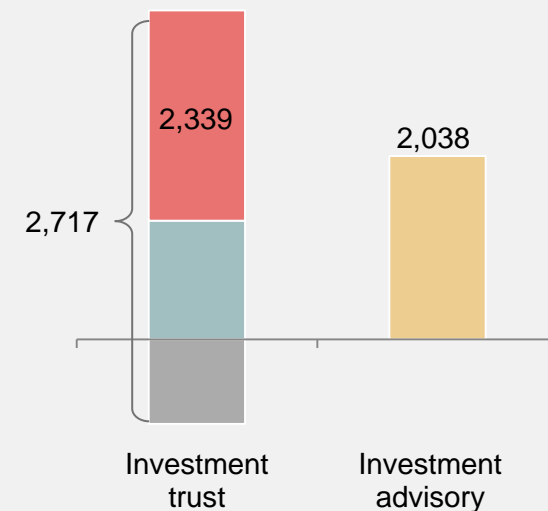
(trillions of yen)



FY2015/16 inflows

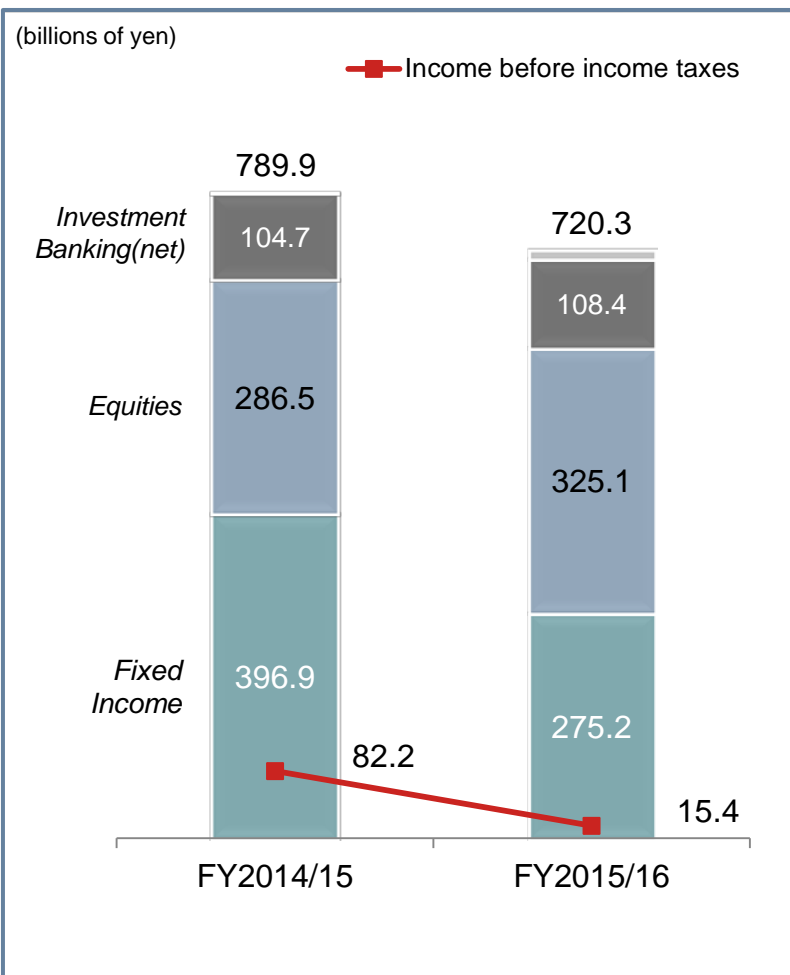
(billions of yen)

■ ETFs
■ MRF, MMF, etc.
■ Other investment trusts

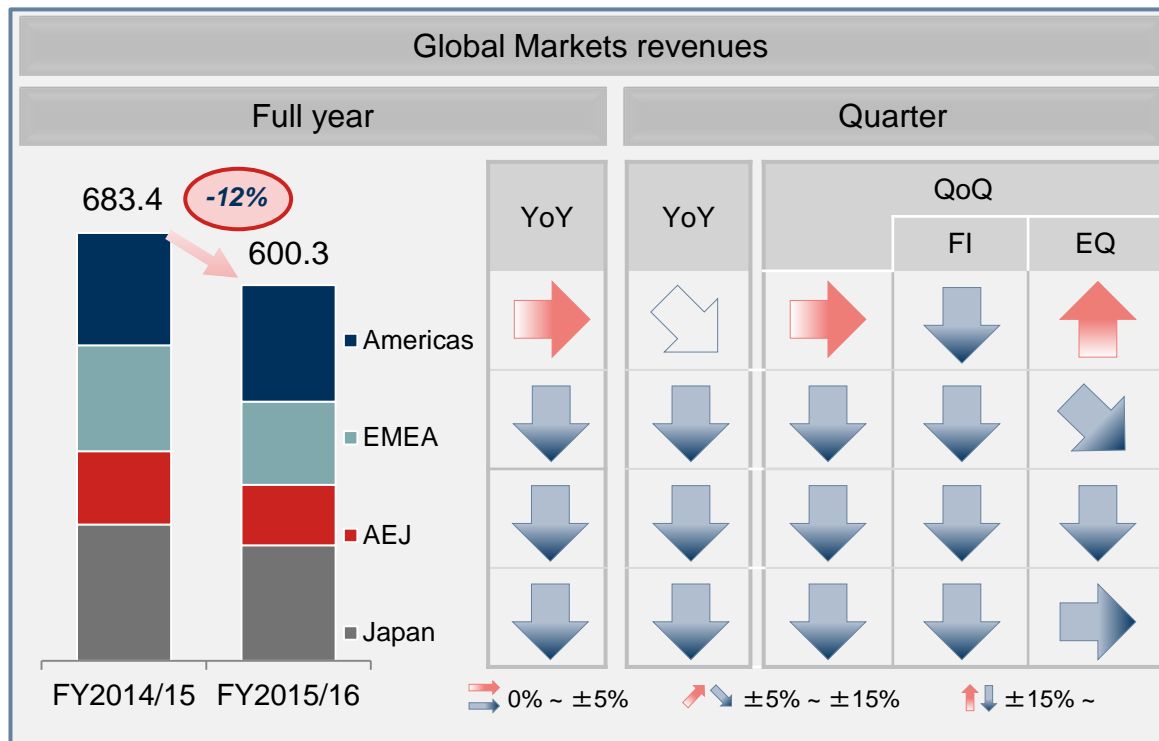


Wholesale and Global Markets

Wholesale revenues and Income before income taxes



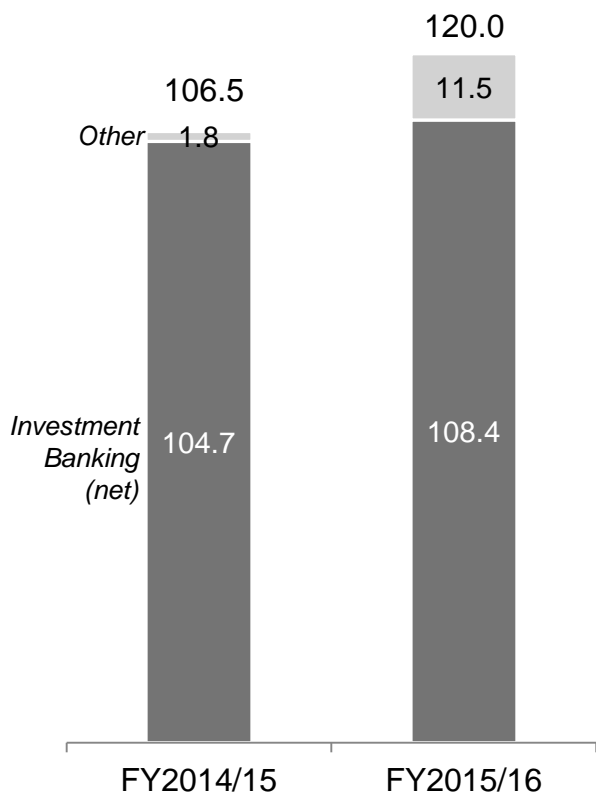
- Equities and Investment Banking reported stronger revenues
- Fixed Income had challenging year, particularly in Spread Products
- Continued to control costs, but unable to offset decline in revenues resulting in decline in income before income taxes



Wholesale: Investment Banking

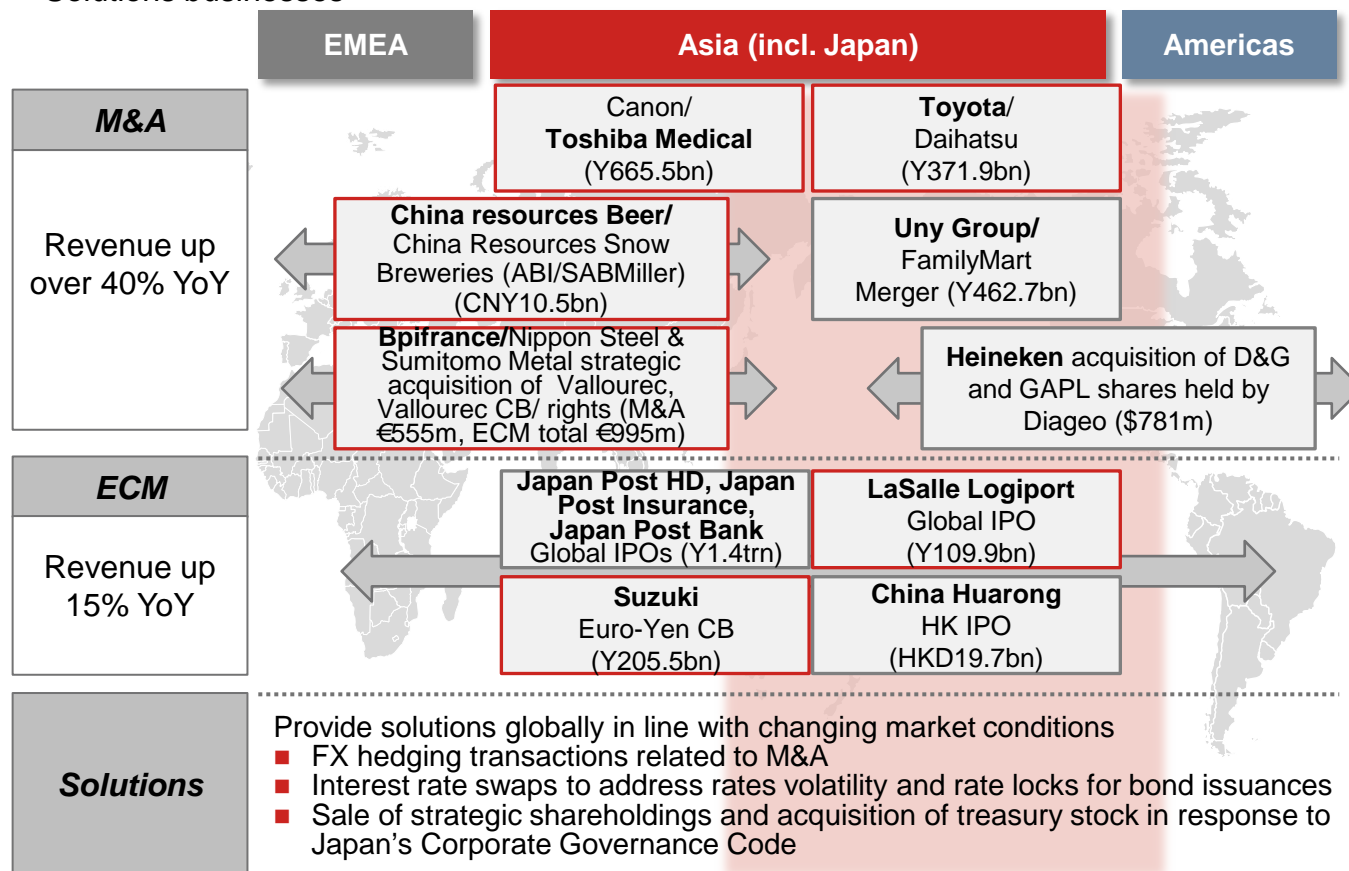
Net revenue

(billions of yen)



Full year gross revenue flat YoY despite fee pool decline of over 10%

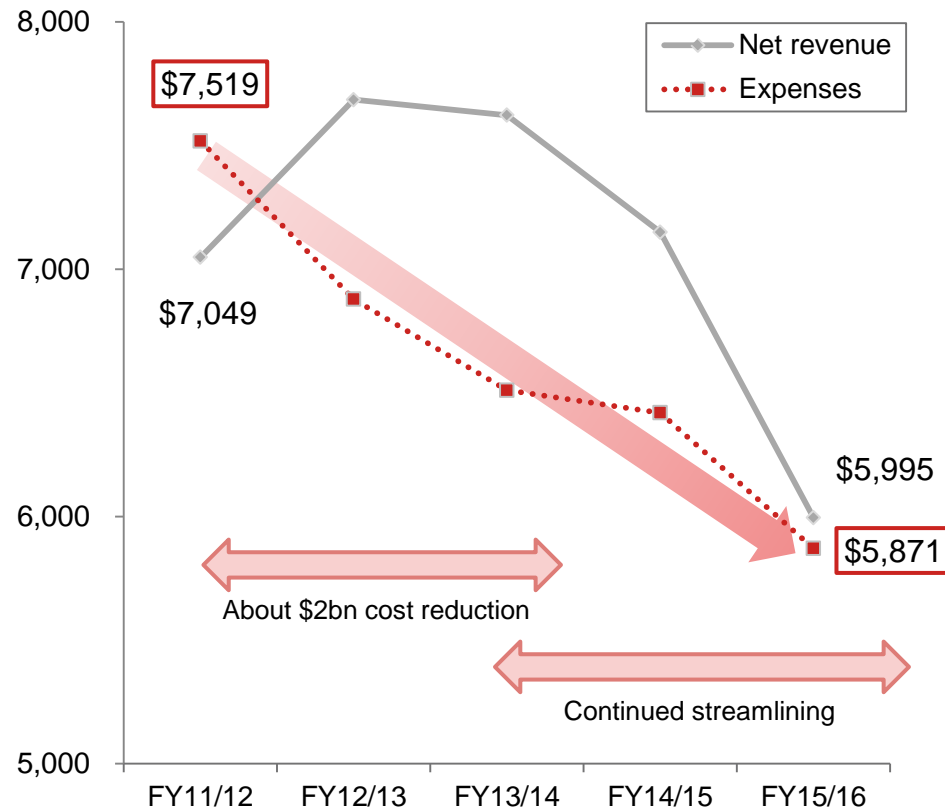
- Driven by global business centered on Asia; Japan revenues at five-year high
- Slowdown in fixed income related businesses, but revenue growth in M&A, ECM and Solutions businesses



Reduced cost base but market conditions rapidly deteriorated

Wholesale revenues and expenses (USD basis)

(millions of USD)



- Reduced cost base by about \$2bn since 2011
- FY2015/16 Wholesale costs down by 22% from four years ago

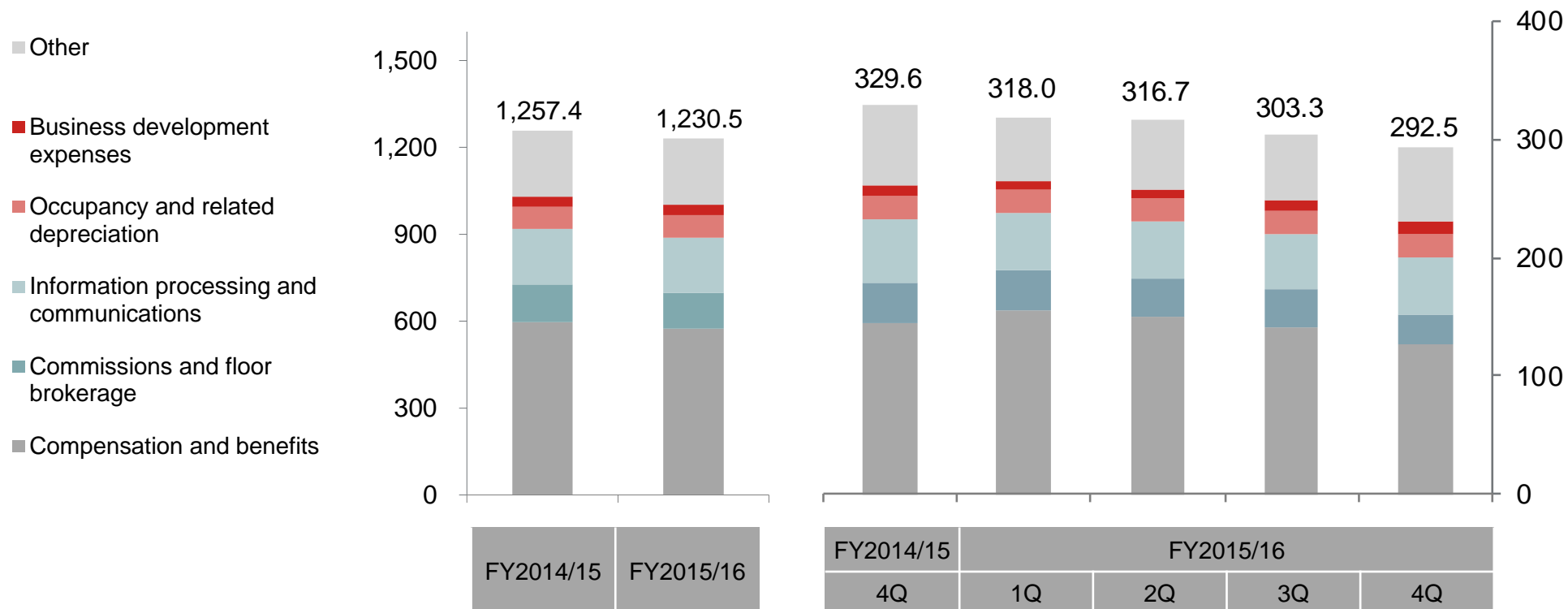


But...

- FY2015/16 2H market conditions deteriorated more than expected
- Decline in liquidity and heightened volatility impacted trading environment for Spread Products
- We have proactively streamlined resources and positions in these businesses

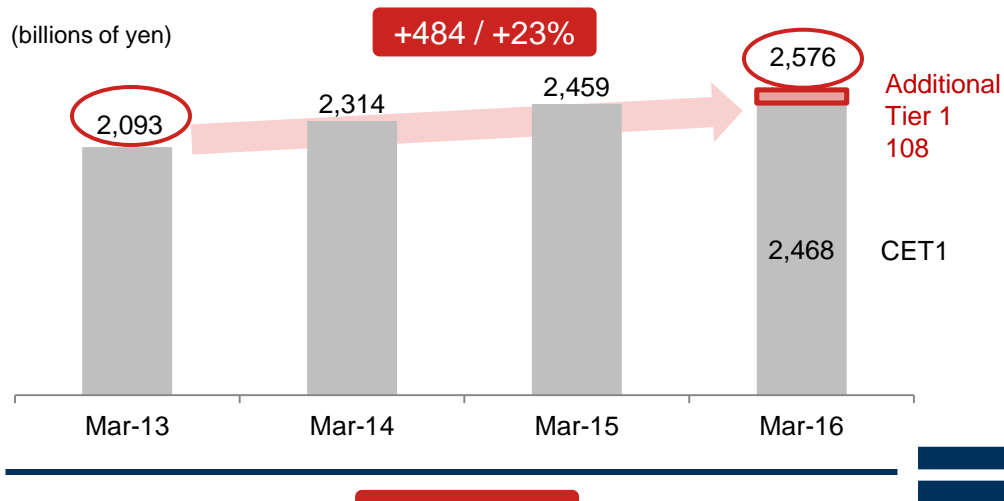
Non-interest expenses

(billions of yen)

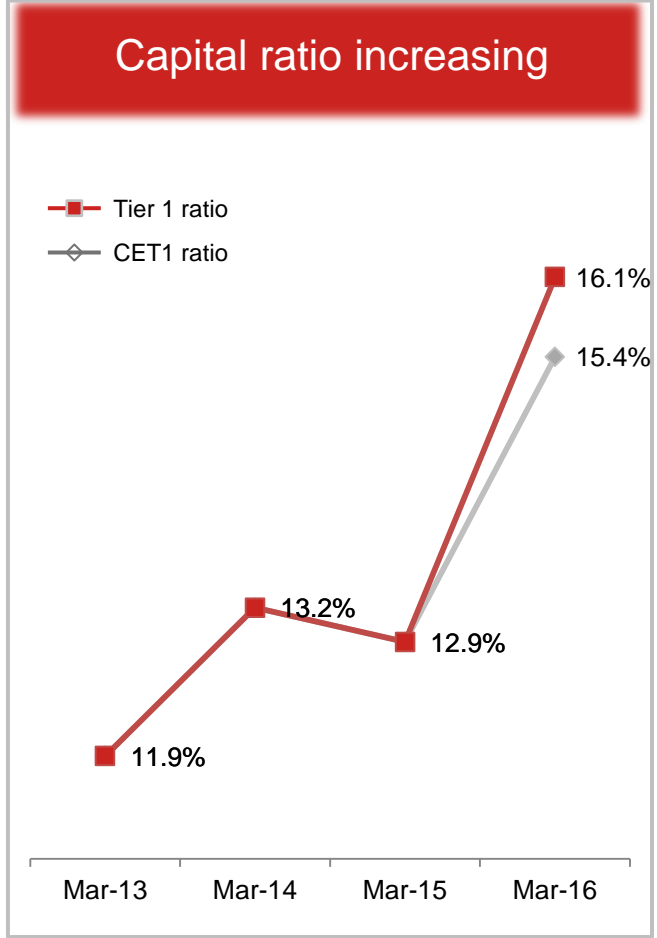
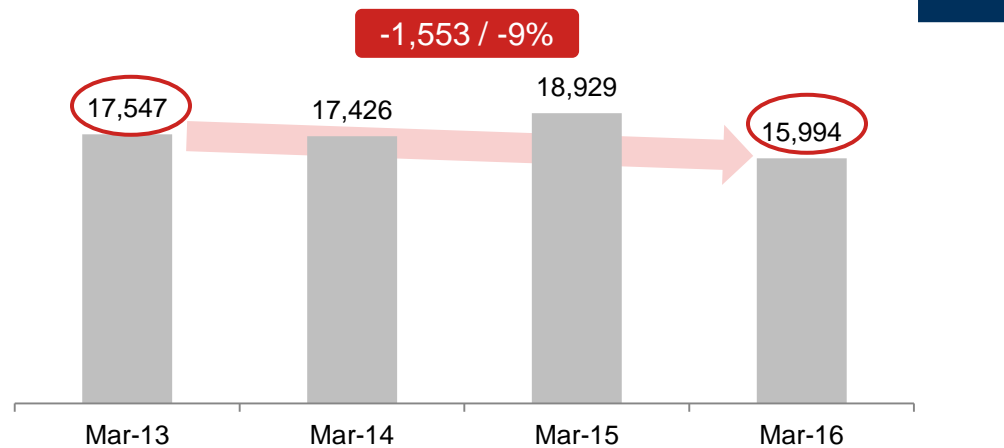


Capital accumulation and controlling RWAs

Build up Capital



Control RWAs



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