

April 27, 2016

**NOMURA HOLDINGS, INC.**  
**Financial Summary – Year ended March 31, 2016**

We are pleased to report the following consolidated financial summary based on the consolidated financial information under U.S. GAAP for the year ended March 31, 2016.

## Financial Summary For the Year Ended March 31, 2016 (U.S. GAAP)

Date: April 27, 2016  
 Company name (code number): **Nomura Holdings, Inc. (8604)**  
 Stock exchange listings: (In Japan) Tokyo, Nagoya  
 (Overseas) New York, Singapore  
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### 1. Consolidated Operating Results

#### (1) Operating Results

(Rounded to nearest million)  
 (Millions of yen, except per share data)

For the year ended March 31

|  | 2015      |                                 | 2016      |                                 |
|--|-----------|---------------------------------|-----------|---------------------------------|
|  |           | % Change from<br>March 31, 2014 |           | % Change from<br>March 31, 2015 |
| Total revenue  | 1,930,588 | 5.4%                            | 1,723,096 | (10.7%)                         |
| Net revenue  | 1,604,176 | 3.0%                            | 1,395,681 | (13.0%)                         |
| Income before income taxes   | 346,759   | (4.1%)                          | 165,158   | (52.4%)                         |
| Net income attributable to<br>Nomura Holdings, Inc. ("NHI") shareholders | 224,785   | 5.2%                            | 131,550   | (41.5%)                         |
| Comprehensive income   | 358,833   | 21.0%                           | 42,137    | (88.3%)                         |
| Basic-Net income attributable to NHI shareholders per<br>share (Yen)     | 61.66     |                                 | 36.53     |                                 |
| Diluted-Net income attributable to NHI shareholders per<br>share (Yen)   | 60.03     |                                 | 35.52     |                                 |
| Return on shareholders' equity   | 8.6%      |                                 | 4.9%      |                                 |
| Income before income taxes to total assets                               | 0.8%      |                                 | 0.4%      |                                 |
| Income before income taxes divided by total revenue                      | 18.0%     |                                 | 9.6%      |                                 |
| Equity in earnings of affiliates   | 43,029    |                                 | 33,917    |                                 |

Note: Return on shareholders' equity is a ratio of Net income attributable to NHI shareholders to Total NHI shareholders' equity.

#### (2) Financial Position

(Millions of yen, except per share data)

At March 31

|   | 2015       |  | 2016       |  |
|---|------------|--|------------|--|
|   |            |  |            |  |
| Total assets  | 41,783,236 |  | 41,090,167 |  |
| Total equity  | 2,744,946  |  | 2,743,015  |  |
| Total NHI shareholders' equity                                    | 2,707,774  |  | 2,700,239  |  |
| Total NHI shareholders' equity as a percentage of total<br>assets | 6.5%       |  | 6.6%       |  |
| Total NHI shareholders' equity per share (Yen)                    | 752.40     |  | 748.32     |  |

### (3) Cash Flows

(Millions of yen)

|   | For the year ended March 31 |           |
|---|-----------------------------|-----------|
|   | 2015                        | 2016      |
| Net cash provided by (used in) operating activities | (77,028)                    | 1,238,372 |
| Net cash provided by (used in) investing activities | 12,337                      | (23,711)  |
| Net cash provided by (used in) financing activities | (178,206)                   | 986,387   |
| Cash and cash equivalents at end of the year        | 1,315,408                   | 3,476,261 |

## 2. Cash Dividends

(Yen amounts, except total annual dividends)

|  | For the year ended March 31 |        |
|--|-----------------------------|--------|
|  | 2015                        | 2016   |
| Dividends per share  |                             |        |
| Dividends record dates   |                             |        |
| At June 30   | —                           | —      |
| At September 30  | 6.00                        | 10.00  |
| At December 31   | —                           | —      |
| At March 31  | 13.00                       | 3.00   |
| For the year   | 19.00                       | 13.00  |
| Total annual dividends (Millions of yen)                                 | 68,648                      | 46,812 |
| Consolidated payout ratio  | 30.8%                       | 35.6%  |
| Consolidated dividends as a percentage of shareholders' equity per share | 2.7%                        | 1.7%   |

## 3. Earnings Forecasts for the year ending March 31, 2017

Nomura provides investment, financing and related services in the capital markets on a global basis. In the global capital markets there exist uncertainties due to, but not limited to, economic and market conditions. Nomura, therefore, does not present earnings and dividends forecasts.

### Notes

(1) Changes in significant subsidiaries during the period: None

(Changes in Specified Subsidiaries accompanying changes in scope of consolidation.)

(2) Changes in accounting policies

a) Changes in accounting policies due to amendments to the accounting standards : None

b) Changes in accounting policies due to other than a) : None

(3) Number of shares issued (common stock)

|   | At March 31   |               |
|---|---------------|---------------|
|   | 2015          | 2016          |
| Number of shares outstanding (including treasury stock) | 3,822,562,601 | 3,822,562,601 |
| Number of treasury stock                                | 223,697,388   | 214,170,602   |

  

|                                      | For the year ended March 31 |               |
|--------------------------------------|-----------------------------|---------------|
|                                      | 2015                        | 2016          |
| Average number of shares outstanding | 3,645,514,878               | 3,600,701,499 |

## Parent Company Only Operating Results (Japanese GAAP)

### (1) Operating Results

(Millions of yen, except per share data)

For the year ended March 31

|  | 2015    |                                 | 2016    |                                 |
|--|---------|---------------------------------|---------|---------------------------------|
|  |         | % Change from<br>March 31, 2014 |         | % Change from<br>March 31, 2015 |
| Operating revenue                        | 461,912 | 15.7%                           | 585,394 | 26.7%                           |
| Operating income                         | 234,838 | 26.8%                           | 357,645 | 52.3%                           |
| Ordinary income                          | 235,519 | 27.2%                           | 353,058 | 49.9%                           |
| Net income                               | 294,816 | 173.3%                          | 419,507 | 42.3%                           |
| Net profit per share (Yen)               | 80.85   |                                 | 116.47  |                                 |
| Fully diluted net profit per share (Yen) | 78.72   |                                 | 113.33  |                                 |

### (2) Financial Position

(Millions of yen, except per share data)

At March 31

|  | 2015      |  | 2016      |  |
|--|-----------|--|-----------|--|
|  |           |  |           |  |
| Total assets                                     | 6,641,723 |  | 7,379,122 |  |
| Total net assets                                 | 2,095,108 |  | 2,421,160 |  |
| Total net assets as a percentage of total assets | 30.9%     |  | 32.2%     |  |
| Total net assets per share (Yen)                 | 569.56    |  | 670.77    |  |
| Shareholders' equity                             | 2,050,435 |  | 2,373,257 |  |

#### \*Audit procedure

The audit of the consolidated financial statements for this fiscal year has not been completed by the external auditors at the point of disclosing this financial summary.

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## 1. Consolidated Operating Results

### (1) Analysis of Consolidated Operating Results

#### Operating Results

##### U.S. GAAP

|  | Billions of yen       |                       | % Change  |
|--|-----------------------|-----------------------|-----------|
|  | For the year ended    |                       | (B-A)/(A) |
|  | March 31,<br>2015 (A) | March 31,<br>2016 (B) |           |
| Net revenue  | 1,604.2               | 1,395.7               | (13.0)    |
| Non-interest expenses  | 1,257.4               | 1,230.5               | (2.1)     |
| Income (loss) before income taxes                                | 346.8                 | 165.2                 | (52.4)    |
| Income tax expense   | 120.8                 | 22.6                  | (81.3)    |
| Net income (loss)  | 226.0                 | 142.6                 | (36.9)    |
| Less: Net income (loss) attributable to noncontrolling interests | 1.2                   | 11.0                  | 822.3     |
| Net income (loss) attributable to NHI shareholders               | 224.8                 | 131.6                 | (41.5)    |
| Return on shareholders' equity *                                 | 8.6%                  | 4.9%                  | —         |

\* Return on shareholders' equity is a ratio of Net income (loss) attributable to NHI shareholders to Total NHI shareholders' equity.

Nomura Holdings, Inc. and its consolidated entities ("Nomura") reported net revenue of 1,395.7 billion yen for the fiscal year ended March 31, 2016, a decrease of 13.0% from the previous year. Non-interest expenses decreased by 2.1% from the previous year to 1,230.5 billion yen. Income before income taxes was 165.2 billion yen and Net income attributable to NHI shareholders was 131.6 billion yen for the fiscal year ended March 31, 2016.

#### **Segment Information**

|                                   | Billions of yen       |                       | % Change  |
|-----------------------------------|-----------------------|-----------------------|-----------|
|                                   | For the year ended    |                       | (B-A)/(A) |
|                                   | March 31,<br>2015 (A) | March 31,<br>2016 (B) |           |
| Net revenue                       | 1,579.5               | 1,416.4               | (10.3)    |
| Non-interest expenses             | 1,257.4               | 1,230.5               | (2.1)     |
| Income (loss) before income taxes | 322.1                 | 185.8                 | (42.3)    |

In business segment totals, which exclude unrealized gain (loss) on investments in equity securities held for operating purposes, net revenue for the fiscal year ended March 31, 2016 was 1,416.4 billion yen, a decrease of 10.3% from the previous year. Non-interest expenses decreased by 2.1% from the previous year to 1,230.5 billion yen. Income before income taxes was 185.8 billion yen for the fiscal year ended March 31, 2016. Please refer to page 14 for further details of the differences between U.S. GAAP and business segment amounts.

## <Business Segment Results>

### Operating Results of Retail

|                                   | Billions of yen       |                       | % Change  |
|-----------------------------------|-----------------------|-----------------------|-----------|
|                                   | For the year ended    |                       | (B-A)/(A) |
|                                   | March 31,<br>2015 (A) | March 31,<br>2016 (B) |           |
| Net revenue                       | 476.5                 | 435.6                 | (8.6)     |
| Non-interest expenses             | 314.7                 | 308.0                 | (2.1)     |
| Income (loss) before income taxes | 161.8                 | 127.6                 | (21.1)    |

Net revenue decreased by 8.6% from the previous year to 435.6 billion yen, primarily due to decreasing commissions from distribution of investment trusts. Non-interest expense decreased by 2.1% to 308.0 billion yen. As a result, income before income taxes decreased by 21.1% to 127.6 billion yen.

### Operating Results of Asset Management

|                                   | Billions of yen       |                       | % Change  |
|-----------------------------------|-----------------------|-----------------------|-----------|
|                                   | For the year ended    |                       | (B-A)/(A) |
|                                   | March 31,<br>2015 (A) | March 31,<br>2016 (B) |           |
| Net revenue                       | 92.4                  | 95.4                  | 3.3       |
| Non-interest expenses             | 60.3                  | 58.7                  | (2.5)     |
| Income (loss) before income taxes | 32.1                  | 36.7                  | 14.2      |

Net revenue increased by 3.3% from the previous year to 95.4 billion yen. Non-interest expense decreased by 2.5% to 58.7 billion yen. As a result, income before income taxes increased by 14.2% to 36.7 billion yen. Assets under management were 40.1 trillion yen as of March 31, 2016.

### Operating Results of Wholesale

|                                   | Billions of yen       |                       | % Change  |
|-----------------------------------|-----------------------|-----------------------|-----------|
|                                   | For the year ended    |                       | (B-A)/(A) |
|                                   | March 31,<br>2015 (A) | March 31,<br>2016 (B) |           |
| Net revenue                       | 789.9                 | 720.3                 | (8.8)     |
| Non-interest expenses             | 707.7                 | 704.9                 | (0.4)     |
| Income (loss) before income taxes | 82.2                  | 15.4                  | (81.3)    |

Net revenue decreased by 8.8% from the previous year to 720.3 billion yen. Non-interest expense decreased by 0.4% to 704.9 billion yen. As a result, income before income taxes decreased by 81.3% to 15.4 billion yen.

### Other Operating Results

|                                   | Billions of yen       |                       | % Change  |
|-----------------------------------|-----------------------|-----------------------|-----------|
|                                   | For the year ended    |                       | (B-A)/(A) |
|                                   | March 31,<br>2015 (A) | March 31,<br>2016 (B) |           |
| Net revenue                       | 220.8                 | 165.1                 | (25.2)    |
| Non-interest expenses             | 174.8                 | 158.9                 | (9.1)     |
| Income (loss) before income taxes | 46.0                  | 6.1                   | (86.6)    |

Net revenue was 165.1 billion yen and income before income taxes was 6.1 billion yen.

## **(2) Analysis of Consolidated Financial Position**

Total assets as of March 31, 2016, were 41,090.2 billion yen, a decrease of 693.1 billion yen compared to March 31, 2015, mainly due to the decrease in Securities borrowed. Total liabilities as of March 31, 2016 were 38,347.2 billion yen, a decrease of 691.1 billion yen compared to March 31, 2015, mainly due to the decrease in Trading liabilities. Total equity as of March 31, 2016 was 2,743.0 billion yen, a decrease of 1.9 billion yen compared to March 31, 2015.

Cash and cash equivalents as of March 31, 2016, increased by 2,160.9 billion yen compared to March 31, 2015. Cash flows from operating activities for the year ended March 31, 2016 were inflows of 1,238.4 billion yen due mainly to the decrease in Securities borrowed. Cash flows from investing activities for the year ended March 31, 2016 were outflows of 23.7 billion yen due mainly to Payments for purchases of office buildings, land, equipment and facilities. Cash flows from financing activities for the year ended March 31, 2016 were inflows of 986.4 billion yen due primarily to the increase in Deposits received at banks.

## **2. Corporate Goals and Principles**

### **(1) Fundamental Management Policy**

Nomura Group's management vision is to enhance its corporate value by deepening society's trust in the firm and increasing satisfaction of stakeholders, including that of shareholders and clients.

As "Asia's global investment bank", Nomura will provide high value-added solutions to clients globally, and recognizing its wider social responsibility, Nomura will continue to contribute to the economic growth and development of society.

To enhance its corporate value, Nomura places significance on earnings per share ("EPS") and will seek to maintain sustained improvement of the management target.

### **(2) Structure of Business Operations**

Nomura Group's business execution is to focus on business divisions and regions, rather than individual legal entities, under unified strategy. Nomura Group's divisions are comprised of three divisions (Retail Division, Asset Management Division, and Wholesale Division). Nomura Group's regions are comprised of four regions (Americas; Europe, Middle East and Africa ("EMEA"); Asia ex-Japan ("AEJ"); and Japan). Nomura Group shall delegate its powers to each of these business divisions and regions to an appropriate extent and establish its business execution structure by enhancing the professional skills, while strengthening global linkages among these business divisions and regions, and fully demonstrating Nomura Group's comprehensive capabilities.

### **(3) Management Challenges and Strategies**

In order to achieve our management objective, we are placing a top priority on ensuring that profits are recorded by all divisions and regions. We are committed to continuing business model transformation in Japan as well as aiming to improve profitability of our overseas operations under Vision C&C, so that we will be able to build a solid foundation to secure profit even under a severe environment.

As "Asia's global investment bank", we will continue to take appropriate measures toward phased implementation of Basel regulations (global standards on capital requirements and liquidity) as well as forthcoming changes in the operating environment. While financial regulatory reforms in the wake of the financial crisis are in their final phase, unintended consequences of the regulatory reforms, adverse impact due to compound effect, and concern about newly emerging risks are being pointed out. We will ensure a flexible response by staying attentive to the impact of the overall regulatory framework on the financial market and the competitive landscape.



The challenges and strategies in each division are as follows:

[Retail Division]

In Retail Division, under our basic philosophy of “placing our clients at the heart of everything we do,” we are aiming to increase client satisfaction further by listening to clients’ voices as well as understanding and meeting their diversified demands and needs. We also focus on providing a broad range of clients with value-added solutions through face-to-face consulting services, seminars, online and call center channels, so that we will win greater trust from account holders as well as new clients, and so that Nomura Group can sustainably be a trusted partner to our clients.

[Asset Management Division]

In our investment trust business, we will provide clients with a diverse range of investment opportunities to meet investors’ various needs. In our investment advisory business, we will provide value-added investment services to our clients on a global basis. We intend to increase assets under management and expand our client base for these two core businesses. As a distinctive investment manager based in Asia with the ability to provide a broad range of products and services, we aim to gain the strong trust of investors worldwide by making continuous efforts to improve investment performance and to meet clients’ various needs.

[Wholesale Division]

Our Wholesale Division comprises Global Markets which offers sales and trading of global securities and structuring, and Investment Banking which offers capital raising and advisory services.

Global Markets has been focusing on delivering differentiated products and solutions to our clients by leveraging Nomura Group’s capabilities in trading, research, and global distribution. Through our integrated Fixed Income and Equities platform, we aim to provide competitive and comprehensive services and solutions to our clients.

In Investment Banking, we continue to enhance our structure to further provide cross-border M&A and financing services in both domestic and overseas markets as well as to provide solution business services associated with the said M&A and financing amid the globalization of our clients’ business activities.

In Wholesale Division, in order to provide quality services to meet the needs of our clients, we redeploy the firm’s resources to areas of competitive advantage, and aim to further enhance the connectivity across Global Markets, Investment Banking, and regions. We will strive to improve our capabilities of proposing products and services, as well as to make use of our geographic competitive advantage in Asia, so that we can meet the changing needs of our clients in accordance with global-scale fluctuations in the macro economy and the market environment.

We will further enhance initiatives aimed at cross-divisional and cross-regional cooperation. We aim to enhance our presence as a global financial services group by enhancing regional integration between Japan and the rest of Asia and enhancing the coordination of business between Asia and Europe, Americas and the rest of the world.

In implementing the initiatives outlined above, while also helping to strengthen the global financial and capital markets, we aim to bring together the collective strengths of our domestic and international operations to realize our management objectives and to maximize corporate value by enhancing profitability across our businesses in group.

[Risk Management and Compliance, etc.]

In order to ensure financial soundness and enhance corporate value, the risk management systems require further developments in response to increasing global business. Nomura Group has the Risk Appetite Statement in which risks that we are willing to accept are articulated. We will continue to make efforts to develop a system where the top management directly engages in proactive risk management for precise decision making.

With regard to compliance, we will continue to focus on improving the management structure to comply with local laws and regulations in the countries where the Nomura Group operates. In addition to complying with laws and regulations, we will continuously review and improve our internal compliance system and rules for the purpose of promoting an environment of high ethical standards among all of our executive management and employees. In this way, we will meet the expectations of society and clients toward the Nomura Group and contribute to the further development of financial and capital markets.

Last year, based on the administrative penalties imposed on our subsidiary, Nomura Securities Co. Ltd. in 2012 in connection with public stock offerings, the Nomura Group established the Nomura Founding Principles and Corporate Ethics Day. Commemorated annually, this day aims to remind all of our executive officers and employees of the lessons learned from the incident and to renew our determination to prevent similar incidents from recurring in the future and further improve public trust through various measures. We will strive to maintain a sound corporate culture through these initiatives. We will also further enhance and reinforce our internal control framework, which includes measures to prevent insider trading and solicitation of unfair dealing, by ensuring that all of our executive officers and employees continually maintain the highest level of business ethics expected from professionals engaged in the capital markets.

### **3. Considerations in the selection of accounting standards**

Nomura currently adopts U.S. generally accepted accounting principles. Depending on factors such as trends by other companies and the impact of International Financial Reporting Standards (“IFRS”) on Nomura’s businesses, Nomura may consider in adopting IFRS in the future.

### **4. Consolidated Financial Statements**

The consolidated financial information herein has been prepared in accordance with Nomura’s accounting policies which are disclosed in the notes to the consolidated financial statements of Nomura Holdings, Inc.’s Annual Securities Report (the annual report filed in Japan on June 25, 2015) and Form 20-F (the annual report filed with the U.S. Securities and Exchange Commission on June 25, 2015) for the year ended March 31, 2015.

**(1) Consolidated Balance Sheets (UNAUDITED)**

|   | Millions of yen          |                          |                         |
|---|--------------------------|--------------------------|-------------------------|
|   | March 31,<br>2015        | March 31,<br>2016        | Increase/<br>(Decrease) |
| <b>ASSETS</b>   |                          |                          |                         |
| Cash and cash deposits:   |                          |                          |                         |
| Cash and cash equivalents   | 1,315,408                | 3,476,261                | 2,160,853               |
| Time deposits   | 328,151                  | 196,632                  | (131,519)               |
| Deposits with stock exchanges and other segregated cash   | 453,037                  | 225,950                  | (227,087)               |
| Total cash and cash deposits  | <u>2,096,596</u>         | <u>3,898,843</u>         | <u>1,802,247</u>        |
| Loans and receivables:  |                          |                          |                         |
| Loans receivable  | 1,461,075                | 1,605,603                | 144,528                 |
| Receivables from customers  | 187,026                  | 210,844                  | 23,818                  |
| Receivables from other than customers   | 1,303,576                | 1,156,608                | (146,968)               |
| Allowance for doubtful accounts   | (3,253)                  | (3,477)                  | (224)                   |
| Total loans and receivables   | <u>2,948,424</u>         | <u>2,969,578</u>         | <u>21,154</u>           |
| Collateralized agreements:  |                          |                          |                         |
| Securities purchased under agreements to resell   | 8,481,474                | 9,205,165                | 723,691                 |
| Securities borrowed   | 8,238,046                | 5,872,495                | (2,365,551)             |
| Total collateralized agreements   | <u>16,719,520</u>        | <u>15,077,660</u>        | <u>(1,641,860)</u>      |
| Trading assets and private equity investments:  |                          |                          |                         |
| Trading assets*   | 17,260,121               | 16,379,424               | (880,697)               |
| Private equity investments  | 48,727                   | 30,578                   | (18,149)                |
| Total trading assets and private equity investments   | <u>17,308,848</u>        | <u>16,410,002</u>        | <u>(898,846)</u>        |
| Other assets:   |                          |                          |                         |
| Office buildings, land, equipment and facilities<br>(net of accumulated depreciation and amortization of<br>¥ 383,992 million as of March 31, 2015 and<br>¥ 402,599 million as of March 31, 2016) | 401,069                  | 355,507                  | (45,562)                |
| Non-trading debt securities*  | 948,180                  | 870,812                  | (77,368)                |
| Investments in equity securities*   | 159,755                  | 137,970                  | (21,785)                |
| Investments in and advances to affiliated companies*  | 378,278                  | 395,284                  | 17,006                  |
| Other   | 822,566                  | 974,511                  | 151,945                 |
| Total other assets  | <u>2,709,848</u>         | <u>2,734,084</u>         | <u>24,236</u>           |
| Total assets  | <u><u>41,783,236</u></u> | <u><u>41,090,167</u></u> | <u><u>(693,069)</u></u> |

\*Including securities pledged as collateral

|  | Millions of yen          |                          |                         |
|--|--------------------------|--------------------------|-------------------------|
|  | March 31,<br>2015        | March 31,<br>2016        | Increase/<br>(Decrease) |
| <b>LIABILITIES AND EQUITY</b>  |                          |                          |                         |
| Short-term borrowings  | 662,256                  | 662,902                  | 646                     |
| Payables and deposits:   |                          |                          |                         |
| Payables to customers  | 723,839                  | 688,196                  | (35,643)                |
| Payables to other than customers   | 1,454,361                | 1,337,931                | (116,430)               |
| Deposits received at banks   | 1,220,400                | 2,222,991                | 1,002,591               |
| Total payables and deposits  | <u>3,398,600</u>         | <u>4,249,118</u>         | <u>850,518</u>          |
| Collateralized financing:  |                          |                          |                         |
| Securities sold under agreements to repurchase   | 12,217,144               | 14,192,309               | 1,975,165               |
| Securities loaned  | 2,494,036                | 1,937,009                | (557,027)               |
| Other secured borrowings   | 668,623                  | 476,273                  | (192,350)               |
| Total collateralized financing   | <u>15,379,803</u>        | <u>16,605,591</u>        | <u>1,225,788</u>        |
| Trading liabilities  | 10,044,236               | 7,499,335                | (2,544,901)             |
| Other liabilities  | 1,217,099                | 1,200,647                | (16,452)                |
| Long-term borrowings   | <u>8,336,296</u>         | <u>8,129,559</u>         | <u>(206,737)</u>        |
| Total liabilities  | <u>39,038,290</u>        | <u>38,347,152</u>        | <u>(691,138)</u>        |
| Equity   |                          |                          |                         |
| NHI shareholders' equity:  |                          |                          |                         |
| Common stock   |                          |                          |                         |
| Authorized - 6,000,000,000 shares  |                          |                          |                         |
| Issued - 3,822,562,601 shares as of March 31, 2015 and<br>3,822,562,601 shares as of March 31, 2016      |                          |                          |                         |
| Outstanding - 3,598,865,213 shares as of March 31, 2015 and<br>3,608,391,999 shares as of March 31, 2016 | 594,493                  | 594,493                  | —                       |
| Additional paid-in capital   | 683,407                  | 692,706                  | 9,299                   |
| Retained earnings  | 1,437,940                | 1,516,577                | 78,637                  |
| Accumulated other comprehensive income   | 143,739                  | 44,980                   | (98,759)                |
| Total NHI shareholders' equity before treasury stock   | <u>2,859,579</u>         | <u>2,848,756</u>         | <u>(10,823)</u>         |
| Common stock held in treasury, at cost-  |                          |                          |                         |
| 223,697,388 shares as of March 31, 2015 and<br>214,170,602 shares as of March 31, 2016                   | (151,805)                | (148,517)                | 3,288                   |
| Total NHI shareholders' equity   | <u>2,707,774</u>         | <u>2,700,239</u>         | <u>(7,535)</u>          |
| Noncontrolling interests   | 37,172                   | 42,776                   | 5,604                   |
| Total equity   | <u>2,744,946</u>         | <u>2,743,015</u>         | <u>(1,931)</u>          |
| Total liabilities and equity   | <u><u>41,783,236</u></u> | <u><u>41,090,167</u></u> | <u><u>(693,069)</u></u> |

**(2) Consolidated Statements of Income (UNAUDITED)**

|   | Millions of yen      |                      | % Change  |
|---|----------------------|----------------------|-----------|
|   | For the year ended   |                      | (B-A)/(A) |
|   | March 31,<br>2015(A) | March 31,<br>2016(B) |           |
| Revenue:  |                      |                      |           |
| Commissions   | 453,401              | 431,959              | (4.7)     |
| Fees from investment banking                              | 95,083               | 118,333              | 24.5      |
| Asset management and portfolio service fees               | 203,387              | 229,006              | 12.6      |
| Net gain on trading                                       | 531,337              | 354,031              | (33.4)    |
| Gain on private equity investments                        | 5,502                | 13,761               | 150.1     |
| Interest and dividends                                    | 436,766              | 440,050              | 0.8       |
| Gain (loss) on investments in equity securities           | 29,410               | (20,504)             | —         |
| Other   | 175,702              | 156,460              | (11.0)    |
| Total revenue   | 1,930,588            | 1,723,096            | (10.7)    |
| Interest expense  | 326,412              | 327,415              | 0.3       |
| Net revenue   | 1,604,176            | 1,395,681            | (13.0)    |
| Non-interest expenses:                                    |                      |                      |           |
| Compensation and benefits                                 | 596,593              | 574,191              | (3.8)     |
| Commissions and floor brokerage                           | 129,977              | 123,881              | (4.7)     |
| Information processing and communications                 | 192,300              | 189,910              | (1.2)     |
| Occupancy and related depreciation                        | 76,112               | 78,411               | 3.0       |
| Business development expenses                             | 35,230               | 35,892               | 1.9       |
| Other   | 227,205              | 228,238              | 0.5       |
| Total non-interest expenses                               | 1,257,417            | 1,230,523            | (2.1)     |
| Income before income taxes                                | 346,759              | 165,158              | (52.4)    |
| Income tax expense  | 120,780              | 22,596               | (81.3)    |
| Net income  | 225,979              | 142,562              | (36.9)    |
| Less: Net income attributable to noncontrolling interests | 1,194                | 11,012               | 822.3     |
| Net income attributable to NHI shareholders               | 224,785              | 131,550              | (41.5)    |
| Per share of common stock:                                |                      |                      |           |
|   | Yen                  |                      | % Change  |
| Basic-  |                      |                      |           |
| Net income attributable to NHI shareholders per share     | 61.66                | 36.53                | (40.8)    |
| Diluted-  |                      |                      |           |
| Net income attributable to NHI shareholders per share     | 60.03                | 35.52                | (40.8)    |

**(3) Consolidated Statements of Comprehensive Income (UNAUDITED)**

|   | Millions of yen      |                      | % Change  |
|---|----------------------|----------------------|-----------|
|   | For the year ended   |                      | (B-A)/(A) |
|   | March 31,<br>2015(A) | March 31,<br>2016(B) |           |
| Net income  | 225,979              | 142,562              | (36.9)    |
| Other comprehensive income (loss):                                  |                      |                      |           |
| Change in cumulative translation adjustments:                       |                      |                      |           |
| Change in cumulative translation adjustments                        | 110,628              | (68,237)             | —         |
| Deferred income taxes   | (141)                | (12,856)             | —         |
| Total   | 110,487              | (81,093)             | —         |
| Defined benefit pension plans:                                      |                      |                      |           |
| Pension liability adjustment  | 5,259                | (26,074)             | —         |
| Deferred income taxes   | (1,854)              | 8,153                | —         |
| Total   | 3,405                | (17,921)             | —         |
| Non-trading securities:   |                      |                      |           |
| Net unrealized gain (loss) on non-trading securities                | 27,643               | (1,492)              | —         |
| Deferred income taxes   | (8,681)              | 81                   | —         |
| Total   | 18,962               | (1,411)              | —         |
| Total other comprehensive income (loss)                             | 132,854              | (100,425)            | —         |
| Comprehensive income  | 358,833              | 42,137               | (88.3)    |
| Less: Comprehensive income attributable to noncontrolling interests | 10,945               | 9,346                | (14.6)    |
| Comprehensive income attributable to NHI shareholders               | 347,888              | 32,791               | (90.6)    |

**(4) Consolidated Statements of Changes in Equity (UNAUDITED)**

|  | Millions of yen    |                  |
|--|--------------------|------------------|
|  | For the year ended |                  |
|  | March 31, 2015     | March 31, 2016   |
| Common stock   |                    |                  |
| Balance at beginning of year                                   | 594,493            | 594,493          |
| Balance at end of year   | <u>594,493</u>     | <u>594,493</u>   |
| Additional paid-in capital                                     |                    |                  |
| Balance at beginning of year                                   | 683,638            | 683,407          |
| Gain (loss) on sales of treasury stock                         | (2,417)            | —                |
| Issuance and exercise of common stock options                  | 2,186              | 4,127            |
| Changes in an affiliated company's interests in its subsidiary | —                  | 5,172            |
| Balance at end of year   | <u>683,407</u>     | <u>692,706</u>   |
| Retained earnings  |                    |                  |
| Balance at beginning of year                                   | 1,287,003          | 1,437,940        |
| Net income attributable to NHI shareholders                    | 224,785            | 131,550          |
| Cash dividends   | (68,627)           | (46,797)         |
| Gain (loss) on sales of treasury stock                         | (5,221)            | (6,116)          |
| Balance at end of year   | <u>1,437,940</u>   | <u>1,516,577</u> |
| Accumulated other comprehensive income                         |                    |                  |
| Cumulative translation adjustments                             |                    |                  |
| Balance at beginning of year                                   | 27,704             | 133,371          |
| Net change during the year                                     | 105,667            | (79,953)         |
| Balance at end of year   | <u>133,371</u>     | <u>53,418</u>    |
| Defined benefit pension plans                                  |                    |                  |
| Balance at beginning of year                                   | (18,809)           | (15,404)         |
| Pension liability adjustment                                   | 3,405              | (17,921)         |
| Balance at end of year   | <u>(15,404)</u>    | <u>(33,325)</u>  |
| Non-trading securities   |                    |                  |
| Balance at beginning of year                                   | 11,741             | 25,772           |
| Net unrealized gain on non-trading securities                  | 14,031             | (885)            |
| Balance at end of year   | <u>25,772</u>      | <u>24,887</u>    |
| Balance at end of year   | <u>143,739</u>     | <u>44,980</u>    |
| Common stock held in treasury                                  |                    |                  |
| Balance at beginning of year                                   | (72,090)           | (151,805)        |
| Repurchases of common stock                                    | (104,047)          | (20,002)         |
| Sale of common stock   | 3                  | 1                |
| Common stock issued to employees                               | 24,226             | 23,296           |
| Other net change in treasury stock                             | 103                | (7)              |
| Balance at end of year   | <u>(151,805)</u>   | <u>(148,517)</u> |
| Total NHI shareholders' equity                                 |                    |                  |
| Balance at end of year   | <u>2,707,774</u>   | <u>2,700,239</u> |
| Noncontrolling interests                                       |                    |                  |
| Balance at beginning of year                                   | 39,533             | 37,172           |
| Net change during the year                                     | (2,361)            | 5,604            |
| Balance at end of year   | <u>37,172</u>      | <u>42,776</u>    |
| Total equity   |                    |                  |
| Balance at end of year   | <u>2,744,946</u>   | <u>2,743,015</u> |

**(5) Consolidated Statements of Cash Flows (UNAUDITED)**

|  | Millions of yen    |                |
|--|--------------------|----------------|
|  | For the year ended |                |
|  | March 31, 2015     | March 31, 2016 |
| <b>Cash flows from operating activities:</b>   |                    |                |
| Net income   | 225,979            | 142,562        |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities:            |                    |                |
| Depreciation and amortization  | 78,882             | 79,394         |
| (Gain) loss on investments in equity securities  | (29,410)           | 20,504         |
| Changes in operating assets and liabilities:   |                    |                |
| Time deposits  | 38,341             | 124,922        |
| Deposits with stock exchanges and other segregated cash  | (66,122)           | 213,288        |
| Trading assets and private equity investments  | 2,917,895          | 248,495        |
| Trading liabilities  | (1,731,133)        | (2,279,966)    |
| Securities purchased under agreements to resell, net of securities sold under agreements to repurchase | (1,251,323)        | 1,605,658      |
| Securities borrowed, net of securities loaned  | (221,295)          | 1,762,173      |
| Other secured borrowings   | (145,877)          | (192,350)      |
| Loans and receivables, net of allowance for doubtful accounts  | (92,713)           | (136,694)      |
| Payables   | 236,029            | (41,838)       |
| Bonus accrual  | (3,659)            | (41,281)       |
| Other, net   | (32,622)           | (266,495)      |
| Net cash provided by (used in) operating activities  | (77,028)           | 1,238,372      |
| <b>Cash flows from investing activities:</b>   |                    |                |
| Payments for purchases of office buildings, land, equipment and facilities                             | (209,468)          | (324,722)      |
| Proceeds from sales of office buildings, land, equipment and facilities                                | 159,480            | 282,473        |
| Payments for purchases of investments in equity securities   | (354)              | —              |
| Proceeds from sales of investments in equity securities  | 6,977              | 899            |
| Increase in loans receivable at banks, net   | (49,192)           | (40,767)       |
| Decrease in non-trading debt securities, net   | 109,761            | 56,814         |
| Other, net   | (4,867)            | 1,592          |
| Net cash provided by (used in) investing activities  | 12,337             | (23,711)       |
| <b>Cash flows from financing activities:</b>   |                    |                |
| Increase in long-term borrowings   | 2,974,115          | 3,018,453      |
| Decrease in long-term borrowings   | (3,167,956)        | (2,922,558)    |
| Increase (decrease) in short-term borrowings, net  | 34,041             | (17,395)       |
| Increase in deposits received at banks, net  | 140,571            | 1,010,101      |
| Proceeds from sales of common stock held in treasury   | 387                | 571            |
| Payments for repurchases of common stock in treasury   | (104,047)          | (20,002)       |
| Payments for cash dividends  | (55,317)           | (82,783)       |
| Net cash provided by (used in) financing activities  | (178,206)          | 986,387        |
| Effect of exchange rate changes on cash and cash equivalents   | 68,513             | (40,195)       |
| Net increase (decrease) in cash and cash equivalents   | (174,384)          | 2,160,853      |
| Cash and cash equivalents at beginning of the year   | 1,489,792          | 1,315,408      |
| Cash and cash equivalents at end of the year   | 1,315,408          | 3,476,261      |



**(6) Note with respect to the Assumption as a Going Concern (UNAUDITED)**

Not applicable.

(7) Notes to the Consolidated Financial Statements (UNAUDITED)

**Segment Information – Operating Segment**

The following table shows business segment information and reconciliation items to the consolidated statements of income.

|  | Millions of yen       |                       | % Change  |
|--|-----------------------|-----------------------|-----------|
|  | For the year ended    |                       | (B-A)/(A) |
|  | March 31,<br>2015 (A) | March 31,<br>2016 (B) |           |
| <b>Net revenue</b>   |                       |                       |           |
| Business segment information:  |                       |                       |           |
| Retail   | 476,505               | 435,634               | (8.6)     |
| Asset Management   | 92,354                | 95,409                | 3.3       |
| Wholesale  | 789,867               | 720,277               | (8.8)     |
| Subtotal   | 1,358,726             | 1,251,320             | (7.9)     |
| Other  | 220,765               | 165,052               | (25.2)    |
| Net revenue  | 1,579,491             | 1,416,372             | (10.3)    |
| Reconciliation items:  |                       |                       |           |
| Unrealized gain (loss) on investments in equity securities held for operating purposes | 24,685                | (20,691)              | —         |
| Net revenue  | 1,604,176             | 1,395,681             | (13.0)    |
| <b>Non-interest expenses</b>   |                       |                       |           |
| Business segment information:  |                       |                       |           |
| Retail   | 314,675               | 308,003               | (2.1)     |
| Asset Management   | 60,256                | 58,743                | (2.5)     |
| Wholesale  | 707,671               | 704,872               | (0.4)     |
| Subtotal   | 1,082,602             | 1,071,618             | (1.0)     |
| Other  | 174,815               | 158,905               | (9.1)     |
| Non-interest expenses  | 1,257,417             | 1,230,523             | (2.1)     |
| Reconciliation items:  |                       |                       |           |
| Unrealized gain (loss) on investments in equity securities held for operating purposes | —                     | —                     | —         |
| Non-interest expenses  | 1,257,417             | 1,230,523             | (2.1)     |
| <b>Income (loss) before income taxes</b>   |                       |                       |           |
| Business segment information:  |                       |                       |           |
| Retail   | 161,830               | 127,631               | (21.1)    |
| Asset Management   | 32,098                | 36,666                | 14.2      |
| Wholesale  | 82,196                | 15,405                | (81.3)    |
| Subtotal   | 276,124               | 179,702               | (34.9)    |
| Other *  | 45,950                | 6,147                 | (86.6)    |
| Income (loss) before income taxes  | 322,074               | 185,849               | (42.3)    |
| Reconciliation items:  |                       |                       |           |
| Unrealized gain (loss) on investments in equity securities held for operating purposes | 24,685                | (20,691)              | —         |
| Income (loss) before income taxes  | 346,759               | 165,158               | (52.4)    |

**\*Major components**

Transactions between operating segments are recorded within segment results on commercial terms and conditions, and are eliminated in “Other”.

The following table presents the major components of income (loss) before income taxes in “Other”.

|  | Millions of yen       |                       | % Change  |
|--|-----------------------|-----------------------|-----------|
|  | For the year ended    |                       | (B-A)/(A) |
|  | March 31,<br>2015 (A) | March 31,<br>2016 (B) |           |
| Net gain (loss) related to economic hedging transactions                             | 15,120                | 6,370                 | (57.9)    |
| Realized gain (loss) on investments in equity securities held for operating purposes | 4,725                 | 187                   | (96.0)    |
| Equity in earnings of affiliates   | 42,235                | 32,727                | (22.5)    |
| Corporate items  | (20,119)              | (52,314)              | —         |
| Other  | 3,989                 | 19,177                | 380.7     |
| Total  | 45,950                | 6,147                 | (86.6)    |

### **Per share data**

Shareholders' equity per share is calculated based on the following number of shares.

|   |               |
|---|---------------|
| Number of shares outstanding as of March 31, 2016 | 3,608,391,999 |
|---|---------------|

Net income attributable to NHI shareholders per share calculated based on the following number of shares.

|  |               |
|--|---------------|
| Average number of shares outstanding for the year ended March 31, 2016 | 3,600,701,499 |
|--|---------------|

### **Changes in Tax Laws**

On March 29, 2016, the "Act to partially revise the Income Tax Act and Others" (Act No.15 of 2016) ("Act 15") and "Act to partially revise the Local Tax Act and Others" (Act No.13 of 2016) ("Act 13") were enacted. Under Act 13 and Act 15, effective from the fiscal year beginning on or after April 1, 2016, corporate tax rate has been reduced from 32% to 31% for the temporary differences expected to be reversed in the fiscal year beginning on or after April 1, 2016.

Use of operating loss carryforwards for the tax purposes will be limited to 60% of the current year taxable income before deducting operating loss carryforwards for tax purpose after the fiscal years beginning on or after April 1, 2016, and 55% after the fiscal years beginning on or after April 1, 2017. The fiscal years beginning on or after April 1, 2018, use of operating loss carryforwards for the tax purposes will continue to be limited to 50%.

Due to these revisions, net deferred tax liabilities decreased by 1,525 million yen and income tax expenses decreased by the same amount.

### **Significant Subsequent Events**

Not applicable.

## (8) Other Financial Information

### Consolidated Statements of Income – Quarterly Comparatives (UNAUDITED)

|  | Millions of yen            |                       |                      |                   |                  |                       |                         | % Change<br>(B-A)/(A) |                      |
|--|----------------------------|-----------------------|----------------------|-------------------|------------------|-----------------------|-------------------------|-----------------------|----------------------|
|  | For the three months ended |                       |                      |                   |                  |                       |                         |                       |                      |
|  | June 30,<br>2014           | September 30,<br>2014 | December 31,<br>2014 | March 31,<br>2015 | June 30,<br>2015 | September 30,<br>2015 | December 31,<br>2015(A) |                       | March 31,<br>2016(B) |
| Revenue:   |                            |                       |                      |                   |                  |                       |                         |                       |                      |
| Commissions  | 95,633                     | 110,838               | 123,198              | 123,732           | 130,343          | 111,501               | 102,323                 | 87,792                | (14.2)               |
| Fees from investment banking                                     | 19,822                     | 20,620                | 28,820               | 25,821            | 24,497           | 44,867                | 20,016                  | 28,953                | 44.6                 |
| Asset management and portfolio service fees                      | 46,092                     | 49,689                | 53,308               | 54,298            | 59,940           | 58,177                | 57,808                  | 53,081                | (8.2)                |
| Net gain on trading  | 158,562                    | 129,011               | 109,468              | 134,296           | 124,748          | 62,551                | 105,191                 | 61,541                | (41.5)               |
| Gain (loss) on private equity investments                        | (287)                      | 489                   | (172)                | 5,472             | 1,154            | 602                   | 8,691                   | 3,314                 | (61.9)               |
| Interest and dividends   | 104,917                    | 108,775               | 115,572              | 107,502           | 113,649          | 111,540               | 107,932                 | 106,929               | (0.9)                |
| Gain (loss) on investments in equity securities                  | 6,350                      | 2,884                 | 11,797               | 8,379             | 9,186            | (10,882)              | 4,690                   | (23,498)              | —                    |
| Other  | 31,065                     | 28,514                | 65,618               | 50,505            | 44,931           | 39,551                | 27,875                  | 44,103                | 58.2                 |
| Total revenue  | 462,154                    | 450,820               | 507,609              | 510,005           | 508,448          | 417,907               | 434,526                 | 362,215               | (16.6)               |
| Interest expense   | 91,316                     | 76,987                | 82,613               | 75,496            | 84,416           | 81,303                | 79,627                  | 82,069                | 3.1                  |
| Net revenue  | 370,838                    | 373,833               | 424,996              | 434,509           | 424,032          | 336,604               | 354,899                 | 280,146               | (21.1)               |
| Non-interest expenses:   |                            |                       |                      |                   |                  |                       |                         |                       |                      |
| Compensation and benefits  | 168,767                    | 140,823               | 142,804              | 144,199           | 155,896          | 149,723               | 141,807                 | 126,765               | (10.6)               |
| Commissions and floor brokerage                                  | 27,590                     | 33,599                | 34,088               | 34,700            | 34,243           | 32,621                | 31,126                  | 25,891                | (16.8)               |
| Information processing and communications                        | 44,896                     | 45,961                | 48,712               | 52,731            | 47,934           | 48,219                | 46,831                  | 46,926                | 0.2                  |
| Occupancy and related depreciation                               | 18,553                     | 18,224                | 19,220               | 20,115            | 18,729           | 19,173                | 19,596                  | 20,913                | 6.7                  |
| Business development expenses                                    | 7,927                      | 9,071                 | 9,027                | 9,205             | 8,330            | 8,454                 | 9,330                   | 9,778                 | 4.8                  |
| Other  | 51,431                     | 52,150                | 55,021               | 68,603            | 52,888           | 58,537                | 54,602                  | 62,211                | 13.9                 |
| Total non-interest expenses                                      | 319,164                    | 299,828               | 308,872              | 329,553           | 318,020          | 316,727               | 303,292                 | 292,484               | (3.6)                |
| Income (loss) before income taxes                                | 51,674                     | 74,005                | 116,124              | 104,956           | 106,012          | 19,877                | 51,607                  | (12,338)              | —                    |
| Income tax expense   | 30,397                     | 20,894                | 46,843               | 22,646            | 36,368           | (28,377)              | 16,048                  | (1,443)               | —                    |
| Net income (loss)  | 21,277                     | 53,111                | 69,281               | 82,310            | 69,644           | 48,254                | 35,559                  | (10,895)              | —                    |
| Less: Net income (loss) attributable to noncontrolling interests | 1,417                      | 239                   | (758)                | 296               | 902              | 1,695                 | 157                     | 8,258                 | —                    |
| Net income (loss) attributable to NHI shareholders               | 19,860                     | 52,872                | 70,039               | 82,014            | 68,742           | 46,559                | 35,402                  | (19,153)              | —                    |
| Per share of common stock:                                       |                            |                       |                      |                   | Yen              |                       |                         |                       | % Change             |
| Basic-   |                            |                       |                      |                   |                  |                       |                         |                       |                      |
| Net income (loss) attributable to NHI shareholders per share     | 5.40                       | 14.53                 | 19.22                | 22.65             | 19.11            | 12.95                 | 9.83                    | (5.31)                | —                    |
| Diluted-   |                            |                       |                      |                   |                  |                       |                         |                       |                      |
| Net income (loss) attributable to NHI shareholders per share     | 5.26                       | 14.15                 | 18.72                | 22.08             | 18.65            | 12.63                 | 9.61                    | (5.33)                | —                    |

## Business Segment Information – Quarterly Comparatives (UNAUDITED)

The following table shows quarterly business segment information and reconciliation items to the consolidated statements of income.

|  | Millions of yen            |                       |                      |                   |                  |                       |                         | % Change<br>(B-A)/(A) |                      |
|--|----------------------------|-----------------------|----------------------|-------------------|------------------|-----------------------|-------------------------|-----------------------|----------------------|
|  | For the three months ended |                       |                      |                   |                  |                       |                         |                       |                      |
|  | June 30,<br>2014           | September 30,<br>2014 | December 31,<br>2014 | March 31,<br>2015 | June 30,<br>2015 | September 30,<br>2015 | December 31,<br>2015(A) |                       | March 31,<br>2016(B) |
| <b>Net revenue</b>   |                            |                       |                      |                   |                  |                       |                         |                       |                      |
| Business segment information:  |                            |                       |                      |                   |                  |                       |                         |                       |                      |
| Retail   | 106,865                    | 117,938               | 128,788              | 122,914           | 130,689          | 115,658               | 104,280                 | 85,007                | (18.5)               |
| Asset Management   | 23,338                     | 21,691                | 23,439               | 23,886            | 26,917           | 22,854                | 25,327                  | 20,311                | (19.8)               |
| Wholesale  | 188,886                    | 190,570               | 178,943              | 231,468           | 205,184          | 192,911               | 185,977                 | 136,205               | (26.8)               |
| Subtotal   | 319,089                    | 330,199               | 331,170              | 378,268           | 362,790          | 331,423               | 315,584                 | 241,523               | (23.5)               |
| Other  | 48,252                     | 41,042                | 82,787               | 48,684            | 52,244           | 16,080                | 34,589                  | 62,139                | 79.6                 |
| Net revenue  | 367,341                    | 371,241               | 413,957              | 426,952           | 415,034          | 347,503               | 350,173                 | 303,662               | (13.3)               |
| Reconciliation items:  |                            |                       |                      |                   |                  |                       |                         |                       |                      |
| Unrealized gain (loss) on investments in equity securities held for operating purposes | 3,497                      | 2,592                 | 11,039               | 7,557             | 8,998            | (10,899)              | 4,726                   | (23,516)              | —                    |
| Net revenue  | 370,838                    | 373,833               | 424,996              | 434,509           | 424,032          | 336,604               | 354,899                 | 280,146               | (21.1)               |
| <b>Non-interest expenses</b>   |                            |                       |                      |                   |                  |                       |                         |                       |                      |
| Business segment information:  |                            |                       |                      |                   |                  |                       |                         |                       |                      |
| Retail   | 75,257                     | 79,075                | 78,319               | 82,024            | 79,790           | 78,913                | 76,450                  | 72,850                | (4.7)                |
| Asset Management   | 15,064                     | 13,882                | 14,091               | 17,219            | 15,171           | 14,442                | 14,597                  | 14,533                | (0.4)                |
| Wholesale  | 183,145                    | 168,363               | 178,492              | 177,671           | 185,513          | 184,282               | 176,038                 | 159,039               | (9.7)                |
| Subtotal   | 273,466                    | 261,320               | 270,902              | 276,914           | 280,474          | 277,637               | 267,085                 | 246,422               | (7.7)                |
| Other  | 45,698                     | 38,508                | 37,970               | 52,639            | 37,546           | 39,090                | 36,207                  | 46,062                | 27.2                 |
| Non-interest expenses  | 319,164                    | 299,828               | 308,872              | 329,553           | 318,020          | 316,727               | 303,292                 | 292,484               | (3.6)                |
| Reconciliation items:  |                            |                       |                      |                   |                  |                       |                         |                       |                      |
| Unrealized gain (loss) on investments in equity securities held for operating purposes | —                          | —                     | —                    | —                 | —                | —                     | —                       | —                     | —                    |
| Non-interest expenses  | 319,164                    | 299,828               | 308,872              | 329,553           | 318,020          | 316,727               | 303,292                 | 292,484               | (3.6)                |
| <b>Income (loss) before income taxes</b>   |                            |                       |                      |                   |                  |                       |                         |                       |                      |
| Business segment information:  |                            |                       |                      |                   |                  |                       |                         |                       |                      |
| Retail   | 31,608                     | 38,863                | 50,469               | 40,890            | 50,899           | 36,745                | 27,830                  | 12,157                | (56.3)               |
| Asset Management   | 8,274                      | 7,809                 | 9,348                | 6,667             | 11,746           | 8,412                 | 10,730                  | 5,778                 | (46.2)               |
| Wholesale  | 5,741                      | 22,207                | 451                  | 53,797            | 19,671           | 8,629                 | 9,939                   | (22,834)              | —                    |
| Subtotal   | 45,623                     | 68,879                | 60,268               | 101,354           | 82,316           | 53,786                | 48,499                  | (4,899)               | —                    |
| Other *  | 2,554                      | 2,534                 | 44,817               | (3,955)           | 14,698           | (23,010)              | (1,618)                 | 16,077                | —                    |
| Income (loss) before income taxes  | 48,177                     | 71,413                | 105,085              | 97,399            | 97,014           | 30,776                | 46,881                  | 11,178                | (76.2)               |
| Reconciliation items:  |                            |                       |                      |                   |                  |                       |                         |                       |                      |
| Unrealized gain (loss) on investments in equity securities held for operating purposes | 3,497                      | 2,592                 | 11,039               | 7,557             | 8,998            | (10,899)              | 4,726                   | (23,516)              | —                    |
| Income (loss) before income taxes  | 51,674                     | 74,005                | 116,124              | 104,956           | 106,012          | 19,877                | 51,607                  | (12,338)              | —                    |

### \* Major components

Transactions between operating segments are recorded within segment results on commercial terms and conditions, and are eliminated in “Other”.

The following table presents the major components of income (loss) before income taxes in “Other”.

|  | Millions of yen            |                       |                      |                   |                  |                       |                         | % Change<br>(B-A)/(A) |                      |
|--|----------------------------|-----------------------|----------------------|-------------------|------------------|-----------------------|-------------------------|-----------------------|----------------------|
|  | For the three months ended |                       |                      |                   |                  |                       |                         |                       |                      |
|  | June 30,<br>2014           | September 30,<br>2014 | December 31,<br>2014 | March 31,<br>2015 | June 30,<br>2015 | September 30,<br>2015 | December 31,<br>2015(A) |                       | March 31,<br>2016(B) |
| Net gain (loss) related to economic hedging transactions                             | 6,919                      | 2,169                 | 6,375                | (343)             | (2,553)          | 1,052                 | (627)                   | 8,498                 | —                    |
| Realized gain (loss) on investments in equity securities held for operating purposes | 2,853                      | 292                   | 758                  | 822               | 188              | 17                    | (36)                    | 18                    | —                    |
| Equity in earnings of affiliates   | 3,499                      | 7,963                 | 18,213               | 12,560            | 13,831           | 9,054                 | 4,784                   | 5,058                 | 5.7                  |
| Corporate items  | (3,093)                    | (8,389)               | (3,160)              | (5,477)           | (3,940)          | (39,985)              | (3,171)                 | (5,218)               | —                    |
| Other  | (7,624)                    | 499                   | 22,631               | (11,517)          | 7,172            | 6,852                 | (2,568)                 | 7,721                 | —                    |
| Total  | 2,554                      | 2,534                 | 44,817               | (3,955)           | 14,698           | (23,010)              | (1,618)                 | 16,077                | —                    |

## 5. Unconsolidated Financial Statements [Japanese GAAP]

### (1) Unconsolidated Balance Sheets (UNAUDITED)

|   | Millions of yen  |                  |
|---|------------------|------------------|
|   | March 31, 2015   | March 31, 2016   |
| <b>Assets</b>                           |                  |                  |
| Current Assets                          | 3,776,082        | 4,058,321        |
| Fixed Assets                            | 2,865,640        | 3,320,801        |
| <b>Total Assets</b>                     | <b>6,641,723</b> | <b>7,379,122</b> |
| <b>Liabilities</b>                      |                  |                  |
| Current Liabilities                     | 1,159,166        | 1,599,923        |
| Long-term Liabilities                   | 3,387,449        | 3,358,039        |
| Total Liabilities                       | 4,546,615        | 4,957,962        |
| <b>Net Assets</b>                       |                  |                  |
| Shareholders' equity                    | 1,971,421        | 2,305,324        |
| Valuation and translation adjustments   | 79,014           | 67,933           |
| Stock acquisition rights                | 44,673           | 47,904           |
| Total Net Assets                        | 2,095,108        | 2,421,160        |
| <b>Total Liabilities and Net Assets</b> | <b>6,641,723</b> | <b>7,379,122</b> |

### (2) Unconsolidated Statements of Income (UNAUDITED)

|                            | Millions of yen    |                |
|----------------------------|--------------------|----------------|
|                            | For the year ended |                |
|                            | March 31, 2015     | March 31, 2016 |
| Operating revenue          | 461,912            | 585,394        |
| Operating expenses         | 227,074            | 227,749        |
| Operating income           | 234,838            | 357,645        |
| Non-operating income       | 4,394              | 5,533          |
| Non-operating expenses     | 3,713              | 10,120         |
| Ordinary income            | 235,519            | 353,058        |
| Special profits            | 88,755             | 1,525          |
| Special losses             | 5,979              | 2,477          |
| Income before income taxes | 318,295            | 352,105        |
| Income taxes - current     | (26,699)           | 6,690          |
| Income taxes - deferred    | 50,178             | (74,092)       |
| Net income                 | 294,816            | 419,507        |

### (3) Note with respect to the Assumption as a Going Concern (UNAUDITED)

Not applicable.

## 6. Other Information

Financial information for Nomura Securities Co., Ltd. can be found on the following URL.

[http://www.nomuraholdings.com/company/group/nsc/pdf/2016\\_4q.pdf](http://www.nomuraholdings.com/company/group/nsc/pdf/2016_4q.pdf)