Pillar 3 Regulatory Capital and Liquidity Coverage Ratio Disclosures

for the quarterly period ended March 31st, 2017

Nomura Holdings, Inc.

CONTENTS

PART 1: NHI Consolidated Capital Ratios

CHAPTER 1 DISCLOSURE ON CAPITAL ITEMS

(Unit: JPY million, %)

Basel III template No.	Item		3/31/2017		12/31/2016	
			Highest designated parent company's current quarter end	Amount subject to transitional arrangements	Highest designated parent company's current quarter end	Amount subject to transitional arrangements
Common Equity Tier 1 Capital: Instruments and Reserves (1)						
1a+2-1c-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings		2,738,528		2,714,252	
1a		out of which, capital and capital surplus	1,275,821		1,276,251	
2		out of which, retained earnings	1,645,498		1,624,024	
1c		out of which, investments in own shares (△)	182,792		186,023	
26		out of which, expected outflow of funds from businesses (△)	-		-	
		out of which, amounts except for the above items	-		-	
1b	Share warrant related to common share		-		-	
3	Accumulated other comprehensive income and other disclosed reserves		10,647	2,662	32,867	21,911
5	Adjusted amount of minority interests related to Common Equity Tier 1 capital		-		-	
	The amount included in Common Equity Tier 1 capital according to transitional arrangements		1,739		3,168	
6	Common Equity Tier 1 capital before regulatory adjustments (A)		2,750,914		2,750,286	
Common Equity Tier 1 Capital: Regulatory Adjustments (2)						
8+9	Intangibles other than mortgage-servicing rights (net of related tax liability)		158,642	39,661	122,673	81,782
8		out of which, goodwill (net of related tax liability, including those equivalent)	64,325	16,081	50,152	33,435
9		out of which, intangibles other than goodwill and mortgage-servicing rights	94,317	23,579	72,521	48,347
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of tax liability)		4,746	1,187	4,021	2,681
11	Cash-flow hedge reserve		-	-	-	-
12	Shortfall of provisions to expected losses		18,901	4,725	16,630	11,086
13	Securitization gain on sale		-	-	-	-
14	Own credit valuation		9,496	2,374	9,716	6,477
15	Defined-benefit pension fund net assets		8,378	2,094	12,216	8,144
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)		1,588	397	1,381	921
17	Reciprocal cross-holdings in common equity		-	-	-	-
18	Investments in the capital of financial institutions that are outside the scope of regulatory consolidation, where the Group does not own more than 10% of the issued share capital (net of eligible short positions) (amount above 10% threshold)		-	-	-	-

(Unit: JPY million, %)

Basel III template No.	Item		3/31/2017 Highest designated parent company's current quarter end	3/31/2017 Amount subject to transitional arrangements	12/31/2016 Highest designated parent company's current quarter end	12/31/2016 Amount subject to transitional arrangements
19+20+21	Amount exceeding the 10% threshold on specific items		-	-	-	-
19		out of which, significant investments in the capital of financial institutions that are outside the scope of regulatory consolidation (net of eligible short positions)	-	-	-	-
20		out of which, mortgage-servicing rights	-	-	-	-
21		out of which, deferred tax assets arising from temporary differences (net of related tax liability)	-	-	-	-
22	Amount exceeding the 15% threshold on specific items		-	-	-	-
23		out of which, significant investments in the common stock of financial institutions	-	-	-	-
24		out of which, mortgage-servicing rights	-	-	-	-
25		out of which, deferred tax assets arising from temporary differences (net of related tax liability)	-	-	-	-
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions		-		-	
28	Total regulatory adjustments to Common Equity Tier 1 capital (B)		201,751		166,636	
Common Equity Tier 1 Capital						
29	**Common Equity Tier 1 capital ((A) – (B))** (C)		2,549,162		2,583,650	
Additional Tier 1 Capital: Instruments (3)						
31a (30)	Additional Tier 1 instruments classified as shareholder's equity		-		-	
31b (30)	Additional Tier 1 instruments classified as share warrant		-		-	
32 (30)	Additional Tier 1 instruments classified as debt		165,000		165,000	
(30)	Additional Tier 1 instruments issued by special purpose vehicle, etc.		-		-	
34-35	Adjusted amount of minority interests related to Additional Tier 1 capital		1,095		1,436	
33+35	Capital instruments subject to transitional arrangements included in Additional Tier 1 capital		-		-	
33		out of which, instruments issued by Group or special purpose vehicle controlled by Group	-		-	
35		out of which, instruments issued by consolidated subsidiaries of Group (except for the special purpose vehicle mentioned above)	-		-	
	The amount included in Additional Tier 1 capital according to transitional arrangements		2,662		21,911	
		out of which, accumulated other comprehensive income and other disclosed reserves	2,662		21,911	
36	Additional Tier 1 capital before regulatory adjustments (D)		168,757		188,347	

(Unit: JPY million, %)

Basel III template No.	Item	3/31/2017 Highest designated parent company's current quarter end	3/31/2017 Amount subject to transitional arrangements	12/31/2016 Highest designated parent company's current quarter end	12/31/2016 Amount subject to transitional arrangements
Additional Tier 1 Capital: Regulatory Adjustments					
37	Investments in own Additional Tier 1 instruments	-	-	-	-
38	Reciprocal cross-holdings in Additional Tier 1 instruments	-	-	-	-
39	Investments in the Additional Tier 1 instruments of financial institutions that are outside the scope of regulatory consolidation, where the Group does not own more than 10% of the issued share capital (net of eligible short positions) (amount above 10% threshold)	-	-	-	-
40	Significant investments in the Additional Tier 1 instruments of financial institutions that are outside the scope of regulatory consolidation (net of eligible short positions)	4,001	1,000	3,001	2,001
	The amount included in regulatory adjustments to Additional Tier 1 capital (according to transitional arrangements)	24,101		52,035	
	out of which, goodwill (net of related tax liability)	16,081		33,435	
	out of which, intangibles other than goodwill and mortgage-servicing rights	3,283		6,580	
	out of which, shortfall of provisions to expected losses, divided by 2	2,363		5,543	
	out of which, own credit valuation	2,374		6,477	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier2 to cover deductions	-		-	
43	Regulatory adjustments to Additional Tier 1 capital (E)	28,102		55,036	
Additional Tier 1 Capital					
44	Additional Tier 1 capital ((D) – (E)) (F)	140,655		133,310	
Tier 1 Capital					
45	Tier 1 capital ((C) + (F)) (G)	2,689,817		2,716,960	
Tier 2 Capital: Instruments and Provisions (4)					
46	Tier 2 instruments classified as shareholder's equity	-		-	
	Tier 2 instruments classified as share warrant	-		-	
	Tier 2 instruments classified as debt	-		-	
	Tier 2 instruments issued by special purpose vehicle, etc.	-		-	
48-49	Adjusted amount of minority interests related to Tier 2	258		338	
47+49	Capital instruments subject to transitional arrangements	112,990		136,057	
47	out of which, instruments issued by Group or special purpose vehicle controlled by Group	76,100		91,320	
49	out of which, instruments issued by consolidated subsidiaries of Group (except for the special purpose vehicle mentioned above)	36,890		44,737	

(Unit: JPY million, %)

Basel III template No.	Item		3/31/2017		12/31/2016	
			Highest designated parent company's current quarter end	Amount subject to transitional arrangements	Highest designated parent company's current quarter end	Amount subject to transitional arrangements
50	Provisions		-		-	
50a		out of which, general provisions included in Tier 2	-		-	
50b		out of which, eligible provisions included in Tier 2	-		-	
	The amount included in Tier 2 capital according to transitional arrangements		-		-	
51	Tier 2 capital before regulatory adjustments (H)		113,248		136,395	
Tier 2 Capital: Regulatory Adjustments						
52	Investments in own Tier 2 instruments		-	-	-	-
53	Reciprocal cross-holdings in Tier 2 instruments		-	-	-	-
54	Investments in Tier 2 instruments of financial institutions that are outside the scope of regulatory consolidation, where the Group does not own more than 10% of the issued share capital (net of eligible short positions) (amount above 10% threshold)		-	-	-	-
55	Significant investments in Tier 2 instruments of other financial institutions that are outside the scope of regulatory consolidation (net of eligible short positions)		239	60	185	123
	The amount included in regulatory adjustments to Tier 2 according to transitional arrangements		3,423		7,667	
		out of which, investments in capital instruments of other financial institutions that are outside of regulatory consolidation	1,060		2,124	
		out of which, shortfall of provisions to expected losses, divided by 2	2,363		5,543	
57	Regulatory adjustments to Tier 2 capital (I)		3,662		7,852	
Tier 2 Capital						
58	Tier 2 capital ((H) – (I)) (J)		109,586		128,543	
Total Capital						
59	Total capital ((G) + (J)) (K)		2,799,403		2,845,503	
Risk-Weighted Assets (5)						
	The amount included in regulatory adjustments to risk-weighted assets according to transitional arrangements		23,975		53,512	
		out of which, intangibles other than goodwill and mortgage-servicing rights (net of related tax liability)	20,297		41,767	
		out of which, deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,187		2,681	
		out of which, defined-benefit pension fund net assets	2,094		8,144	
		out of which, investments in own shares (if not already netted off paid-in capital on reported balance sheet)	397		921	

(Unit: JPY million, %)

Basel III template No.	Item	3/31/2017 Highest designated parent company's current quarter end	3/31/2017 Amount subject to transitional arrangements	12/31/2016 Highest designated parent company's current quarter end	12/31/2016 Amount subject to transitional arrangements
60	Total risk-weighted assets (L)	13,977,909		14,577,723	
Capital Ratios					
61	Consolidated Common Equity Tier 1 ratio ((C) / (L))	18.2%		17.7%	
62	Consolidated Tier 1 ratio ((G) / (L))	19.2%		18.6%	
63	Consolidated total capital ratio ((K) / (L))	20.0%		19.5%	
Amounts below the Thresholds for Deduction (6)					
72	Non-significant investments in the capital instruments of other financial institutions	106,704		119,308	
73	Significant investments in the common stock of financial institutions	213,406		216,792	
74	Mortgage-servicing rights (net of related tax liability)	-		-	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	41,746		43,487	
Applicable Caps on the Inclusion of Provisions in Tier 2 (7)					
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	-		-	
77	Caps on inclusion of provisions in Tier 2 under standardized approach	-		-	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) (if the amount is negative, report as "nil")	-		-	
79	Caps on inclusion of eligible provisions in Tier 2 under internal ratings-based approach	-		-	
Capital Instruments Subject to Transitional Arrangements (8)					
80	Current cap on Tier 1 instruments subject to transitional arrangements	-		-	
81	Amount excluded from Tier 1 due to cap (excess over cap after redemptions and maturities)	-		-	
84	Current cap on Tier 2 instruments subject to transitional arrangements	155,660		186,792	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	76,100		60,880	

CHAPTER 2 QUALITATIVE DISCLOSURE

1. Scope of Consolidation

(1) Differences between those companies belonging to the corporate group (“Nomura Group”) to which the calculation of consolidated capital adequacy ratio as stipulated in Article 2 of the Consolidated Capital Adequacy Notice on Final Designated Parent Company (the “Capital Adequacy Notice”) published by Financial Services Agency of Japan (“FSA”) is applicable and those companies that are included in the scope of consolidation based on consolidation rule for preparation of consolidated financial statements (the “scope of consolidation for accounting purposes”) and the reason for such differences.

Consolidated insurance subsidiaries are treated as unconsolidated subsidiaries as per Article 3, sub-Paragraph 3 of the Capital Adequacy Notice.

Consolidated VIEs are treated as unconsolidated subsidiaries in calculating our capital adequacy ratio in consideration of the economic substance. Therefore, intra-company transactions with such VIEs are not eliminated and counterparty credit risk arising from those transactions is included in credit RWA (risk-weighted assets) for the purpose of the calculation of our capital adequacy ratio. In addition, any investments by non-VIE Nomura Group entities in the assets under management by such VIEs are captured in RWA for either credit or market risk.

(2) Number of consolidated subsidiaries, and names and principal businesses of major consolidated subsidiaries of the holding company group

There are 190 companies as of March 31st, 2017.

Nomura Securities Co., Ltd (Japan, securities business), Nomura International PLC (United Kingdom, securities business), Nomura Securities International Inc. (U.S.A, securities business), Nomura International (Hong Kong) Limited (Hong Kong, securities business) and Nomura Financial Products & Services, Inc. (Japan, securities business) and others.

(3) Number of affiliated companies which engaged in financial operations which are subject to the provisions of Articles 9 of the Capital Adequacy Notice, as well as their names, amounts of total assets and net assets shown on the balance sheet, and principal businesses

Not applicable.

(4) Names, amounts of total assets and net assets shown on the balance sheet, and principal businesses of (i) companies which belong to Nomura Group but are not included in the scope of consolidation for accounting purposes and (ii) companies which do not belong to Nomura Group but are included in the scope of consolidation for accounting purposes.

There are no such companies which fall under (i) above.

As of March 31st, 2017, the following companies fall under (ii):

Asahi Fire & Marine Insurance Co., Ltd. (Japan, insurance business, total assets of 394.3 billion yen and net assets of 58.8 billion yen);

Nomura Reinsurance ICC Limited, (Guernsey, insurance business, total assets of 0.05 billion yen and net assets of 0.05 billion yen);

Nomura Reinsurance 1 IC Limited (Guernsey, insurance business, total assets of 31.8 billion yen and net assets of 1.3 billion yen);

Nomura Reinsurance 3 IC Limited (Guernsey, insurance business, total assets of 8.3 billion yen and net assets of 0.3 billion yen);

Nomura Reinsurance 5IC Limited (Guernsey, insurance business, total assets of 7.1 billion yen and net assets of 0.8 billion yen);

US CB Reinsurance 1 IC Limited (Guernsey, insurance business, total assets of 1.4 billion yen and net assets of 1.1 billion yen);

US CB Reinsurance 2 IC Limited (Guernsey, insurance business, total assets of 0.6 billion yen and net assets of 0.6 billion yen);

Nomura Americas Re. Ltd. (Bermuda, insurance business, total assets of 4.0 billion yen and net assets of 3.8 billion yen);

Nomura Americas US Re Ltd. (Bermuda, insurance business, total assets of 0.9 billion yen and net assets of 0.7 billion yen), as well as 1,086 VIEs.

(5) Outline of restrictions on transfer of funds or capital within Nomura Group.

In making decision on any transfer of funds or capital within Nomura Group, we make sure that the holding company and subsidiaries of Nomura Group will remain compliant with relevant capital adequacy regulations and it would neither compromise the soundness of respective companies' operation nor cause negative impacts on their ability to fulfill payment obligations as well as their liquidity profile and profitability.

2. Overview of Risk Management

Business activities of Nomura Group are exposed to various risks such as market risk, credit risk, operational risk and other risks caused by external factors. Nomura Group has established a risk management framework to control, monitor and report those risks in a comprehensive manner in order to maintain financial soundness and to sustain and enhance its enterprise value.

Risk Management

(1) Risk Management

Nomura Group defines risks as (i) the potential erosion of Nomura Group's capital base due to unexpected losses arising from risks to which its business operations are exposed, such as market risk, credit risk, operational risk and model risk, (ii) liquidity risk, the potential lack of access to funds or higher cost of funding than normal levels due to a deterioration in Nomura Group's creditworthiness or deterioration in market conditions, and (iii) business risk, the potential failure of revenues to cover costs due to a deterioration in the earnings environment or a deterioration in the efficiency or effectiveness of its business operations. A fundamental principle established by Nomura Group is that all employees shall regard themselves as principals of risk management and appropriately manage these risks. Nomura Group seeks to promote a culture of proactive risk management throughout all levels of the organization and to limit risks to the confines of its risk appetite. The risk management framework that Nomura Group uses to manage these risks consists of its risk appetite, risk management governance and oversight, the management of financial resources, the management of all risk classes, and processes to measure and control risks. Each of these key components is explained in further detail below.

(2) Risk Appetite

Nomura Group has determined the types and maximum level of risk that it is willing to assume in pursuit of its strategic objectives and business plan and has articulated in its Risk Appetite Statement. This document is jointly submitted by the Chief Risk Officer ("CRO") and the Chief Financial Officer ("CFO") to the Executive Management Board ("EMB") for approval.

The Risk Appetite Statement provides an aggregated view of risk and includes capital adequacy and balance sheet measures, liquidity risk, market and credit risk, operational risk, compliance risk and model risk, and consists of quantitative metrics and qualitative statements. It is subject to regular monitoring and breach escalation as appropriate by the owner of the relevant risk appetite statement.

Nomura Group's Risk Appetite Statement is required to be reviewed annually by the EMB but is reviewed on an ad hoc basis, and must specifically be reviewed following any significant changes in Nomura Group's strategy. Risk appetite underpins Nomura Group's entire risk management framework.

(3) Risk Management Governance and Oversight

Committee Governance

Nomura Group has established a committee structure to facilitate effective business operations and management of its risks. The formal governance structure for risk management at Nomura Group is as follows:

Board of Directors ("BoD")

The BoD determines the policy for the execution of the business of Nomura Group and other matters prescribed in laws and regulations, supervises the execution of Directors' and Executive Officers' duties and has authority to adopt, alter or abolish the regulations of the Executive Management Board.

Executive Management Board ("EMB")

The EMB deliberates on and determines management strategy, the allocation of management resources and important management matters of Nomura Group, and seeks to increase shareholder value by promoting effective use of management resources and unified decision-making with regard to the execution of business. The EMB delegates responsibility for deliberation of matters concerning risk management to the Group Integrated Risk Management Committee.

Group Integrated Risk Management Committee ("GIRMC")

Upon delegation from the EMB, the GIRMC deliberates on or determines important matters concerning integrated risk management of Nomura Group to assure the sound and effective management of its businesses. The GIRMC establishes Nomura Group's Risk Appetite and a framework of integrated risk management consistent with Nomura Group's risk appetite. The GIRMC supervises Nomura Group's risk management by establishing and operating its risk management framework. The GIRMC reports the status of key risk management issues and any other matters deemed necessary by the committee chairman to the BoD and the EMB.

In addition, the GIRMC, upon delegation from the EMB, has established the Risk Management Policy, describing Nomura Group's overall risk management framework including the fundamental risk management principles followed by Nomura Group.

Global Risk Management Committee ("GRMC")

Upon delegation from the GIRMC, the GRMC deliberates on or determines, based on strategic risk allocation and risk appetite determined by the GIRMC, important matters concerning market, credit or reputational risk management of Nomura Group in order to assure the sound and effective management of Nomura Group's businesses. The GRMC reports to the GIRMC the status of discussions at its meetings and any other matters as deemed necessary by the committee chairman.

Asset Liability Committee ("ALCO")

Upon delegation from the GIRMC, the ALCO deliberates on, based on Nomura Group's risk appetite determined by the EMB, balance sheet management, financial resource allocation, liquidity management and related matters. The ALCO reports to the GIRMC the status of discussions at its meetings and any other matters as deemed necessary by the committee chairman.

Global Risk Analytics Committee ("GRAC") and Model Risk Analytics Committee ("MRAC")

Upon delegation from the GRMC, the GRAC and the MRAC deliberate on or determine matters concerning the development, management and strategy of risk models and valuation models, respectively. The committees' primary responsibility is to govern and provide oversight of model management, including the approval of new models and significant model changes. Both committees report all significant matters and material decisions taken to the GRMC, on a regular basis.

GRMC Transaction Committee

Upon delegation from the GRMC, the GRMC Transaction Committee deliberates on or approves individual transactions in line with Nomura Group's risk appetite in order to assure the sound and effective management of Nomura's businesses.

Collateral Steering Committee ("CSC")

Upon delegation from the GRMC, the CSC deliberates on or determines Nomura's collateral risk management, including concentrations, liquidity, collateral re-use, limits and stress tests, provides direction on Nomura's collateral strategy and ensures compliance with regulatory collateral requirements.

CRO

The CRO is responsible for setting the overall strategy and direction of the Risk Management Division. The CRO is responsible for supervising the Risk Management Division and maintaining the effectiveness of the risk management framework independently from the business units within Nomura Group. The CRO regularly reports on the status of Nomura Group's risk management to the GIRMC, and reports to and seeks the approval of the GIRMC on measures required for risk management.

CFO

The CFO is responsible for overall financial strategy of Nomura Group and, upon delegation from the EMB, has operational authority and responsibility over Nomura Group's allocation and management of financial resources, as well as liquidity management.

(4) Risk Management Division

The Risk Management Division comprises various departments or units in charge of risk management established independently from Nomura Group's business units. The Risk Management Division is responsible for establishing and operating risk management processes, establishing and enforcing risk management policies and regulations, verifying the effectiveness of risk management methods, gathering reports from Nomura Group entities, reporting to Executive Officers/Senior Managing Directors and the GIRMC and others, as well as reporting to regulatory bodies and handling regulatory applications concerning risk management methods and other items as necessary. Important risk management issues are closely communicated between members of the Risk Management departments and the CRO. The CRO and/or Co-CRO regularly attend the EMB and GIRMC meetings to report specific risk issues.

(5) Risk Policy Framework

Policies and procedures are essential tools of governance used by the Risk Management Division. They define principles, rules and standards, and the specific processes that must be adhered to in order to effectively manage risk at Nomura Group. The Risk Management Division has established a risk policy framework to promote appropriate standards and consistency for risk policies and procedures and to articulate the principles and procedures conducive to effective risk management. All risk management policies and procedures are developed in line with this policy framework and a defined process is followed for any exceptions.

(6) Monitoring, Reporting and Data Integrity

Development, consolidation, monitoring and reporting of risk management information ("risk MI") are fundamental to the appropriate management of risk. The aim of all risk MI is to provide a basis for sound decision-making, action and escalation as required. The Risk Management Division and the Finance Division are responsible for producing regular risk MI, which reflects the position of Nomura Group relative to stated risk appetite. Risk MI includes information from across the risk classes defined in the risk management framework and reflect the use of the various risk tools used to identify and assess those risks. The Risk Management Division is responsible for implementing appropriate controls over data integrity for risk MI.

(7) Management of Financial Resources

Nomura Group has established a framework for management of financial resources in order to adequately manage utilization of these resources. The EMB allocates financial resources to business units at the beginning of each financial year. These allocations are used to set revenue forecasts for each business units. Key components are set out below:

Risk-weighted Assets (RWA)

RWA is calculated from risk amounts used for the measurement of consolidated capital adequacy ratios. The EMB sets RWA limits for business divisions, etc. in accordance with the prudential standards on a consolidated basis for NHI (Nomura Holdings Inc.). Finance Division is responsible for monitoring usage amounts under RWA limits and reporting them to the EMB.

Economic Capital

Nomura Group's internal measure of the capital required to support its business is the Nomura Capital Allocation Target ("NCAT"), which is measured as the amount of capital required to absorb unexpected losses over a one-year time horizon under a severely adverse scenario. For quantification purposes, a severely adverse scenario is defined as the unexpected loss computed by risk models at the 99.95th percentile. NCAT consists of i) portfolio NCAT, which captures the risks directly impacting the value of specific positions such as market risk, credit risk, asset liquidity risk and other risks such as event risk to account for portfolio risks not easily covered in a historically calibrated model, and ii) non-portfolio NCAT, which captures the risks not directly affecting the value of specific positions, such as operational risk and business risk. Nomura Group's NCAT limit is initially set by the EMB, and the EMB subsequently allocates it to each business division and additional lower levels of the organization.

Available Funds

The CFO decides the maximum amount of available funds, provided without posting of any collateral, for allocation within Nomura Group and the EMB approves the allocation of the funds to each business division. Global Treasury monitors the usage by businesses and reports to the EMB.

Leverage Exposure

Leverage exposure is calculated from exposure amounts used for the measurement of consolidated leverage ratio. The EMB sets leverage exposure limits for business divisions, etc. in accordance with the prudential standards on a consolidated basis for NHI. Finance Division is responsible for monitoring usage amounts under leverage exposure limits and reporting them to the EMB.

(8) Risk category and definition

Nomura Group classifies and defines risks as follows and has established departments or units to manage each risk type.

Risk Category	**Definition**
Market risk	Risk of loss arising from fluctuations in the value of financial assets and liabilities (including off-balance sheet items) due to fluctuations in market risk factors (interest rates, foreign exchange rates, prices of securities and others).
Credit risk	Risk of loss arising from an obligor or counterparty's default, insolvency or administrative proceeding which results in the obligor's failure to meet its contractual obligations in accordance with agreed terms. This includes both on and off-balance sheet exposures. It is also the risk of loss arising through a credit valuation adjustment ("CVA") associated with deterioration in the creditworthiness of a counterparty.
Operational risk	Risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. It excludes strategic risk (the risk of loss as a result of poor strategic business decisions), but includes the risk of breach of legal and regulatory requirements and causing damage to Nomura Group's reputation if caused by an operational risk.
Model Risk	Risk of loss arising from model errors or incorrect or inappropriate model application with regard to valuation models and risk models.
Funding and Liquidity risk	Risk of loss arising from difficulty in securing necessary funding or from a significantly higher cost of funding than normal levels due to deterioration in Nomura Group's creditworthiness or deterioration in market conditions.
Business risk	Risk of failure of revenues to cover costs due to deterioration in the earnings environment or deterioration in the efficiency or effectiveness of Nomura Group's business operations. Managing business risk is the responsibility of Nomura Group's Executive Managing Directors and Senior Managing Directors.

3. Overview of Assessment on Capital Adequacy

Nomura Group assesses its own capital adequacy by monitoring the level of regulatory capital based on the Capital Adequacy Notice and by conducting stress testing.

Nomura Group conducts the capital adequacy assessment based on regulatory capital by monitoring the consolidated Tier 1 capital adequacy ratio stipulated in the Capital Adequacy Notice, calculated from total RWA (a sum of total credit RWA, amount equivalent to market risk divided by 8% and amount equivalent to operational risk divided by 8%) and Tier 1 capital, consolidated leverage ratio and other measures.

Stress testing is conducted regularly based on scenarios and assumptions which are designed to cover our portfolio comprehensively. For example, we stress-test our current portfolio by simulating the credit crisis of 2008, in which we measure the impact on capital and potential realized losses. We try to enhance the accuracy and relevancy of the results by taking into consideration the characteristics of the portfolios (e.g. type of products or expected holding period), the potential effect of hedging, and the expected time for profits and losses to be realized. In assessing capital adequacy, we also consider other types of risk we are exposed to, not only those surrounding our portfolio, but also operational risks and changes to fee pools under such scenarios, to incorporate overall impacts to Nomura Group.

4. Market Risk Management

Market risk is the risk of loss arising from fluctuations in the value of financial assets and liabilities (including off-balance sheet items) due to fluctuations in market risk factors (interest rates, foreign exchange rates, prices of securities and others).

(1) Market Risk Management Process

Effective management of market risk requires the ability to analyze a complex and evolving portfolio in a constantly changing global market environment, identify problematic trends and ensure that appropriate action is taken in a timely manner.

Nomura Group uses a variety of statistical risk measurement tools to assess and monitor market risk on an ongoing basis, including, but not limited to, Value at Risk ("VaR"), Stressed VaR ("SVaR") and Incremental Risk Charge ("IRC"). In addition, Nomura Group uses sensitivity analysis and stress testing to measure and analyze its market risk. Sensitivities are measures used to show the potential changes to a portfolio due to standard moves in market risk factors. They are specific to each asset class and cannot usually be aggregated across risk factors. Stress testing enables the analysis of portfolio risks or tail risks, including non-linear behaviors and can be aggregated across risk factors at any level of the group hierarchy, from group level to business division, units or desk levels. Market risk is monitored against a set of approved limits, with daily reports and other management information provided to the business units and senior management.

(2) Value at Risk

VaR is a measure of the potential loss due to adverse movements of market factors, such as equity prices, interest rates, credit, foreign exchange rates, and commodities with associated volatilities and correlations.

<u>VaR Methodology Assumptions</u>

Nomura Group uses a single VaR model which has been implemented globally in order to determine the total trading VaR. A historical simulation is implemented, where historical market moves over a two-year window are applied to current exposure in order to construct a profit and loss distribution. Potential losses can be estimated at required confidence levels or probabilities. A scenario weighting scheme is employed to ensure that the VaR model responds to changing market volatility. Nomura Group uses the same VaR model for both internal risk management purposes and for regulatory reporting. For internal risk management purposes, VaR is calculated across Nomura Group at a 99% confidence level and using a 1-day time horizon. For regulatory reporting purposes, Nomura Group uses the same confidence level but a 10-day time horizon, calculated using actual 10-day historical market moves. To complement VaR under Basel 2.5 regulations, Nomura Group also computes SVaR, which samples from a one-year window during a period of financial stress. The SVaR window is regularly calibrated and observations are equally weighted.

Nomura Group’s VaR model uses exact time series for each individual risk factor. However, if good quality data is not available, a ‘proxy logic’ maps the exposure to an appropriate time series. The level of proxying taking place is carefully monitored through internal risk management processes and there is a continual effort to source new time series to use in the VaR calculation.

VaR Backtesting

The performance of Nomura Group’s VaR model is constantly monitored to ensure that it remains fit for purpose. The main approach for validating VaR is to compare actual 1-day trading losses with the corresponding VaR estimate. Nomura Group’s VaR model is backtested at different hierarchy levels. Backtesting results are reviewed on a monthly basis by Nomura Group’s Risk Management Division. There was no instance where one-day trading losses exceeded the 99% VaR estimate at Nomura Group level for the year ended March 31, 2017.

Limitations and Advantages of VaR

VaR aggregates risks from different asset classes in a transparent and intuitive way. However, there are limitations. VaR is a backward-looking measure: it implicitly assumes that distributions and correlations of recent factor moves are adequate to represent moves in the near future. VaR is appropriate for liquid markets and is not appropriate for risk factors that exhibit sudden jumps. Therefore, it may understate the impact of severe events. Given these limitations, Nomura Group uses VaR only as one component of a diverse market risk management process.

(3) Incremental Risk Charge

Incremental Risk Charge (“IRC”), captures default and migration for credit sensitive positions as additional component to VaR and S-VaR. IRC estimates the default and migration risk of unsecuritized credit products over a one-year time horizon with 99.9% confidence level.

(4) Comprehensive Risk Measure

Comprehensive Risk Measure (the “CRM”), captures correlated default and other complex price risk for credit correlation trading portfolio calculated with using internal model. CRM calculates estimate of default and complex price risk of correlation trading portfolio over a one-year time horizon with 99.9% confidence level.

(5) Stress Testing

Nomura Group conducts market risk stress testing since VaR and sensitivity analysis have limited ability to capture all portfolio risks or tail risks. Stress testing for market risk is conducted daily and weekly, using various scenarios based upon features of trading strategies. Nomura Group conducts stress testing not only at each desk level, but also at a Nomura Group level with a set of common global scenarios in order to capture the impact of market fluctuations on the entire Nomura Group.

5. Securitization

(1) Risk Management Policy and a Brief Description of Risk Characteristics

The risk management framework mentioned in section 4. Market Risk.is also applied to Securitized Products. As for other products, the effective management of risks for securitization products requires the ability to analyze a complex and constantly changing global market environment, to identify problematic trends and to ensure that appropriate action is taken in a timely manner. A number of tools are used to help assess and manage the market risk for these products on an ongoing basis including Value-at-Risk; stress testing and sensitivity analysis.

(2) Implementation Status and a Brief Summary of Operations

A comprehensive framework is established for capturing the risk of the ultimate parent company for securitized exposure and also for underlying assets of securitization exposure on a need-to-know basis. Those allow us to capture structuring framework for securitization exposure and implement comprehensive risk characteristics and timely performance capturing framework in case the ultimate parent company holds securitization exposure that excluded from re-securitized transactions.

(3) Use of securitized products for credit risk mitigation

Nomura Group does not use securitized products for credit risk mitigation.

(4) Approach for the credit risk-weighted asset calculation of securitization exposures

Nomura Group does not calculate credit risk-weighted asset for securitization exposures.

(5) Use of market risk-weighted asset calculation of securitization exposures

Nomura Group uses the external ratings based approach.

(6) Securitization transactions of third party’s asset with using securitization purpose conduit entity

Nomura Group does not engage in these transactions, and does not have any securitized exposures to securitized transactions arranged by our group entities.

(7) Accounting policy for securitized transactions

Nomura Group uses daily mark to market pricing for securitized products.

(8) Eligible rating agencies used to assign ratings for the risk weights of securitization exposures.

Nomura Group uses ratings assigned by i) Moody’s Investors Services, Inc., ii) Standard & Poor's Financial Services LLC, iii) Fitch Ratings Ltd., iv) Rating and Investment Information, Inc., and v) Japan Credit Rating Agency, Ltd.

(9) Brief description of internal assessment approach if it is used

Nomura Group does not use the internal assessment approach.

(10) Brief description of significant changes to the quantitative information

There are no significant changes in the quantitative information for securitized products.

6. Credit Risk Management

Credit risk is the risk of loss arising from an obligor's default, insolvency or administrative proceeding which results in the obligor's failure to meet its contractual obligations in accordance with agreed terms. This includes both on and off-balance sheet exposures. It is also the risk of loss arising through a CVA associated with deterioration in the creditworthiness of a counterparty. Nomura Group manages credit risk on a global basis and on an individual Nomura legal entity basis.

(1) Credit Risk Management Framework

The measurement, monitoring and management of credit risk at Nomura Group is governed by a set of global policies and procedures. Credit Risk Management, a global function within the Risk Management Division, is responsible for the implementation and maintenance of these policies and procedures. These policies are authorized by the GIRMC and/or Global Risk Strategic Committee ("GRSC"), prescribe the basic principles of credit risk management and set delegated authority limits ,which enables Credit Risk Management personnel to set credit limits.

Credit risk is managed by Credit Risk Management together with various global and regional risk committees. This ensures transparency of material credit risks and compliance with established credit limits, the approval of material extensions of credit and the escalation of risk concentrations to appropriate senior management.

(2) Credit Risk Management Process

Credit Risk Management operates as a credit risk control function within the Risk Management Division, reporting to the CRO. The process for managing credit risk at Nomura Group includes:

- Evaluation of likelihood that a counterparty defaults on its payments and obligations;
- Assignment of internal ratings to all active counterparties;
- Approval of extensions of credit and establishment of credit limits;
- Measurement, monitoring and management of Nomura Group's current and potential future credit exposures;
- Setting credit terms in legal documentation; and
- Use of appropriate credit risk mitigants including netting, collateral and hedging.

The scope of credit risk management includes counterparty trading and various debt or equity instruments including loans, private equity investments, fund investments, investment securities and any other as deemed necessary from a credit risk management perspective. The evaluation of counterparties' creditworthiness involves a thorough due diligence and analysis of the business environments in which they operate, their competitive positions, management and financial strength and flexibility. Credit analysts also take into account the corporate structure and any explicit or implicit credit support. Credit Risk Management evaluates credit risk not only by counterparty, but also by counterparty group.

Following the credit analysis, Credit Risk Management estimates the probability of default of a given counterparty or obligor through an alphanumeric ratings scale similar to that used by rating agencies and a corresponding numeric scale. Credit analysts are responsible for assigning and maintaining the internal ratings, ensuring that each rating is reviewed and approved at least annually.

Nomura Group's internal rating system employs a range of ratings models to ensure global consistency and accuracy. These models are developed and maintained by the Risk Methodology Group. Internal ratings represent a critical component of Nomura Group's approach to managing counterparty credit risk. They are used as key factors in:

- Establishing the amount of counterparty credit risk that Nomura Group is willing to take to an individual counterparty or counterparty group (setting of credit limits);

- Determining the level of delegated authority for setting credit limits (including tenor);

- The frequency of credit reviews (renewal of credit limits);

- Reporting counterparty credit risk to senior management within Nomura Group; and

- Reporting counterparty credit risk to stakeholders outside of Nomura Group.

The Credit Risk Control Unit is a function within the Model Validation Group ("MVG") which is independent of Credit Risk Management. It ensures that Nomura Group's internal rating system is properly reviewed and validated, reporting any breaks or issues to senior management for timely resolution. The unit is responsible for ensuring that the system remains accurate and predictive of risk and provides periodic reporting on the system to senior management.

For regulatory capital calculation purposes, Nomura Group has been applying the Foundation Internal Rating Based Approach ("FIRB") in calculating credit risk-weighted assets since the end of March 2011. The Standardized Approach is applied to certain business units or asset types, which are considered immaterial to the calculation of credit risk-weighted assets

(3) Credit Limits and Risk Measures

Internal ratings form an integral part in the assignment of credit limits to counterparties. Nomura Group's credit limit framework is designed to ensure that Nomura Group takes appropriate credit risk in a manner that is consistent with its overall risk appetite. Global Credit policies define the delegated authority matrices that establish the maximum aggregated limit amounts and tenors that may be set for any single counterparty group based on their internal rating.

Nomura Group's main type of counterparty credit risk exposures arise from derivatives transactions or securities financing transactions. Credit exposures against counterparties are managed by means of setting credit limits based upon credit analysis of individual counterparty. Credit risk is managed daily through the monitoring of credit exposure against approved credit limits and the ongoing monitoring of the creditworthiness of Nomura Group's counterparties. Any change in circumstance that alters Nomura Group's risk appetite for any particular counterparty, sector, industry or country is reflected in changes to the internal rating and credit limit as appropriate.

Nomura Group's global systems record all credit limits and capture credit exposures to the Nomura Group's counterparties allowing Credit Risk Management to measure, monitor and manage utilization of credit limits, ensure appropriate reporting and escalation of any limit breaches.

For derivatives and securities financing transactions, Nomura Group measures credit risk primarily by way of a Monte Carlo-based simulation model that determines a Potential Exposure ("PE") profile at a specified confidence level. The exposure calculation model used for counterparty credit risk management has also been used for the Internal Model Method ("IMM") based exposure calculation for regulatory capital reporting purposes since the end of December 2012.

Loans and lending commitments are measured and monitored on both a funded and unfunded basis.

(4) Wrong Way Risk

Wrong Way Risk (“WWR”) occurs when exposure to a counterparty is highly correlated with the deterioration of creditworthiness of that counterparty. Nomura Group has established global policies that govern the management of any WWR exposures. Stress testing is used to support the assessment of any WWR embedded within existing portfolios and adjustments are made to credit exposures and regulatory capital, as appropriate.

(5) Stress Testing

Stress Testing is an integral part of Nomura Group’s management of credit risk. Regular stress tests are used to support the assessment of credit risks by counterparties, sectors and regions. The stress tests include potential concentrations that are highlighted as a result of applying shocks to risk factors, probabilities of default or rating migrations.

(6) Risk Mitigation

Nomura Group utilizes financial instruments, agreements and practices to assist in the management of credit risk. Nomura Group enters into legal agreements, such as the International Swap and Derivatives Association, Inc (“ISDA”) agreements or equivalent (referred to as “Master Netting Agreements”), with many of its counterparties. Master Netting Agreements allow netting of receivables and payables and reduce losses potentially incurred as a result of a counterparty default. Further reduction in credit risk is achieved through entering into collateral agreements that allow Nomura Group to obtain collateral from counterparties either upfront or contingent on exposure levels, changes in credit rating or other factors.

7. Operational Risk Management

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. It excludes strategic risk (the risk of loss as a result of poor strategic business decisions), but includes the risk of breach of legal and regulatory requirements and the risk of damage to Nomura Group’s reputation if caused by an operational risk.

(1) The Three Lines of Defense

Nomura Group adopts the industry standard “Three Lines of Defense” for the management of operational risk, comprising the following elements:

1) 1st Line of Defense: The business which owns and manages its risks

2) 2nd Line of Defense: The Operational Risk Management (“ORM”) function, which defines and co-ordinates Nomura Group’s operational risk strategy and framework and provides challenge to the 1st Line of Defense

3) 3rd Line of Defense: Internal and External Audit, who provide independent assurance

(2) Operational Risk Management Framework

An Operational Risk Management Framework has been established in order to allow Nomura Group to identify, assess, manage, monitor and report on operational risk. The GIRMC, with delegated authority from the EMB has formal oversight over the management of operational risk.

This framework is set out below:

Infrastructure of the framework

- Policy framework: Sets standards for managing operational risk and details how to monitor adherence to these standards.

- Training and awareness: Action taken by ORM to improve business understanding of operational risk.

Products and Services

- Risk and Control Self-Assessment ("RCSA"): The process used by business units to identify and assess the operational risks to which they are exposed, the controls in place to mitigate risks, and action plans to further reduce risk.

- Scenario Analysis: Process to identify and assess high impact, low probability 'tail events'.

- Event Reporting: Process to obtain information on and learn from actual events impacting Nomura Group and relevant external events. A key step is to identify appropriate action plans to prevent or mitigate future occurrence of events.

- Key Risk Indicators ("KRI"): Metrics which allow monitoring of certain key operational risks and trigger appropriate responses as thresholds are breached.

Outputs

- Analysis and reporting: A key aspect of ORM's role is to analyze, report, and challenge operational risk information provided by business units, and work with business units to develop action plans to mitigate risks.

- Operational risk capital calculation: Calculate operational risk capital as required under applicable Basel standards and local regulatory requirements.

(3) Regulatory Capital Calculation for Operational Risk

Nomura Group uses The Standardized Approach for calculating regulatory capital for operational risk. This involves using a three-year average of gross income allocated to business lines, which is multiplied by a fixed percentage ("Beta Factor") determined by the FSA, to establish the amount of required operational risk capital.

Nomura Group uses consolidated net revenue as gross income, however for certain consolidated subsidiaries, gross operating profit is used as gross income. Gross income allocation is performed by mapping the net revenue of each business segment as defined in Nomura Group's management accounting data to each business line defined in the Standardized Approach as follows:

Business Line	**Description**	**Beta Factor**
Retail Banking	Retail deposit and loan-related services	12%
Commercial Banking	Deposit and loan-related services except for Retail Banking business	15%
Payment and Settlement	Payment and settlement services for clients' transactions	18%
Retail Brokerage	Securities-related services mainly for individuals	12%
Trading and Sales	Market-related business	18%
Corporate Finance	M&A, underwriting, secondary and private offerings, and other funding services for clients	18%
Agency Services	Agency services for clients such as custody	15%
Asset Management	Fund management services for clients	12%

(4) Calculation Process of Regulatory Capital for Operational Risk

- Nomura Group calculates the required amount of operational risk capital for each business line by multiplying the allocated annual gross income amount by the appropriate Beta Factor defined above. The operational risk capital for any gross income amount not allocated to a specific business line is determined by multiplying such unallocated gross income amount by a fixed percentage of 18%.

- The total operational risk capital for Nomura Group is calculated by aggregating the total amount of operational risk capital required for each business line and unallocated amount and by determining a three-year average. Where the aggregated amount for a given year is negative, then the total operational risk capital amount for that year will be calculated as zero.

  In any given year, negative amounts in any business line are offset against positive amounts in other business lines. However, negative unallocated amounts are not offset against positive amounts in other business lines and are calculated as zero.

- Operational risk capital is calculated at the end of September and March each year.

8. Model Risk Management

Model risk is the risk of loss arising from model errors or incorrect or inappropriate model application with regard to Valuation Models and Risk Models.

Errors can occur at any point from model assumptions through to implementation. In addition, the quality of model outputs depends on the quality of model parameters and any input data. Even a fundamentally sound model producing accurate outputs consistent with the design objective of the model may exhibit high model risk if it is misapplied or misused.

To address these risks, Nomura has established its model risk appetite, which includes a qualitative statement and a quantitative measure. The qualitative statement for model risk specifies that it is expected that models are used correctly and appropriately. The quantitative risk appetite measure is based on Nomura's assessment of the potential loss arising from model risk.

(1) Model Management Framework

The models within the model management framework are defined as either:

- Valuation models, used for calculating prices and risk sensitivities of Nomura Group's positions; or,
- Risk models, used for quantifying the risk of a portfolio by calculating the potential losses incurred from a specific type of risk, and used for regulatory or economic capital calculations, margin requirement calculations for non-centrally cleared derivative transactions, limit monitoring, trade approval and management reporting.

Before models are put into official use, the MVG is responsible for validating their integrity and comprehensiveness independently from those who design and build them. As part of this validation process, the MVG analyzes a number of factors to assess a model's suitability, to quantify model risk which is then mitigated by applying model reserves and capital adjustments. Valuation models are developed and maintained by the business units and risk models by the Risk Methodology Group ("RMG") within the Risk Management Division. Certain models may also be developed by third party providers. The RMG has primary responsibility for the ongoing refinement and improvement of risk models and methodologies within Nomura Group.

All models are also subject to an annual re-approval process by MVG to ensure they remain suitable. Upon delegation from the GRMC, the MRAC's and GRAC's primary responsibility is to govern and provide oversight of model management for valuation and risk models, respectively.

(2) Changes to Valuation and Risk Models

Nomura Group has documented policies and procedures in place, approved by the GIRMC and/or GRSC, which define the process and validation requirements for implementing changes to valuation and risk models. In addition, a Model Performance Monitoring process has been established to identify and assess specific events, that can indicate that a model is not performing as it should or is potentially unsuitable and to determine what actions (for example, additional validation work) might be necessary. For changes with an impact above certain materiality thresholds, model approval is required. MVG defines these materiality thresholds in a formal procedure and operates a control process to identify where the procedure is not followed. For certain material changes to risk models, backtesting of the new model, parallel running of both models and stress-testing of the new model are required prior to the model being approved.

9. Equity Exposures in Non-trading Book

Risk generated by equity exposures in non-trading book is managed by means of initial credit analysis at the stage of investment combined with risk monitoring after the investment. At the stage of investment, transparent approval processes have been established and managed, as per Decision-making Policies set up by the Group or the entities within the Group, such as the circulation of approval requests whose reviewers and approver are determined according to the form and the amount of investment, and the deliberation and voting at the Global Risk Management Committee, chaired by the CRO.

As for risk monitoring after the investment, the risk amount arisen from individual investments etc. is captured by way of measuring VaR or outstanding balance, and is shared with senior management, business units, middle offices and back offices so that the risk can be managed in a timely manner.

For Private Equity investments, the Nomura Group manages the exposures, by not only calculating the credit risk assets periodically as per FIRB, Foundation Internal Rating Based Approach, but also by monitoring the ratio of regulatory stipulated consolidated capital allocated to the credit risk assets for these investments.

10. Management of Interest Rate Risk under Non-trading Activities

The Group's main business activity is in within the trading book; therefore, interest rate risk is managed under market risk management framework. It is recognised that interest rate risk for non-trading activities is quite small for both assets and liabilities.

11. Qualitative Disclosure with Regard to Standardised Approach

Eligible external credit assessment institutions ("ECAIs") for the purpose of determining risk weights:

The Group uses the following 5 eligible ECAIs for the purpose of determining risk weights for all type of exposures.

- Rating and Investment Information, Inc.
- Japan Credit Rating Agency, Ltd.
- Moody's Investors Service, Inc.
- Standard & Poor's Rating Services
- Fitch Ratings Ltd.

12. Consolidated Balance Sheet when the Regulatory Scope of Consolidation Is Applied

(Unit: JPY million)

	BS for regulatory scope of consolidation		Basel III template No. (corresponding item in Chapter 1)
	2017/3/31	2016/12/31	
Assets			
Cash and cash deposits	2,942,738	3,071,090	
Loans and receivables	3,081,851	2,855,661	
Collateralized agreement	18,718,241	17,967,167	
Trading assets and private equity investments	15,178,197	16,152,028	
Other assets	2,497,320	2,568,406	
out of which, goodwill	80,406	83,586	8
out of which, intangibles other than goodwill and mortgage-servicing rights	125,703	130,699	9
out of which, mortgage-servicing rights	―	―	20,24
Total assets	42,418,348	42,614,352	
Liability			
Borrowings, payables and deposits	11,446,248	12,200,483	
Collateralized financing	19,061,091	17,986,808	
Trading liabilities	8,179,485	8,696,327	
Other liabilities	940,426	916,345	
Of which, differed tax liability related to good will	―	―	8
Of which, differed tax liability related to intangibles other than goodwill and mortgage-servicing rights	7,807	9,831	9
Of which, differed tax liability related to mortgage-servicing rights	―	―	20,24
Total liabilities	39,627,249	39,799,963	
Equity			
Common stock and additional paid-in capital	1,275,821	1,276,251	1a
Retained earnings	1,645,498	1,624,025	2
Accumulated other comprehensive income	13,309	54,778	3
Common stock held in treasury	△182,792	△186,023	1c
Non-controlling interest	39,262	45,359	
Total capital	2,791,098	2,814,390	

CHAPTER 3 QUANTITATIVE DISCLOSURE

1. Capital Ratios of Financial Institutions that Nomura Group Owns More Than 10% of their Issued Capital and Are Subsidiaries of Nomura Group

There are no such financial institutions which are not in compliance with applicable regulatory capital adequacy requirements.

2. Consolidated Capital Adequacy Ratio

(Unit: JPY Billion)

		2017/3/31	2016/3/31
Common Equity Tier1 Capital	(A)	2,549.2	2,469.4
Tier1 Capital	(B)	2,689.8	2,577.5
Total Capital	(C)	2,799.4	2,900.6
Risk-Weighted Assets	(D)=(E)+(F)+(G)	13,977.9	15,970.5
Credit risk-weighted assets	(E)	7,762.6	7,872.0
Amount equivalent to Market Risk divided by 8%	(F)	3,504.6	5,307.4
Amount equivalent to Operational Risk divided by 8%	(G)	2,710.6	2,791.2
Common Equity Tier1 Ratio	(A)/(D)×100	18.2%	15.4%
Tier1 Ratio	(B)/(D)×100	19.2%	16.1%
Consolidated Capital Adequacy Ratio	(C)/(D)×100	20.0%	18.1%

3. Capital Adequacy

(1) Capital Requirements by Risk Category

(Unit: JPY Billion)

	2017/3/31		2016/3/31	
	EAD	Capital Requirements	EAD	Capital Requirements
Credit Risk	22,152.3	658.1	23,846.7	700.9
Internal Ratings Based (IRB) Approach	16,652.5	440.8	17,604.1	443.0
Bank exposures	8,725.5	77.1	8,787.2	74.6
Sovereign exposures	3,257.1	5.8	4,965.3	7.4
Corporate exposures (excluding specialized lending)	3,457.6	109.7	2,778.6	102.4
Corporate exposures (specialized lending)	114.6	7.9	157.3	12.8
Equity exposures	720.0	179.3	565.5	145.3
Market-based approach (simple risk-weight method)	720.0	179.3	565.5	145.3
Transitional arrangements (grandfathering provisions)	-	-	-	-
Other exposures	319.7	41.2	286.4	78.9
Fund exposures	57.9	19.6	63.9	21.7
Standardized Approach	827.8	33.0	794.4	33.5
Exposures to central counterparties (CCP)	4,672.1	24.8	5,448.1	31.9
CVA risk	-	159.5	-	192.4
Market Risk	-	280.4	-	424.6
Internal Models Approach and external rating based approach	-	280.4	-	424.6
Operational Risk	-	216.9	-	223.3
The Standardized Approach	-	216.9	-	223.3
Consolidated Total Capital Requirements	-	1,118.2	-	1,277.6

1 EAD: Exposures at default
2 Capital Requirements (Credit Risk): Credit RWA of IRBA is RWA(after multiplier of 1.06 for exposures under IRB) * 8% ＋ Expected Loss. Credit RWA of SA is RWA*8%
3 Capital Requirements (Market Risk): Market Risk
4 Capital Requirements (Operational Risk): Operational Risk
5 Consolidated Total Capital Requirements: (Credit RWA + Market Risk / 8% + Operational Risk / 8%）* 8%
6 Exposures are classified in accordance with the provisions of the Capital Adequacy Notice and disclosed based on the calculation method adopted by Nomura Group.
7 Market-based Approach (simple risk-weight method)：Risk weights of 300% and 400% are applied for listed and non-listed securities, respectively. Further, risk weight of 250% is applied for significant investments in financial institutions which are not subject to capital deduction.
8 Other exposures include unsettled transactions, cash and other assets.
9 Fund exposures are measured using a method applicable to investment trusts, funds, etc. in accordance with the Capital Adequacy Notice.
10 Standardized Approach is used for business units and asset classes to which IRB Approach is not applied.
11 Internal Models Approach refers to a method to calculate Market Risk through internal models.
12 External ratings based approach: This method determines Market Risk by using external ratings for securitized products.
13 The Standardized Approach: Operational Risk is determined by multiplying net revenue by business line by multiplier applicable to the business line.

(2) Securitization exposures are treated as exposures associated with trading activities.

(3) Equity exposures that are measured using the internal models method out of those which are subject to market-based approaches: None

(4) Equity exposures subject to PD/LGD approach: None

(5) Amount of capital requirements for market risk calculated under Standardized Method: None

(6) Amount of capital requirements for operational risk calculated under Basic Indicator Approach or Advanced Measurement Approaches: None

4. Credit Risk (Excluding Exposures Calculated under "Funds" Rules and Securitization Exposures)

(1) Credit risk exposures

i) By geographic area

(Unit: JPY Billion)

	2017/3/31			2016/3/31		
	Derivative	Repo	Others	Derivative	Repo	Others
Japan	1,384.1	1,473.2	2,554.4	1,389.7	797.8	3,665.8
Non-Japan	2,382.6	7,115.1	1,685.2	2,185.0	7,870.5	1,631.5
Europe	1,578.5	1,635.1	737.6	1,356.2	2,749.1	984.9
North America	484.1	4,540.0	729.0	507.6	4,536.6	473.9
Asia	320.0	940.0	218.6	321.2	584.8	172.7
Total	3,766.7	8,588.3	4,239.6	3,574.6	8,668.4	5,297.3
Standardized Approach	―	―	827.8	―	―	794.4

ii) By industry type

(Unit: JPY Billion)

	2017/3/31			2016/3/31		
	Derivative	Repo	Others	Derivative	Repo	Others
Banking	1,530.4	4,614.3	1,116.5	1,348.3	4,664.1	861.4
Broker/Dealer	291.9	1,052.7	28.5	286.5	1,542.5	44.1
Other Financial / Insurance	1,297.6	1,689.9	221.7	1,259.5	1,037.9	529.9
Government and Local authorities	261.8	1,217.8	1,782.6	295.5	1,410.4	2,992.1
Retail related	59.7	0.7	32.5	99.5	0.4	40.5
Other	325.2	13.0	1,057.8	285.3	13.0	829.2
Total	3,766.7	8,588.3	4,239.6	3,574.6	8,668.4	5,297.3
Standardized Approach	―	―	827.8	―	―	794.4

iii) By residual contractual maturity

(Unit: JPY Billion)

	2017/3/31			2016/3/31		
	Derivative	Repo	Others	Derivative	Repo	Others
Due within 1 year	309.8	7,271.1	291.2	267.1	7,408.5	249.0
Due over 1 year to 3 years	163.8	647.5	2,712.9	129.1	656.6	3,849.5
Due over 3 years to 5 years	45.7	291.4	42.4	77.3	433.3	76.9
Due over 5 years	3,247.5	378.3	19.2	3,101.1	169.9	26.2
Terms not specified	―	―	1,173.8	―	―	1,095.8
Total	3,766.7	8,588.3	4,239.6	3,574.6	8,668.4	5,297.3

Standardized Approach	—	—	827.8	—	—	794.4

1 The amounts of exposures are calculated after taking into account the effects of credit risk mitigation because the IMM-based exposure calculation incorporates the effect of credit risk mitigation into the model calculation.
2 Geographic areas and industry types are based on those used by Nomura Group for its internal management purpose.
3 "Retail related" refers to commerce, leisure, retail, restaurants, airlines, distribution, healthcare, automobile, housing and others.
4 Credit risk exposures for "Terms not specified" include the exposures calculated using the longest maturity for the calculation purpose.

(2) Outstanding amount of and changes in general provisions, specific provisions and reserves for specific foreign loans, and write-off amount by sector or borrower;

While general provisions and specific provisions can be counted as capital for the purpose of the Capital Adequacy Notice, we do not include these provisions in capital given that the amounts are immaterial.

(3) The amount of exposures subject to Standardized Approach after taking into account the effect of credit risk mitigation for each risk weight classification (classification is not required if the amount of credit extensions with external ratings is less than 1% of total credit extensions), and the amount of exposures to which risk weight of 1,250% shall apply in accordance with Item 2, Paragraph 2, Article 55, Article 101, Item 2, Paragraph 2, Article 155, and Article 225 of the Capital Adequacy Notice (only if applied *mutatis mutandis* pursuant to Article 103 and Paragraph 1, Article 112 of the Capital Adequacy Notice);

(Unit: JPY Billion)

	2017/3/31	2016/3/31
Risk Weight	Exposure after credit risk mitigation	Exposure after credit risk mitigation
0%	49.2	67.9
10%	—	—
20%	29.3	38.3
35%	—	0.0
50%	11.3	15.9
100%	376.4	311.9
150%	11.2	3.2
350%	8.5	9.9
625%	—	—
937.5%	—	—
1,250%	—	—
Total	486.0	447.1

(4) Out of the exposures subject to IRB Approach, outstanding amount of Specialized Lending exposures mapped to slotting criteria and equity exposures subject to market-based approach (simple risk weight method), by risk weight bucket where risk weights prescribed in Paragraphs 3 and 5, Article 129 and Paragraph 4, Article 143 of the Capital Adequacy Notice shall apply;

1) Specialized Lending exposures mapped to slotting criteria by risk weight

(Unit: JPY Billion)

	2017/3/31	2016/3/31
Risk Weight		
50%	59.6	19.9
70%	18.5	17.1
90%	18.3	116.9
95%	—	—

115%	16.4	—
120%	—	—
140%	—	—
250%	1.5	3.3
0%	0.3	0.0
Total	114.6	157.3

2) Equity exposures subject to market-based approach (simple risk weight method):

- Total equity exposures subject to market-based approach; JPY 720.0 billion
- Equity exposures subject to 300% risk weight category; JPY 542.4 billion
- Equity exposures subject to 400% risk weight category; JPY 177.6 billion

(5) Portfolios subject to IRB Approach

1) Exposures subject to IRB Approach (by exposure category)

(Unit: JPY Billion, %)

	2017/3/31							
	EAD-weighted average PD (%)	EAD-weighted average LGD (%)	EAD-weighted average ELdefault (%)	EAD-weighted average risk weights (%)	EAD (on-balance)	EAD (off-balance)	Amount of undrawn commitments	Weighted average factor for undrawn commitments (%)
Corporate exposures	1.33%	33.07%	-	31.26%	160.4	3,297.2	0.2	75.00%
AAA～AA-	0.03%	28.91%	-	5.46%	55.8	1,090.0	—	—
A+～BBB-	0.14%	35.67%	-	23.30%	32.8	1,734.3	—	—
BB+～CCC	7.85%	33.38%	-	111.49%	71.5	472.5	0.2	75.00%
CC～D	100.00%	43.00%	43.00%	0.00%	0.4	0.4	—	—
Bank exposures	0.27%	22.67%	-	9.96%	1,095.8	7,629.8	—	—
AAA～AA-	0.03%	23.23%	-	4.06%	271.0	2,312.0	—	—
A+～BBB-	0.12%	23.70%	-	11.54%	810.3	4,772.1	—	—
BB+～CCC	2.97%	9.81%	-	21.40%	14.4	545.6	—	—
CC～D	100.00%	45.00%	45.00%	0.00%	0.0	0.0	—	—
Sovereign exposures	0.08%	50.45%	-	1.70%	1,782.6	1,474.5	—	—
AAA～AA-	0.00%	51.24%	-	0.33%	1,779.2	1,123.0	—	—
A+～BBB-	0.10%	43.94%	-	12.84%	1.2	350.4	—	—
BB+～CCC	0.73%	45.00%	-	53.92%	0.0	1.0	—	—
CC～D	100.00%	45.00%	45.00%	0.00%	2.2	—	—	—
Total	0.47%	30.86%	-	12.99%	3,038.8	12,401.5	0.2	75.00%
AAA～AA-	0.02%	36.47%	-	2.67%	2,106.0	4,525.1	—	—
A+～BBB-	0.12%	27.37%	-	14.30%	844.3	6,856.8	—	—
BB+～CCC	5.36%	21.44%	-	65.78%	85.9	1,019.1	0.2	75.00%
CC～D	100.00%	44.45%	44.45%	0.00%	2.6	0.5	-	-

(Unit: JPY Billion, %)

	2016/3/31							
	EAD-weighted average PD (%)	EAD-weighted average LGD (%)	EAD-weighted average ELdefault (%)	EAD-weighted average risk weights (%)	EAD (on-balance)	EAD (off-balance)	Amount of undrawn commitments	Weighted average factor for undrawn commitments (%)
Corporate exposures	1.73%	38.60%	―	36.27%	397.4	2,381.2	0.2	75.00%
AAA～AA-	0.03%	41.94%	―	10.96%	170.6	549.3	―	―
A+～BBB-	0.15%	39.34%	―	26.87%	162.0	1,399.7	―	―
BB+～CCC	8.27%	31.34%	―	103.47%	64.4	427.8	0.2	75.00%
CC～D	100.00%	44.95%	44.95%	0.00%	0.4	4.3	―	―
Bank exposures	0.28%	19.99%	―	9.56%	849.3	7,937.9	―	―
AAA～AA-	0.03%	14.60%	―	2.58%	253.8	3,900.0	―	―
A+～BBB-	0.13%	26.43%	―	14.73%	573.9	3,607.5	―	―
BB+～CCC	4.01%	9.88%	―	25.87%	21.6	430.3	―	―
CC～D	100.00%	45.00%	45.00%	0.00%	0.0	0.0	―	―
Sovereign exposures	0.05%	44.96%	―	1.51%	2,991.0	1,974.3	―	―
AAA～AA-	0.00%	44.97%	―	0.24%	2,984.0	1,686.4	―	―
A+～BBB-	0.12%	44.87%	―	16.22%	4.8	281.4	―	―
BB+～CCC	21.79%	45.00%	―	197.63%	2.2	6.5	―	―
CC～D	―	―	―	―	―	―	―	―
Total	0.45%	30.62%	―	11.63%	4,237.7	12,293.4	0.2	75.00%
AAA～AA-	0.02%	31.52%	―	2.07%	3,408.3	6,135.7	―	―
A+～BBB-	0.13%	30.65%	―	17.95%	740.7	5,288.6	―	―
BB+～CCC	6.37%	21.28%	―	67.52%	88.2	864.6	0.2	75.00%
CC～D	100.00%	44.95%	44.95%	0.00%	0.4	4.4	―	―

2) Exposures subject to IRB Approach (by geographic area)

(Unit: JPY Billion, %)

	2017/3/31							
	EAD-weighted average PD (%)	EAD-weighted average LGD (%)	EAD-weighted average ELdefault (%)	EAD-weighted average risk weights (%)	EAD (on-balance)	EAD (off-balance)	Amount of undrawn commitments	Weighted average factor for undrawn commitments (%)
Japan	0.33%	44.39%	-	11.75%	1,715.8	2,866.7	0.2	75.00%
AAA～AA-	0.01%	47.43%	-	2.72%	1,502.8	1,421.6	－	－
A+～BBB-	0.10%	40.27%	-	19.16%	184.1	1,302.8	－	－
BB+～CCC	7.55%	28.38%	-	101.84%	28.6	142.3	0.2	75.00%
CC～D	100.00%	43.01%	43.01%	0.00%	0.4	0.0	－	－
Europe	0.90%	37.76%	-	21.69%	551.8	3,248.3	－	－
AAA～AA-	0.01%	56.70%	-	3.11%	379.5	588.5	－	－
A+～BBB-	0.13%	35.84%	-	22.07%	139.3	2,010.4	－	－
BB+～CCC	4.26%	16.84%	-	46.99%	30.9	649.4	－	－
CC～D	100.00%	45.00%	45.00%	0.00%	2.2	－	－	－
North America	0.18%	18.10%	-	7.41%	566.3	5,026.2	－	－
AAA～AA-	0.03%	16.70%	-	2.22%	200.1	2,426.1	－	－
A+～BBB-	0.08%	18.58%	-	7.96%	355.0	2,472.0	－	－
BB+～CCC	4.94%	34.61%	-	94.27%	11.1	128.2	－	－
CC～D	100.00%	45.00%	45.00%	0.00%	－	0.0	－	－
Asia	0.92%	19.35%	-	15.54%	204.8	1,260.2	－	－
AAA～AA-	0.03%	39.19%	-	8.21%	23.6	88.9	－	－
A+～BBB-	0.21%	17.25%	-	9.43%	166.0	1,071.7	－	－
BB+～CCC	9.10%	22.40%	-	88.89%	15.2	99.2	－	－
CC～D	100.00%	42.93%	42.93%	0.00%	0.0	0.4	－	－
Total	0.47%	30.86%	-	12.99%	3,038.8	12,401.5	0.2	75.00%
AAA～AA-	0.02%	36.47%	-	2.67%	2,106.0	4,525.1	－	－
A+～BBB-	0.12%	27.37%	-	14.30%	844.3	6,856.8	－	－
BB+～CCC	5.36%	21.44%	-	65.78%	85.9	1,019.1	0.2	75.00%
CC～D	100.00%	44.45%	44.45%	0.00%	2.6	0.5	－	－

(Unit: JPY Billion, %)

	2016/3/31							
	EAD-weighted average PD (%)	EAD-weighted average LGD (%)	EAD-weighted average ELdefault (%)	EAD-weighted average risk weights (%)	EAD (on-balance)	EAD (off-balance)	Amount of undrawn commitments	Weighted average factor for undrawn commitments (%)
Japan	0.30%	42.34%	－	9.34%	2,916.8	2,196.2	0.2	75.00%
AAA～AA-	0.01%	44.08%	－	2.03%	2,758.3	989.3	－	－
A+～BBB-	0.12%	38.74%	－	23.62%	140.7	1,094.6	－	－
BB+～CCC	7.14%	25.77%	－	87.40%	17.5	108.0	0.2	75.00%
CC～D	100.00%	44.95%	44.95%	0.00%	0.4	4.3	－	－
Europe	0.76%	35.68%	－	17.71%	746.5	4,144.1	0.0	75.00%
AAA～AA-	0.01%	44.48%	－	2.30%	350.8	1,471.1	－	－
A+～BBB-	0.15%	33.67%	－	20.74%	352.0	2,139.1	－	－
BB+～CCC	5.78%	16.57%	－	53.22%	43.7	533.8	0.0	75.00%
CC～D	100.00%	45.00%	45.00%	0.00%	0.0	0.1	－	－
North America	0.17%	16.17%	－	6.74%	415.7	5,047.0	－	－
AAA～AA-	0.03%	13.19%	－	1.84%	267.3	3,580.5	－	－
A+～BBB-	0.09%	22.06%	－	10.83%	134.2	1,351.0	－	－
BB+～CCC	5.25%	37.02%	－	105.33%	14.2	115.5	－	－
CC～D	100.00%	45.00%	45.00%	0.00%	0.0	0.0	－	－
Asia	1.24%	25.21%	－	19.84%	158.8	906.0	－	－
AAA～AA-	0.03%	30.52%	－	6.73%	32.0	94.8	－	－
A+～BBB-	0.19%	24.82%	－	13.80%	113.9	703.8	－	－
BB+～CCC	9.65%	22.25%	－	74.69%	12.9	107.4	－	－
CC～D	100.00%	45.00%	45.00%	0.00%	0.0	0.0	－	－
Total	0.45%	30.62%	－	11.63%	4,237.7	12,293.4	0.2	75.00%
AAA～AA-	0.02%	31.52%	－	2.07%	3,408.3	6,135.7	－	－
A+～BBB-	0.13%	30.65%	－	17.95%	740.7	5,288.6	－	－
BB+～CCC	6.37%	21.28%	－	67.52%	88.2	864.7	0.2	75.00%
CC～D	100.00%	44.95%	44.95%	0.00%	0.4	4.4	－	－

1 PD and LGD represent an estimated probability of default occurring over the next 1-year period and a percentage of loss on the defaulted exposure relative to its EAD (Exposure at Default), respectively.

2 EAD is shown after taking into account the effect of credit risk mitigation.

3 The above is based on internal ratings used for the purpose of calculating credit RWA, which are more conservative than the actual internal ratings assigned to certain exposures.

4 Ratings CC, C, and D are treated as defaulted for the purpose of calculating consolidated capital adequacy ratios.

5 Out of the exposures to which the IRB approach is applied, unsettled transactions, equity exposures, specialized lending exposures assigned to the slotting criteria, exposures relating to funds, cash and other assets are excluded.

6 Based on geographic areas used by Nomura Group for its internal management purpose.

3) For equity exposures subject to PD/LGD Approach, estimated PD, a weighted average of risk weights, and outstanding exposure amount by obligor rating

   There are no such exposures.

4) For residential real estate exposures, qualifying revolving retail exposures, and other retail exposures, one of the following items;

   i) Estimated PD, a weighted average of estimated LGD values (including $EL_{default}$ of defaulted exposures), a weighted average of risk weights, estimated EAD of on-balance sheet asset items, estimated EAD of off-balance sheet asset items, undrawn amounts of commitments and a weighted average of estimated credit conversion factors applied to those undrawn amounts by pool; or

   ii) An analysis of the exposures by pool with an appropriate number of EL (Expected Loss) classes

   Credit RWA arising from our retail exposures is immaterial. Therefore we do not develop retail pools but classify these exposures as either corporate exposures or exempted assets.

(6) Actual losses incurred during the most recent reporting period, a comparison of such actual losses and the historical actual losses, and an analysis of drivers for the differences, and a comparison of estimated and actual losses over long periods, to be shown by Corporate Exposures, Sovereign Exposures, Bank Exposures, Equity Exposures subject to PD/LGD approach, Residential Real Estate Exposures, Qualifying Revolving Exposures and other Retail Exposures;

It is important for Nomura Group to capture the fair values of financial assets and their price fluctuation risk as our businesses primarily revolve around market-oriented transactions and related transactions. The exposures subject to IRB Approach are mostly counterparty credit exposures arising from derivative transactions, and there are many cases where losses on those counterparty credit exposures are recognized due to revaluation of fair values (unrealized P&L) and/or as a result of the sale of positions (realized P&L). As those losses are a mixture of credit risk factors and market risk factors, it is difficult to distinguish one from the other. Therefore we do not collect the actual loss data attributable to credit risk only.

Our estimated PD on exposures subject to the IRB Approach has been very conservative compared to the actual historical PD as we have experienced very few defaults over a long period of time.

5. Credit Risk Mitigation

Exposures subject to the application of credit risk mitigation techniques under IRB Approach

(Unit: JPY Billion)

	2017/3/31			
	Eligible Financial Collateral	Other eligible collateral	Guarantees	Credit Derivatives
IRB Approach	5,361.3	—	—	—
Bank exposures	4,416.5	—	—	—
Sovereign exposures	30.7	—	—	—
Corporate exposures	914.1	—	—	—

(Unit: JPY Billion)

	2016/3/31			
	Eligible Financial Collateral	Other eligible collateral	Guarantees	Credit Derivatives
IRB Approach	5,288.1	—	—	—
Bank exposures	4,887.5	—	—	—
Sovereign exposures	8.4	—	—	—
Corporate exposures	392.2	—	—	—

1 Eligible Financial Collateral refers to cash and securities that are recognized as eligible pursuant to the Capital Adequacy Notice.

2 The amounts of Eligible Financial Collateral shown above correspond to those applied to the exposures for which IMM-based exposure calculation is not used, because the IMM-based exposure calculation incorporates the effect of credit risk mitigation into the model calculation.

6. Counterparty Credit Risk in Derivative Trades and Long Settlement Transactions

(1) Counterparty credit risk for derivative transactions and Long Settlement Transactions

(Unit: JPY Billion)

		2017/3/31		
		Gross replacement cost	Gross Add-on	Credit equivalent amount (before collateral benefit)
Derivative transactions	(A)	844.5	2,454.3	3,298.7
Foreign exchange and Gold		65.5	82.7	148.2
Interest rates related		262.0	211.8	473.8
Equity related		499.7	2,064.2	2,564.0
Commodity related (other than gold)		0.0	0.4	0.4
Other commodity related		6.8	48.2	55.0
Credit derivatives		10.4	46.9	57.3
Long Settlement Transactions	(B)	—	—	—
Netting Benefit	(C)	—	—	1,752.0
Netted credit equivalent amount	(D)=(A)+(B)-(C)	—	—	1,546.7
Collateral amount	(E)	—	—	151.1
Eligible financial collateral		—	—	151.1
Credit equivalent amount (after collateral benefit)	(D)-(E)	—	—	1,395.6

(Unit: JPY Billion)

		2016/3/31		
		Gross replacement cost	Gross Add-on	Credit equivalent amount (before collateral benefit)
Derivative transactions	(A)	1,007.4	2,395.6	3,403.0
Foreign exchange and Gold		99.7	68.3	168.0
Interest rates related		223.0	132.0	355.0
Equity related		655.8	2,095.1	2,750.8
Commodity related (other than gold)		0.0	0.4	0.4
Other commodity related		17.6	57.8	75.4
Credit derivatives		11.4	41.9	53.3
Long Settlement Transactions	(B)	0.0	0.0	0.0
Netting Benefit	(C)	—	—	1,937.3
Netted credit equivalent amount	(D)=(A)+(B)-(C)	—	—	1,465.6
Collateral amount	(E)	—	—	210.3
Eligible financial collateral		—	—	210.3
Credit equivalent amount (after collateral benefit)	(D)-(E)	—	—	1,255.3

1 This table shows the aggregated amounts for exposures to which Current Exposure Method is applied.

(2) Notional amount of credit derivatives subject to credit risk calculation by types of credit derivatives and by Buy/Sell of protection

(Unit: JPY Billion)

	2017/3/31		2016/3/31	
	Sell	Buy	Sell	Buy
CDS（single name）	12,028.9	11,860.8	15,608.6	15,532.1
CDS（index）	5,130.0	5,133.1	5,796.1	5,982.5
Other credit risk related portfolio product	445.3	503.2	355.4	436.1
Credit risk related option and swaption	—	—	67.4	153.8
Total	17,604.2	17,497.1	21,827.4	22,104.5

7. Securitization Exposures

Securitization exposures are treated as exposures associated with trading activities.

(1) Non-CRM securitization exposure: total amounts and breakdown by types of major underlying assets

(Unit: JPY Billion)

	3/31/2017		
	Exposure amount	(out of which, re-securitization exposure)	(out of which, risk weight of 100% applied)
RMBS	65.2	8.8	29.1
CMBS	3.6	―	3.6
CDO/CLO	72.1	0.9	46.6
Consumer	1.1	―	―
Commercial	0.0	―	0.0
Other	1.0	―	0.1
Total	143.1	9.7	79.4

(Unit: JPY Billion)

	3/31/2016		
	Exposure amount	(out of which, re-securitization exposure)	(out of which, risk weight of 100% applied)
RMBS	102.2	13.4	51.8
CMBS	93.9	―	9.6
CDO/CLO	56.8	0.0	25.2
Consumer	5.2	0.0	1.4
Commercial	1.0	―	0.0
Other	23.9	0.4	7.7
Total	283.0	13.8	95.7

(2) Non-CRM securitization exposure: balances and capital requirements by risk weight bucket

(Unit: JPY Billion)

	3/31/2017			
	Exposure amount	(out of which, re-securitization exposure)	Capital requirement	(out of which, re-securitization exposure)
1.6% or below	4.3	—	0.1	—
over 1.6% to 4%	24.3	—	0.7	—
over 4% to 8%	11.8	—	0.8	—
over 8% to 20%	13.1	8.8	1.9	1.1
over 20% to 100%	10.2	—	4.3	—
100%	79.4	0.9	77.6	0.9
Total	143.1	9.7	85.3	1.9

(Unit: JPY Billion)

	3/31/2016			
	Exposure amount	(out of which, re-securitization exposure)	Capital requirement	(out of which, re-securitization exposure)
1.6% or below	105.6	0.0	0.9	0.0
over 1.6% to 4%	30.7	0.1	0.8	0.0
over 4% to 8%	29.5	—	2.2	—
over 8% to 20%	6.0	0.6	1.1	0.1
over 20% to 100%	15.4	0.1	6.2	0.1
100%	95.7	12.9	87.9	12.9
Total	283.0	13.8	99.1	13.1

1 Exposure amounts and capital requirements are calculated on a gross basis of long and short positions since the end of December, 2013.

2 The non-rated securitization exposures, of which the exposures Concentration Ratio Approach is used are classified according to the applied risk weight.

(3) CRM securitization exposure: total exposure subject to CRM, as well as the total amount of CRM and its breakdown by types of risks at the end of the reporting period

(Unit: JPY Billion)

	3/31/2017	3/31/2016
Total exposure		
Exposure including hedges	208.4	138.9
Exposure excluding hedges	161.0	72.2

(Unit: JPY Billion)

	3/31/2017	3/31/2016
Capital requirement		
Default risk	0.5	3.6
Diversification	△0.0	0.0
Credit spread risk	3.7	△0.7
Other	△0.6	△0.5
Amount of CRM	3.6	2.5

8. Market Risk

(1) VaR at the end of the period, as well as maximum, minimum and daily average VaR during the reporting period

(Unit: JPY Billion)

	4/1/2016~3/31/2017				4/1/2015~3/31/2016			
	Daily average	Max	Min.	3/31/2017	Daily average	Max	Min.	3/31/2016
VaR（10day)	16.2	23.2	11.1	13.8	24.2	36.7	16.5	21.7

Assumptions for VaR(10day)

- Confidence Level: One-side test at 99%
- Holding Period: 10 days
- Correlation of price fluctuations among products taken into consideration

(2) SVaR at the end of the period, as well as maximum, minimum and daily average SVaR during the reporting period

(Unit: JPY Billion)

	4/1/2016~3/31/2017				4/1/2015~3/31/2016			
	Daily average	Max	Min.	3/31/2017	Daily average	Max	Min.	3/31/2016
SVaR	29.1	47.0	18.1	21.3	60.0	111.0	33.8	38.9

Assumptions for SVaR

- Confidence Level: One-side test at 99%
- Holding Period: 10 days
- Correlation of price fluctuations among products taken into consideration

(3) IRC/CRM capital requirements at the end of the period, as well as maximum, minimum and daily average during the reporting period

(Unit: JPY Billion)

	4/1/2016~3/31/2017				4/1/2015~3/31/2016			
	Daily average	Max	Min.	3/31/2017	Daily average	Max	Min.	3/31/2016
IRC	81.1	99.9	70.5	80.4	115.9	155.4	96.8	98.6
CRM	5.2	7.6	3.8	7.0	8.7	18.8	4.3	4.4

(4) Backtesting results and the explanation if actual losses materially exceeded VaR estimates

There was no exception in backtesting at the Group level during the reporting period.

9. Equity exposures relating to non-trading activities

(1) Amounts on consolidated balance sheet

(Unit: JPY Billion)

	3/31/2017		3/31/2016	
	Amounts on consolidated balance sheet	Fair values	Amounts on consolidated balance sheet	Fair values
Exposures subject to transitional arrangements	—	—	—	—
Exposures to publicly traded equities	542.4	660.1	502.5	601.1
Exposures to other equities than above	177.6	177.6	63.0	63.0
Total	720.0	837.7	565.5	664.1

(2) Equity exposures by portfolio classification

(Unit: JPY Billion)

	3/31/2017	3/31/2016
PD/LGD Approach	-	-
Market-based approach (simple risk weight method)	720.0	565.5
Market-based approach (internal models method)	-	-
Transitional arrangements	-	-
Total	720.0	565.5

Unrealized gains/losses that are recognized on consolidated balance sheet but not in consolidated income statement, and those that are neither recognized on consolidated balance sheet nor in consolidated income statement: Not applicable

10. Changes in P&L or economic values due to interest rate shocks applied by the Group for internal risk management purpose with regard to interest rate risk arising from non-trading businesses

The Group primarily engages in trading businesses and resulting interest rate risk is managed within the framework of market risk management. Deposit-taking is not part of our primary business, and we consider the potential impact to P&L and economic values due to interest rate risk arising from non-trading businesses are fairly limited.

11. Indicators for Assessing Global Systemically Important Banks (G-SIBs)

(Unit: JPY Billion)

Item No.	Description	As of March 31, 2017	GSIB Identifier (Note 1)
1	Total exposures (= a + b + c + d): a Other assets (Note 2) b Derivatives c Securities financing transactions (SFTs) d Gross notional amount of off-balance sheet items (other than derivatives contracts and SFTs)	77,969.2	GSIB1103
2	Intra-financial system assets (= a + b + c + d): a Funds deposited with or lent to and unused portion of committed lines extended to other financial institutions b Holdings of securities issued by other financial institutions c Net positive current exposure of SFTs with other financial institutions d Over-the-counter (OTC) derivatives with other financial institutions that have a net positive fair value	9,862.4	GSIB1045
3	Intra-financial system liabilities (= a + b + c): a Funds deposited by or borrowed from and unused portion of committed lines obtained from other financial institutions b Net negative current exposure of SFTs with other financial institutions c OTC derivatives with other financial institutions that have a net negative fair value	12,603.5	GSIB1052
4	Securities outstanding	6,354.8	GSIB1060
5	Assets under custody	32,522.1	GSIB1074
6	Notional amount of OTC derivatives	2,891,573.4	GSIB1080
7	Held-for-trading (HFT) securities and available-for-sale (AFS) securities, excluding HFT and AFS securities that meet the definition of Level 1 assets and Level 2 assets with haircuts	4,949.0	GSIB1085
8	Level 3 assets (Note 3)	628.7	GSIB1086
9	Cross-jurisdictional claims	27,317.1	GSIB1087
10	Cross-jurisdictional liabilities	21,715.6	GSIB1091

Item No.	Description	FY ended March 31, 2017	GSIB Identifier (Note 1)
11	Payments (settled through the BOJ-NET and other similar settlement systems, excluding intragroup payments)	781,552.6	GSIB1073
12	Underwritten transactions in debt and equity markets (Note 4)	10,342.2	GSIB1077

Notes:

1. GSIB Identifiers are the unique data identifiers in the reporting template published by Basel Committee on Banking Supervision in January 2017.
2. This amount is the value of any other on-balance sheet assets not specifically identified in Item 1.b and c.
3. The amount is calculated in accordance with the U.S. GAAP.
4. This refers to underwriting of securities defined in article 2 paragraph 8 item 6 of the Financial Instruments and Exchange Act.

CHAPTER 4 TERMS AND CONDITIONS OF THE CAPITAL INSTRUMENTS

1. Nomura Holdings, Inc. Common Stock

Regulatory capital instruments (common stock)

1	Issuer	Nomura Holdings, Inc.
2	Unique identifier	JP3762600009
3	Governing law(s) of the instrument	Japanese Law
	Regulatory treatment (1)	
4	Transitional Basel III rules	Common Equity Tier 1 Capital
5	Post-transitional Basel III rules	Common Equity Tier 1 Capital
6	Entities who include the relevant instruments into capital (other than NHI) (2)	
7	Instrument type	Common Stock
8	Amounts recognized in regulatory capital (3)	
	For consolidated regulatory capital ratio	JPY 594,493 million
9	Aggregate nominal amount (4)	
10	Accounting classification (5)	Common Stock
	On consolidated basis	Common Stock
11	Issue Date (6)	
12	Perpetual or dated	Perpetual
13	Maturity Date	
14	Issuer call subject to prior supervisory approval	No
15	First call date and early redemption amount (7)	
	Other early redemption events and early redemption amounts (8)	
16	Subsequent call dates, if applicable (9)	
	Coupons / Dividends	
17	Type of coupon rate / dividend rate (10)	
18	Coupon rate or dividend rate (11)	
19	Coupon / dividend stopper events (12)	
20	Fully discretionary, partially discretionary or mandatory (13)	
21	Existence of step-up or other incentive to redeem	
22	Noncumulative or cumulative	
23	Convertible or non-convertible	No
24	If convertible, conversion trigger (14)	
25	If convertible, fully or partially (15)	
26	If convertible, conversion rate (16)	
27	If convertible, mandatory or optional conversion (17)	
28	If convertible, specify instrument type that it can be converted into	
29	If convertible, specify issuer of instrument it can be converted into	
30	Write-down feature (18)	No

31	If write-down, write-down trigger (19)	
32	If write-down, full or partial (20)	
33	If write-down, permanent or temporary (21)	
34	If temporary write-down, description of write-up mechanism	
35	Position in subordination hierarchy in liquidation (specify instruments type immediately senior to the instrument) (22)	Perpetual Subordinated Debt
36	Non-compliant transitioned features (23)	No
37	If yes, description of non-compliant transitioned features (23)	

2. Nomura Holdings, Inc. First Series of Unsecured Perpetual Subordinated Bonds with Optional Redemption Clause and Write-down Clause

Regulatory capital instruments (subordinated bonds)

1	Issuer	Nomura Holdings, Inc.
2	Unique identifier	JP376260AGD1
3	Governing law(s) of the instrument	Japanese Law
	Regulatory treatment (1)	
4	Transitional Basel III rules	Additional Tier 1 Capital
5	Post-transitional Basel III rules	Additional Tier 1 Capital
6	Entities who include the relevant instruments into capital (other than NHI) (2)	
7	Instrument type	Nomura Holdings Inc. First Series of Unsecured Perpetual Subordinated Bonds with Optional Redemption Clause and Write-down Clause (for Qualified Institutional Investors Only)
8	Amounts recognized in regulatory capital (3)	
	For consolidated regulatory capital ratio	JPY 165,000 million
9	Aggregate nominal amount (4)	JPY 165,000 million
10	Accounting classification (5)	Debt
	On consolidated basis	Debt
11	Issue Date (6)	27-Jan-16
12	Perpetual or dated	Perpetual
13	Maturity Date	
14	Issuer call subject to prior supervisory approval	Yes
15	First call date and early redemption amount (7)	First call date:15-Jun-21 Early Redemption Amount: JPY 100 per face value of JPY 100
	Other early redemption events and early redemption amounts (8)	Early redemption events: The Issuer may, at its discretion, redeem bonds on any interest payment dates on June 15, 2021 or thereafter (unless the principal amount has been written down upon the occurrence of a loss absorption event), or upon the occurrence of a tax event or a capital event (when the Issuer determines, as a result of consultations with the Financial Services Agency of Japan and other relevant regulatory authorities, that there is more than an insubstantial risk that the Bonds will cease to qualify as the Issuer's Additional Tier 1 capital under applicable capital adequacy requirements). Early Redemption Amount: JPY 100 per face value of JPY 100
16	Subsequent call dates, if applicable (9)	15-Jun or 15-Dec from and including 15-Jun-21
	Coupons / Dividends	
17	Type of coupon rate / dividend rate (10)	Fixed to Floating
18	Coupon rate or dividend rate (11)	From 27-Jan-16 to 15-Jun-21: 3.36% per annum From 15-Jun-21: 6-month JPY LIBOR plus 3.20 percent
19	Coupon / dividend stopper events (12)	Yes
20	Fully discretionary, partially discretionary or mandatory (13)	Fully discretionary

21	Existence of step-up or other incentive to redeem	No
22	Noncumulative or cumulative	No
23	Convertible or non-convertible	No
24	If convertible, conversion trigger (14)	
25	If convertible, fully or partially (15)	
26	If convertible, conversion rate (16)	
27	If convertible, mandatory or optional conversion (17)	
28	If convertible, specify instrument type that it can be converted into	
29	If convertible, specify issuer of instrument it can be converted into	
30	Write-down feature (18)	Yes
31	If write-down, write-down trigger (19)	Events (i), (ii) or (iii) below: (i) Loss absorption event: when the Issuer's consolidated Common Equity Tier 1 capital ratio falls below 5.125%; or (ii) Non-viability event: when the Prime Minister confirms (*nintei*) that the "specified item 2 measures," which are the measures as set forth in the Deposit Insurance Act, need to be applied to the Issuer; or (iii) Insolvency proceedings commencement event: when it is adjudicated that the Issuer has entered into the bankruptcy and other insolvency proceedings.
32	If write-down, full or partial (20)	Full or partial
33	If write-down, permanent or temporary (21)	Temporary
34	If temporary write-down, description of write-up mechanism	When the Issuer determines that the principal amount of the Bonds that has been written-down be reinstated after obtaining prior confirmation of the Financial Services Agency of Japan and any other relevant Japanese regulatory authorities that the Issuer's consolidated Common Equity Tier 1 capital ratio remains at a sufficiently high level after giving effect.
35	Position in subordination hierarchy in liquidation (specify instruments type immediately senior to the instrument) (22)	Subordinated debt (excluding the Bonds and any other debts that effectively rank pari passu with the Bonds)
36	Non-compliant transitioned features (23)	No
37	If yes, description of non-compliant transitioned features (23)	

■Additional terms and conditions

Please refer to the terms and conditions of the instruments for:

Security
Clause on the Issuer's financial status
Acceleration clause
Interest cancellation clause
Write-down clause
Reinstatement clause
Subordination clause

3. Nomura Holdings, Inc. Second Series of Unsecured Subordinated Bonds

Regulatory capital instruments (subordinated bonds)

1	Issuer	Nomura Holdings, Inc.
2	Unique identifier	JP376260AAB8
3	Governing law(s) of the instrument	Japanese Law
	Regulatory treatment (1)	
4	Transitional Basel III rules	Tier 2 Capital
5	Post-transitional Basel III rules	Not applicable
6	Entities who include the relevant instruments into capital (other than NHI) (2)	
7	Instrument type	Nomura Holdings Inc. Second Series of Unsecured Subordinated Bonds
8	Amounts recognized in regulatory capital (3)	
	For consolidated regulatory capital ratio	JPY 19,750 million
9	Aggregate nominal amount (4)	JPY 39,500 million
10	Accounting classification (5)	Debt
	On consolidated basis	Debt
11	Issue Date (6)	26-Nov-10
12	Perpetual or dated	Dated
13	Maturity Date	26-Nov-25
14	Issuer call subject to prior supervisory approval	No
15	First call date and early redemption amount (7)	
	Other early redemption events and early redemption amounts (8)	
16	Subsequent call dates, if applicable (9)	
	Coupons / Dividends	
17	Type of coupon rate / dividend rate (10)	Fixed
18	Coupon rate or dividend rate (11)	2.649% per annum
19	Coupon / dividend stopper events (12)	No
20	Fully discretionary, partially discretionary or mandatory (13)	Mandatory
21	Existence of step-up or other incentive to redeem	No
22	Noncumulative or cumulative	No
23	Convertible or non-convertible	No
24	If convertible, conversion trigger (14)	
25	If convertible, fully or partially (15)	
26	If convertible, conversion rate (16)	
27	If convertible, mandatory or optional conversion (17)	
28	If convertible, specify instrument type that it can be converted into	
29	If convertible, specify issuer of instrument it can be converted into	
30	Write-down feature (18)	No
31	If write-down, write-down trigger (19)	

32	If write-down, full or partial (20)	
33	If write-down, permanent or temporary (21)	
34	If temporary write-down, description of write-up mechanism	
35	Position in subordination hierarchy in liquidation (specify instruments type immediately senior to the instrument) (22)	General Debt
36	Non-compliant transitioned features (23)	Yes
37	If yes, description of non-compliant transitioned features (23)	Non-viability loss absorption clause

■Additional terms and conditions

Please refer to the terms and conditions of the instruments for:

Security and guarantee

Acceleration clause

Subordination clause

4. Nomura Holdings, Inc. Third Series of Unsecured Subordinated Bonds

Regulatory capital instruments (subordinated bonds)

1	Issuer	Nomura Holdings, Inc.
2	Unique identifier	JP376260BAB6
3	Governing law(s) of the instrument	Japanese Law
	Regulatory treatment (1)	
4	Transitional Basel III rules	Tier 2 Capital
5	Post-transitional Basel III rules	Not applicable
6	Entities who include the relevant instruments into capital (other than NHI) (2)	
7	Instrument type	Nomura Holdings Inc. Third Series of Unsecured Subordinated Bonds
8	Amounts recognized in regulatory capital (3)	
	For consolidated regulatory capital ratio	JPY 28,350 million
9	Aggregate nominal amount (4)	JPY 57,700 million
10	Accounting classification (5)	Debt
	On consolidated basis	Debt
11	Issue Date (6)	26-Nov-10
12	Perpetual or dated	Dated
13	Maturity Date	26-Nov-25
14	Issuer call subject to prior supervisory approval	Yes
15	First call date and early redemption amount (7)	First call date:26-Nov-20 Early Redemption Amount: JPY 100 per face value of JPY 100
	Other early redemption events and early redemption amounts (8)	No
16	Subsequent call dates, if applicable (9)	26-May or 26-Nov from and including 26-May-21 (or, in case such day falls on a bank holiday, immediately preceding bank business day)
	Coupons / Dividends	
17	Type of coupon rate / dividend rate (10)	Fixed
18	Coupon rate or dividend rate (11)	2.749% per annum
19	Coupon / dividend stopper events (12)	No
20	Fully discretionary, partially discretionary or mandatory (13)	
21	Existence of step-up or other incentive to redeem	No
22	Noncumulative or cumulative	No
23	Convertible or non-convertible	No
24	If convertible, conversion trigger (14)	
25	If convertible, fully or partially (15)	
26	If convertible, conversion rate (16)	
27	If convertible, mandatory or optional conversion (17)	
28	If convertible, specify instrument type that it can be converted into	
29	If convertible, specify issuer of instrument it can be converted into	

30	Write-down feature (18)	No
31	If write-down, write-down trigger (19)	
32	If write-down, full or partial (20)	
33	If write-down, permanent or temporary (21)	
34	If temporary write-down, description of write-up mechanism	
35	Position in subordination hierarchy in liquidation (specify instruments type immediately senior to the instrument) (22)	General Debt
36	Non-compliant transitioned features (23)	Yes
37	If yes, description of non-compliant transitioned features (23)	Non-viability loss absorption clause

■Additional terms and conditions

Please refer to the terms and conditions of the instruments for:

Security and guarantee

Acceleration clause

Subordination clause

5. Nomura Holdings, Inc. Fourth Series of Unsecured Subordinated Bonds

Regulatory capital instruments (subordinated bonds)

1	Issuer	Nomura Holdings, Inc.
2	Unique identifier	JP376260CAB4
3	Governing law(s) of the instrument	Japanese Law
	Regulatory treatment (1)	
4	Transitional Basel III rules	Tier 2 Capital
5	Post-transitional Basel III rules	Not applicable
6	Entities who include the relevant instruments into capital (other than NHI) (2)	
7	Instrument type	Nomura Holdings Inc. Fourth Series of Unsecured Subordinated Bonds
8	Amounts recognized in regulatory capital (3)	
	For consolidated regulatory capital ratio	JPY 3,000 million
9	Aggregate nominal amount (4)	JPY 6,000 million
10	Accounting classification (5)	Debt
	On consolidated basis	Debt
11	Issue Date (6)	26-Nov-10
12	Perpetual or dated	Dated
13	Maturity Date	26-Nov-25
14	Issuer call subject to prior supervisory approval	Yes
15	First call date and early redemption amount (7)	First call date:26-Nov-2020 Early Redemption Amount: JPY 100 per face value of JPY 100
	Other early redemption events and early redemption amounts (8)	No
16	Subsequent call dates, if applicable (9)	26-May or 26-Nov from and including 26-May-21 (or, in case such day falls on a bank holiday, immediately preceding bank business day)
	Coupons / Dividends	
17	Type of coupon rate / dividend rate (10)	Floating
18	Coupon rate or dividend rate (11)	6-month Euro Yen LIBOR plus 1.0%
19	Coupon / dividend stopper events (12)	No
20	Fully discretionary, partially discretionary or mandatory (13)	Mandatory
21	Existence of step-up or other incentive to redeem	No
22	Noncumulative or cumulative	No
23	Convertible or non-convertible	No
24	If convertible, conversion trigger (14)	
25	If convertible, fully or partially (15)	
26	If convertible, conversion rate (16)	
27	If convertible, mandatory or optional conversion (17)	
28	If convertible, specify instrument type that it can be converted into	
29	If convertible, specify issuer of instrument it can be converted into	

30	Write-down feature (18)	No
31	If write-down, write-down trigger (19)	
32	If write-down, full or partial (20)	
33	If write-down, permanent or temporary (21)	
34	If temporary write-down, description of write-up mechanism	
35	Position in subordination hierarchy in liquidation (specify instruments type immediately senior to the instrument) (22)	General Debt
36	Non-compliant transitioned features (23)	Yes
37	If yes, description of non-compliant transitioned features (23)	Non-viability loss absorption clause

■Additional terms and conditions

Please refer to the terms and conditions of the instruments for:

Security and guarantee

Acceleration clause

Subordination clause

6. Nomura Holdings, Inc. Fifth Series of Unsecured Subordinated Bonds

Regulatory capital instruments (subordinated bonds)

1	Issuer	Nomura Holdings, Inc.
2	Unique identifier	JP376260AAC6
3	Governing law(s) of the instrument	Japanese Law
	Regulatory treatment (1)	
4	Transitional Basel III rules	Tier 2 Capital
5	Post-transitional Basel III rules	Not applicable
6	Entities who include the relevant instruments into capital (other than NHI) (2)	
7	Instrument type	Nomura Holdings Inc. Fifth Series of Unsecured Subordinated Bonds
8	Amounts recognized in regulatory capital (3)	
	For consolidated regulatory capital ratio	JPY 25,000 million
9	Aggregate nominal amount (4)	JPY 50,000 million
10	Accounting classification (5)	Debt
	On consolidated basis	Debt
11	Issue Date (6)	6-Dec-10
12	Perpetual or dated	Dated
13	Maturity Date	26-Nov-25
14	Issuer call subject to prior supervisory approval	Yes
15	First call date and early redemption amount (7)	First call date:26-Nov-2020 Early Redemption Amount: JPY 100 per face value of JPY 100
	Other early redemption events and early redemption amounts (8)	No
16	Subsequent call dates, if applicable (9)	26-May or 26-Nov from and including 26-May-21 (or, in case such day falls on a bank holiday, immediately preceding bank business day)
	Coupons / Dividends	
17	Type of coupon rate / dividend rate (10)	Fixed
18	Coupon rate or dividend rate (11)	2.773% per annum
19	Coupon / dividend stopper events (12)	No
20	Fully discretionary, partially discretionary or mandatory (13)	Mandatory
21	Existence of step-up or other incentive to redeem	No
22	Noncumulative or cumulative	No
23	Convertible or non-convertible	No
24	If convertible, conversion trigger (14)	
25	If convertible, fully or partially (15)	
26	If convertible, conversion rate (16)	
27	If convertible, mandatory or optional conversion (17)	
28	If convertible, specify instrument type that it can be converted into	
29	If convertible, specify issuer of instrument it can be converted into	

30	Write-down feature (18)	No
31	If write-down, write-down trigger (19)	
32	If write-down, full or partial (20)	
33	If write-down, permanent or temporary (21)	
34	If temporary write-down, description of write-up mechanism	
35	Position in subordination hierarchy in liquidation (specify instruments type immediately senior to the instrument) (22)	General Debt
36	Non-compliant transitioned features (23)	Yes
37	If yes, description of non-compliant transitioned features (23)	Non-viability loss absorption clause

■Additional terms and conditions

Please refer to the terms and conditions of the instruments for:

Security and guarantee

Acceleration clause

Subordination clause

7. Nomura Securities Co., Ltd. Third Series of Unsecured Subordinated Bonds

Regulatory capital instruments (subordinated bonds)

1	Issuer	Nomura Securities Co., Ltd.
2	Unique identifier	JP376261B834
3	Governing law(s) of the instrument	Japanese Law
	Regulatory treatment (1)	
4	Transitional Basel III rules	Tier 2 Capital
5	Post-transitional Basel III rules	Not applicable
6	Entities who include the relevant instruments into capital (other than NHI) (2)	
7	Instrument type	Nomura Securities Co., Ltd. Third Series of Unsecured Subordinated Bonds
8	Amounts recognized in regulatory capital (3)	
	For consolidated regulatory capital ratio	JPY 9,700 million
9	Aggregate nominal amount (4)	JPY 49,200 million
10	Accounting classification (5)	Debt
	On consolidated basis	Debt
11	Issue Date (6)	26-Mar-08
12	Perpetual or dated	Dated
13	Maturity Date	26-Mar-18
14	Issuer call subject to prior supervisory approval	No
15	First call date and early redemption amount (7)	
	Other early redemption events and early redemption amounts (8)	
16	Subsequent call dates, if applicable (9)	
	Coupons / Dividends	
17	Type of coupon rate / dividend rate (10)	Fixed
18	Coupon rate or dividend rate (11)	2.28% per annum
19	Coupon / dividend stopper events (12)	No
20	Fully discretionary, partially discretionary or mandatory (13)	Mandatory
21	Existence of step-up or other incentive to redeem	No
22	Noncumulative or cumulative	No
23	Convertible or non-convertible	No
24	If convertible, conversion trigger (14)	
25	If convertible, fully or partially (15)	
26	If convertible, conversion rate (16)	
27	If convertible, mandatory or optional conversion (17)	
28	If convertible, specify instrument type that it can be converted into	
29	If convertible, specify issuer of instrument it can be converted into	
30	Write-down feature (18)	No
31	If write-down, write-down trigger (19)	

32	If write-down, full or partial (20)	
33	If write-down, permanent or temporary (21)	
34	If temporary write-down, description of write-up mechanism	
35	Position in subordination hierarchy in liquidation (specify instruments type immediately senior to the instrument) (22)	General Debt
36	Non-compliant transitioned features (23)	Yes
37	If yes, description of non-compliant transitioned features (23)	Non-viability loss absorption clause

■Additional terms and conditions

Please refer to the terms and conditions of the instruments for:

Security and guarantee
Clause on the Issuer's financial status
Acceleration clause
Subordination clause

8. Nomura Securities Co., Ltd. Subordinated Loan

Regulatory capital instruments (subordinated loan)

1	Issuer	Nomura Securities Co., Ltd.
2	Unique identifier	Not applicable
3	Governing law(s) of the instrument	Japanese Law
	Regulatory treatment (1)	
4	Transitional Basel III rules	Tier 2 Capital
5	Post-transitional Basel III rules	Not applicable
6	Entities who include the relevant instruments into capital (other than NHI) (2)	
7	Instrument type	Subordinated Loan
8	Amounts recognized in regulatory capital (3)	
	For consolidated regulatory capital ratio	JPY 24,699 million
9	Aggregate nominal amount (4)	
10	Accounting classification (5)	Debt
	On consolidated basis	Debt
11	Issue Date (6)	25-Jun-08
12	Perpetual or dated	Dated
13	Maturity Date	25-Jun-18
14	Issuer call subject to prior supervisory approval	No
15	First call date and early redemption amount (7)	
	Other early redemption events and early redemption amounts (8)	
16	Subsequent call dates, if applicable (9)	
	Coupons / Dividends	
17	Type of coupon rate / dividend rate (10)	Floating
18	Coupon rate or dividend rate (11)	2.4% per annum [1)]
19	Coupon / dividend stopper events (12)	No
20	Fully discretionary, partially discretionary or mandatory (13)	Mandatory
21	Existence of step-up or other incentive to redeem	No
22	Noncumulative or cumulative	No
23	Convertible or non-convertible	No
24	If convertible, conversion trigger (14)	
25	If convertible, fully or partially (15)	
26	If convertible, conversion rate (16)	
27	If convertible, mandatory or optional conversion (17)	
28	If convertible, specify instrument type that it can be converted into	
29	If convertible, specify issuer of instrument it can be converted into	
30	Write-down feature (18)	No
31	If write-down, write-down trigger (19)	
32	If write-down, full or partial (20)	

33	If write-down, permanent or temporary (21)	
34	If temporary write-down, description of write-up mechanism	
35	Position in subordination hierarchy in liquidation (specify instruments type immediately senior to the instrument) (22)	General Debt
36	Non-compliant transitioned features (23)	Yes
37	If yes, description of non-compliant transitioned features (23)	Non-viability loss absorption clause

1) The coupon rate is a notional-weighted average of coupon rates for all Tier2 subordinated debts of the Group as at the end of March 2017.

9. Nomura Securities Co., Ltd. Subordinated Loan

Regulatory capital instruments (subordinated loan)

1	Issuer	Nomura Securities Co., Ltd.
2	Unique identifier	Not applicable
3	Governing law(s) of the instrument	Japanese Law
	Regulatory treatment (1)	
4	Transitional Basel III rules	Tier 2 Capital
5	Post-transitional Basel III rules	Not applicable
6	Entities who include the relevant instruments into capital (other than NHI) (2)	
7	Instrument type	Subordinated Loan
8	Amounts recognized in regulatory capital (3)	
	For consolidated regulatory capital ratio	JPY 2,492 million
9	Aggregate nominal amount (4)	
10	Accounting classification (5)	Debt
	On consolidated basis	Debt
11	Issue Date (6)	30-Jun-08
12	Perpetual or dated	Dated
13	Maturity Date	29-Jun-18
14	Issuer call subject to prior supervisory approval	No
15	First call date and early redemption amount (7)	
	Other early redemption events and early redemption amounts (8)	
16	Subsequent call dates, if applicable (9)	
	Coupons / Dividends	
17	Type of coupon rate / dividend rate (10)	Fixed
18	Coupon rate or dividend rate (11)	2.4% per annum 1)
19	Coupon / dividend stopper events (12)	No
20	Fully discretionary, partially discretionary or mandatory (13)	Mandatory
21	Existence of step-up or other incentive to redeem	No
22	Noncumulative or cumulative	No
23	Convertible or non-convertible	No
24	If convertible, conversion trigger (14)	
25	If convertible, fully or partially (15)	
26	If convertible, conversion rate (16)	
27	If convertible, mandatory or optional conversion (17)	
28	If convertible, specify instrument type that it can be converted into	
29	If convertible, specify issuer of instrument it can be converted into	
30	Write-down feature (18)	No
31	If write-down, write-down trigger (19)	
32	If write-down, full or partial (20)	

33	If write-down, permanent or temporary (21)	
34	If temporary write-down, description of write-up mechanism	
35	Position in subordination hierarchy in liquidation (specify instruments type immediately senior to the instrument) (22)	General Debt
36	Non-compliant transitioned features (23)	Yes
37	If yes, description of non-compliant transitioned features (23)	Non-viability loss absorption clause

1) The coupon rate is a notional-weighted average of coupon rates for all Tier2 subordinated debts of the Group as at the end of March 2017.

10. Capital Nomura Securities Public Co., Ltd. Minority Interest

Regulatory capital instruments (minority interest)

1	Issuer	Capital Nomura Securities Public Co., Ltd.
2	Unique identifier	TH0108010Z01
3	Governing law(s) of the instrument	Law of Thailand
	Regulatory treatment (1)	
4	Transitional Basel III rules	Common Equity Tier 1 Capital Additional Tier 1 Capital Tier 2 Capital
5	Post-transitional Basel III rules	Additional Tier 1 Capital Tier 2 Capital
6	Entities who include the relevant instruments into capital (other than NHI) (2)	
7	Instrument type	Common Stock
8	Amounts recognized in regulatory capital (3)	
	For consolidated regulatory capital ratio	JPY 557 million
9	Aggregate nominal amount (4)	
10	Accounting classification (5)	Minority Interest
	On consolidated basis	Minority Interest
11	Issue Date (6)	
12	Perpetual or dated	Not Applicable
13	Maturity Date	
14	Issuer call subject to prior supervisory approval	Not Applicable
15	First call date and early redemption amount (7)	
	Other early redemption events and early redemption amounts (8)	
16	Subsequent call dates, if applicable (9)	
	Coupons / Dividends	
17	Type of coupon rate / dividend rate (10)	
18	Coupon rate or dividend rate (11)	
19	Coupon / dividend stopper events (12)	
20	Fully discretionary, partially discretionary or mandatory (13)	
21	Existence of step-up or other incentive to redeem	
22	Noncumulative or cumulative	
23	Convertible or non-convertible	Not Applicable
24	If convertible, conversion trigger (14)	
25	If convertible, fully or partially (15)	
26	If convertible, conversion rate (16)	
27	If convertible, mandatory or optional conversion (17)	
28	If convertible, specify instrument type that it can be converted into	
29	If convertible, specify issuer of instrument it can be converted into	
30	Write-down feature (18)	No

31	If write-down, write-down trigger (19)	
32	If write-down, full or partial (20)	
33	If write-down, permanent or temporary (21)	
34	If temporary write-down, description of write-up mechanism	
35	Position in subordination hierarchy in liquidation (specify instruments type immediately senior to the instrument) (22)	General Debt
36	Non-compliant transitioned features (23)	Not applicable
37	If yes, description of non-compliant transitioned features (23)	

11. Nomura Asset Management Taiwan Ltd. Minority Interest

Regulatory capital instruments (minority interest)

1	Issuer	Nomura Asset Management Taiwan Ltd.
2	Unique identifier	Not applicable
3	Governing law(s) of the instrument	Law of Hong Kong
	Regulatory treatment (1)	
4	Transitional Basel III rules	Common Equity Tier 1 Capital Additional Tier 1 Capital Tier 2 Capital
5	Post-transitional Basel III rules	Additional Tier 1 Capital Tier 2 Capital
6	Entities who include the relevant instruments into capital (other than NHI) (2)	
7	Instrument type	Common Stock
8	Amounts recognized in regulatory capital (3)	
	For consolidated regulatory capital ratio	JPY 1,123 million
9	Aggregate nominal amount (4)	
10	Accounting classification (5)	Minority Interest
	On consolidated basis	Minority Interest
11	Issue Date (6)	
12	Perpetual or dated	Not Applicable
13	Maturity Date	
14	Issuer call subject to prior supervisory approval	Not Applicable
15	First call date and early redemption amount (7)	
	Other early redemption events and early redemption amounts (8)	
16	Subsequent call dates, if applicable (9)	
	Coupons / Dividends	
17	Type of coupon rate / dividend rate (10)	
18	Coupon rate or dividend rate (11)	
19	Coupon / dividend stopper events (12)	
20	Fully discretionary, partially discretionary or mandatory (13)	
21	Existence of step-up or other incentive to redeem	
22	Noncumulative or cumulative	
23	Convertible or non-convertible	Not Applicable
24	If convertible, conversion trigger (14)	
25	If convertible, fully or partially (15)	
26	If convertible, conversion rate (16)	
27	If convertible, mandatory or optional conversion (17)	
28	If convertible, specify instrument type that it can be converted into	
29	If convertible, specify issuer of instrument it can be converted into	
30	Write-down feature (18)	No

31	If write-down, write-down trigger (19)	
32	If write-down, full or partial (20)	
33	If write-down, permanent or temporary (21)	
34	If temporary write-down, description of write-up mechanism	
35	Position in subordination hierarchy in liquidation (specify instruments type immediately senior to the instrument) (22)	General Debt
36	Non-compliant transitioned features (23)	Not applicable
37	If yes, description of non-compliant transitioned features (23)	

12. Nomura Asia Investment (Viet Nam) Pte Ltd Minority Interest

Regulatory capital instruments (minority interest)

1	Issuer	Nomura Asia Investment (Viet Nam) Pte Ltd.
2	Unique identifier	Not applicable
3	Governing law(s) of the instrument	Law of Singapore
	Regulatory treatment (1)	
4	Transitional Basel III rules	Common Equity Tier 1 Capital Additional Tier 1 Capital Tier 2 Capital
5	Post-transitional Basel III rules	Additional Tier 1 Capital Tier 2 Capital
6	Entities who include the relevant instruments into capital (other than NHI) (2)	
7	Instrument type	Common Stock
8	Amounts recognized in regulatory capital (3)	
	For consolidated regulatory capital ratio	JPY 88 million
9	Aggregate nominal amount (4)	
10	Accounting classification (5)	Minority Interest
	On consolidated basis	Minority Interest
11	Issue Date (6)	
12	Perpetual or dated	Not Applicable
13	Maturity Date	
14	Issuer call subject to prior supervisory approval	Not Applicable
15	First call date and early redemption amount (7)	
	Other early redemption events and early redemption amounts (8)	
16	Subsequent call dates, if applicable (9)	
	Coupons / Dividends	
17	Type of coupon rate / dividend rate (10)	
18	Coupon rate or dividend rate (11)	
19	Coupon / dividend stopper events (12)	
20	Fully discretionary, partially discretionary or mandatory (13)	
21	Existence of step-up or other incentive to redeem	
22	Noncumulative or cumulative	
23	Convertible or non-convertible	Not Applicable
24	If convertible, conversion trigger (14)	
25	If convertible, fully or partially (15)	
26	If convertible, conversion rate (16)	
27	If convertible, mandatory or optional conversion (17)	
28	If convertible, specify instrument type that it can be converted into	
29	If convertible, specify issuer of instrument it can be converted into	
30	Write-down feature (18)	No

31	If write-down, write-down trigger (19)	
32	If write-down, full or partial (20)	
33	If write-down, permanent or temporary (21)	
34	If temporary write-down, description of write-up mechanism	
35	Position in subordination hierarchy in liquidation (specify instruments type immediately senior to the instrument) (22)	General Debt
36	Non-compliant transitioned features (23)	Not applicable
37	If yes, description of non-compliant transitioned features (23)	

13. Chi-X Global Holdings LLC Minority Interest

Regulatory capital instruments (minority interest)

1	Issuer	Chi-X Global Holdings LLC
2	Unique identifier	Not applicable
3	Governing law(s) of the instrument	Delaware General Corporation Law
	Regulatory treatment (1)	
4	Transitional Basel III rules	Common Equity Tier 1 Capital Additional Tier 1 Capital Tier 2 Capital
5	Post-transitional Basel III rules	Additional Tier 1 Capital Tier 2 Capital
6	Entities who include the relevant instruments into capital (other than NHI) (2)	
7	Instrument type	Common Stock
8	Amounts recognized in regulatory capital (3)	
	For consolidated regulatory capital ratio	JPY 170 million
9	Aggregate nominal amount (4)	
10	Accounting classification (5)	Minority Interest
	On consolidated basis	Minority Interest
11	Issue Date (6)	
12	Perpetual or dated	Not Applicable
13	Maturity Date	
14	Issuer call subject to prior supervisory approval	Not Applicable
15	First call date and early redemption amount (7)	
	Other early redemption events and early redemption amounts (8)	
16	Subsequent call dates, if applicable (9)	
	Coupons / Dividends	
17	Type of coupon rate / dividend rate (10)	
18	Coupon rate or dividend rate (11)	
19	Coupon / dividend stopper events (12)	
20	Fully discretionary, partially discretionary or mandatory (13)	
21	Existence of step-up or other incentive to redeem	
22	Noncumulative or cumulative	
23	Convertible or non-convertible	Not Applicable
24	If convertible, conversion trigger (14)	
25	If convertible, fully or partially (15)	
26	If convertible, conversion rate (16)	
27	If convertible, mandatory or optional conversion (17)	
28	If convertible, specify instrument type that it can be converted into	
29	If convertible, specify issuer of instrument it can be converted into	
30	Write-down feature (18)	No

31	If write-down, write-down trigger (19)	
32	If write-down, full or partial (20)	
33	If write-down, permanent or temporary (21)	
34	If temporary write-down, description of write-up mechanism	
35	Position in subordination hierarchy in liquidation (specify instruments type immediately senior to the instrument) (22)	General Debt
36	Non-compliant transitioned features (23)	Not applicable
37	If yes, description of non-compliant transitioned features (23)	

14. Sugimura Warehouse Co., Ltd. Minority Interest

Regulatory capital instruments (minority interest)

1	Issuer	Sugimura Warehouse Co., Ltd.
2	Unique identifier	Not applicable
3	Governing law(s) of the instrument	Japanese Law
	Regulatory treatment (1)	
4	Transitional Basel III rules	Common Equity Tier 1 Capital Additional Tier 1 Capital Tier 2 Capital
5	Post-transitional Basel III rules	Additional Tier 1 Capital Tier 2 Capital
6	Entities who include the relevant instruments into capital (other than NHI) (2)	
7	Instrument type	Common Stock
8	Amounts recognized in regulatory capital (3)	
	For consolidated regulatory capital ratio	JPY 987 million
9	Aggregate nominal amount (4)	
10	Accounting classification (5)	Minority Interest
	On consolidated basis	Minority Interest
11	Issue Date (6)	
12	Perpetual or dated	Not Applicable
13	Maturity Date	
14	Issuer call subject to prior supervisory approval	Not Applicable
15	First call date and early redemption amount (7)	
	Other early redemption events and early redemption amounts (8)	
16	Subsequent call dates, if applicable (9)	
	Coupons / Dividends	
17	Type of coupon rate / dividend rate (10)	
18	Coupon rate or dividend rate (11)	
19	Coupon / dividend stopper events (12)	
20	Fully discretionary, partially discretionary or mandatory (13)	
21	Existence of step-up or other incentive to redeem	
22	Noncumulative or cumulative	
23	Convertible or non-convertible	Not Applicable
24	If convertible, conversion trigger (14)	
25	If convertible, fully or partially (15)	
26	If convertible, conversion rate (16)	
27	If convertible, mandatory or optional conversion (17)	
28	If convertible, specify instrument type that it can be converted into	
29	If convertible, specify issuer of instrument it can be converted into	
30	Write-down feature (18)	No

31	If write-down, write-down trigger (19)	
32	If write-down, full or partial (20)	
33	If write-down, permanent or temporary (21)	
34	If temporary write-down, description of write-up mechanism	
35	Position in subordination hierarchy in liquidation (specify instruments type immediately senior to the instrument) (22)	General Debt
36	Non-compliant transitioned features (23)	Not applicable
37	If yes, description of non-compliant transitioned features (23)	

15. Shanghai Nomura Lujiazui Investment Management Co., Ltd. Minority Interest

Regulatory capital instruments (minority interest)

1	Issuer	Shanghai Nomura Lujiazui Investment Management Co., Ltd.
2	Unique identifier	Not applicable
3	Governing law(s) of the instrument	The Company Law of the People's Republic of China
	Regulatory treatment (1)	
4	Transitional Basel III rules	Common Equity Tier 1 Capital Additional Tier 1 Capital Tier 2 Capital
5	Post-transitional Basel III rules	Additional Tier 1 Capital Tier 2 Capital
6	Entities who include the relevant instruments into capital (other than NHI) (2)	
7	Instrument type	Common Stock
8	Amounts recognized in regulatory capital (3)	
	For consolidated regulatory capital ratio	JPY 79 million
9	Aggregate nominal amount (4)	
10	Accounting classification (5)	Minority Interest
	On consolidated basis	Minority Interest
11	Issue Date (6)	
12	Perpetual or dated	Not Applicable
13	Maturity Date	
14	Issuer call subject to prior supervisory approval	Not Applicable
15	First call date and early redemption amount (7)	
	Other early redemption events and early redemption amounts (8)	
16	Subsequent call dates, if applicable (9)	
	Coupons / Dividends	
17	Type of coupon rate / dividend rate (10)	
18	Coupon rate or dividend rate (11)	
19	Coupon / dividend stopper events (12)	
20	Fully discretionary, partially discretionary or mandatory (13)	
21	Existence of step-up or other incentive to redeem	
22	Noncumulative or cumulative	
23	Convertible or non-convertible	Not Applicable
24	If convertible, conversion trigger (14)	
25	If convertible, fully or partially (15)	
26	If convertible, conversion rate (16)	
27	If convertible, mandatory or optional conversion (17)	
28	If convertible, specify instrument type that it can be converted into	
29	If convertible, specify issuer of instrument it can be converted into	
30	Write-down feature (18)	No

31	If write-down, write-down trigger (19)	
32	If write-down, full or partial (20)	
33	If write-down, permanent or temporary (21)	
34	If temporary write-down, description of write-up mechanism	
35	Position in subordination hierarchy in liquidation (specify instruments type immediately senior to the instrument) (22)	General Debt
36	Non-compliant transitioned features (23)	Not applicable
37	If yes, description of non-compliant transitioned features (23)	

16. Wealth Square Co., Ltd. Minority Interest

Regulatory capital instruments (minority interest)

1	Issuer	Wealth Square Co., Ltd.
2	Unique identifier	Not applicable
3	Governing law(s) of the instrument	Japanese Law
	Regulatory treatment (1)	
4	Transitional Basel III rules	Common Equity Tier 1 Capital Additional Tier 1 Capital Tier 2 Capital
5	Post-transitional Basel III rules	Additional Tier 1 Capital Tier 2 Capital
6	Entities who include the relevant instruments into capital (other than NHI) (2)	
7	Instrument type	Common Stock
8	Amounts recognized in regulatory capital (3)	
	For consolidated regulatory capital ratio	JPY 87 million
9	Aggregate nominal amount (4)	
10	Accounting classification (5)	Minority Interest
	On consolidated basis	Minority Interest
11	Issue Date (6)	
12	Perpetual or dated	Not Applicable
13	Maturity Date	
14	Issuer call subject to prior supervisory approval	Not Applicable
15	First call date and early redemption amount (7)	
	Other early redemption events and early redemption amounts (8)	
16	Subsequent call dates, if applicable (9)	
	Coupons / Dividends	
17	Type of coupon rate / dividend rate (10)	
18	Coupon rate or dividend rate (11)	
19	Coupon / dividend stopper events (12)	
20	Fully discretionary, partially discretionary or mandatory (13)	
21	Existence of step-up or other incentive to redeem	
22	Noncumulative or cumulative	
23	Convertible or non-convertible	Not Applicable
24	If convertible, conversion trigger (14)	
25	If convertible, fully or partially (15)	
26	If convertible, conversion rate (16)	
27	If convertible, mandatory or optional conversion (17)	
28	If convertible, specify instrument type that it can be converted into	
29	If convertible, specify issuer of instrument it can be converted into	
30	Write-down feature (18)	No

31	If write-down, write-down trigger (19)	
32	If write-down, full or partial (20)	
33	If write-down, permanent or temporary (21)	
34	If temporary write-down, description of write-up mechanism	
35	Position in subordination hierarchy in liquidation (specify instruments type immediately senior to the instrument) (22)	General Debt
36	Non-compliant transitioned features (23)	Not applicable
37	If yes, description of non-compliant transitioned features (23)	

CHAPTER 5 DISCLOSURE ON LEVERAGE RATIO

(Unit: JPY million, %)

Leverage ratio common disclosure template Table 2	Leverage ratio common disclosure template Table 1	Items	2017/3/31	2016/3/31
On-balance sheet exposures				
1		On-balance sheet items (excluding derivatives and SFTs, but including collateral)	21,619,875	23,304,925
1a	1	Total consolidated assets as per published financial statements	42,852,078	41,090,167
1b	2	(The amount of assets of subsidiaries that are not included in the scope of the leverage ratio on a consolidated basis)	390,126	413,239
1c	7	The amount of assets of subsidiaries that are included in the scope of the leverage ratio on a consolidated basis (except those included in the total assets reported in the consolidated balance sheet)	–	–
1d	3	(The amount of assets that are deducted from the total assets reported in the consolidated balance sheet (excluding asset amounts deducted in determining Basel III Tier 1 capital))	20,842,078	17,372,004
2	7	(Asset amounts deducted in determining Basel III Tier 1 capital)	217,984	205,474
3		Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	21,401,891	23,099,451
Derivative exposures				
4		Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	2,020,199	3,156,825
5		Add-on amounts for PFE associated with all derivatives transactions	9,486,781	11,134,946
		Pledged cash collateral associated with all derivatives transactions	627,880	604,142
6		Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	1,637,328	1,884,915
7		(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	840,514	631,957
8		(Exempted CCP leg of client-cleared trade exposures)		
9		Adjusted effective notional amount of written credit derivatives	17,347,378	21,287,346
10		(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	15,226,422	18,922,035
11	4	Total derivative exposures (sum of lines 4 to 10)	15,052,629	18,514,183
Securities financing transaction exposures				
12		Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	37,562,105	31,711,087
13		(Netted amounts of cash payables and cash receivables of gross SFT assets)	18,832,280	16,633,427
14		CCR exposure for SFT assets	1,839,181	2,557,418
15		Agent transaction exposures		
16	5	Total securities financing transaction exposures (sum of lines 12 to 15)	20,569,007	17,635,078
Other off-balance sheet exposures				
17		Off-balance sheet exposure at gross notional amount	1,544,474	1,251,874

18		(Adjustments for conversion to credit equivalent amounts)	513,274	407,345
19	6	Off-balance sheet items (sum of lines 17 and 18)	1,031,200	844,529
Capital and total exposures				
20		Tier 1 capital	2,689,817	2,577,525
21	8	Total exposures (sum of lines 3, 11, 16 and 19)	58,054,726	60,093,241
22		Basel III leverage ratio	4.63%	4.28%

PART 2: NHI Consolidated Liquidity Coverage Ratios

CHAPTER 1 QUANTITATIVE DISCLOSURE

(Unit: JPY million; % or Number of Cases)

Item			Highest designated parent company's current quarterly period (Fiscal year ended March 2017, 4th Quarter)		Highest designated parent company's previous quarterly period (Fiscal year ended March 2017, 3rd Quarter)	
High quality liquid assets (1)						
1	Total high quality liquid assets		4,514,890		4,847,799	
Cash outflows (2)			Before being multiplied by run-off rates	After being multiplied by run-off rates	Before being multiplied by run-off rates	After being multiplied by run-off rates
2	Cash outflows related to unsecured retail funding		390,486	41,846	396,870	42,940
3		Out of which, stable deposits	-	-	-	-
4		Out of which, less stable deposits	390,486	41,846	396,870	42,940
5	Cash outflows related to unsecured wholesale funding		1,438,634	1,271,328	1,459,707	1,298,125
6		Out of which, qualifying operational deposits	-	-	-	-
7		Out of which, cash related to unsecured wholesale funding other than qualifying operational deposits and debt securities	1,238,874	1,071,569	1,223,652	1,062,070
8		Out of which, debt securities	199,760	199,760	236,055	236,055
9	Cash outflows related to secured funding, etc.			2,635,216		2,669,566
10	Cash outflows related to the derivatives, funding programs, and credit and liquidity facilities		2,746,648	2,543,971	2,594,345	2,347,959
11		Out of which, cash outflows related to the derivative transaction, etc.	2,453,147	2,453,147	2,231,315	2,231,315
12		Out of which, cash outflows related to funding programs	-	-	-	-
13		Out of which, cash outflows related to credit and liquidity facilities	293,502	90,824	363,030	116,644

14	Cash outflows based on obligations to provide funds, etc.	5,751,412	1,160,080	5,002,765	1,090,173
15	Cash outflows related to contingencies	502,217	235,397	490,665	228,716
16	Total cash outflows		7,887,838		7,677,479
Cash inflows (3)		Before being multiplied by inflow rates	After being multiplied by inflow rates	Before being multiplied by inflow rates	After being multiplied by inflow rates
17	Cash inflows related to secured investments, etc.	30,856,102	1,783,134	29,219,043	1,727,763
18	Cash inflows related to collection of loans, etc.	1,001,026	910,878	877,757	801,847
19	Other cash inflows	7,015,830	2,665,945	6,012,611	2,431,465
20	Total cash inflows	38,872,957	5,359,958	36,109,410	4,961,075
Consolidated liquidity coverage ratio (4)					
21	Total high quality liquid assets allowed to be included		4,514,890		4,847,799
22	Net cash outflows		2,527,880		2,716,404
23	Consolidated liquidity coverage ratio		180.0%		178.60%
24	Number of data used to calculate averages	61		3	

CHAPTER 2 QUALITATIVE DISCLOSURE

1. Consolidated Liquidity Coverage Ratio Fluctuations Explained in a Chronological Order

For the fourth quarter of the year ended March 31, 2017, the daily average of Nomura Group's total high quality liquid assets was 4,514,890 million yen, a decrease of 332,909 million yen compared with the third quarter. For the fourth quarter of the year ended March 31, 2017, cash outflows related to derivatives were 2,453,147 million yen, an increase of 221,831 million yen compared with the third quarter, cash inflows related to collection of loan and deposits were 910,878 million yen, an increase of 109,031 million yen compared with the third quarter, other cash inflows related to derivatives and forward starting transactions were 2,665,945 million yen, an increase of 234,480 million yen compared with the third quarter and total net cash outflows were 2,527,880 million yen, a decrease of 188,524 million yen compared with the third quarter.

As a result, for the fourth quarter of the year ended March 31, 2017, the daily average of the consolidated liquidity coverage ratio was 180.0%.

The main factors causing fluctuation in Nomura Group's consolidated liquidity coverage ratio are changes in trading inventory holdings and related secured financing transactions. In addition, exchanges of collateral related to the firm's derivatives portfolio also contributes to LCR fluctuation.

2. Assessment of the Levels of the Consolidated Liquidity Coverage Ratio

The daily average of Nomura Group's consolidated liquidity coverage ratio for the fourth quarter of the year ended March 31, 2017, sufficiently exceeded the minimum level required by the law.

At Nomura Group, we establish the risk appetite for the consolidated liquidity coverage ratio and ensure that the consolidated liquidity coverage ratio sufficiently exceeds the minimum level required by the law on a daily basis.

3. Composition of the Stock of High Quality Liquid Assets

There were no significant movements in the composition of the stock of high quality liquid assets.

4. Other Matters Relating to Consolidated Liquidity Coverage Ratio

There are no other matters of significance to note except that the fourth quarter consolidated ratio was calculated by daily average instead of month end average of previous quarter.

CHAPTER 3 DISCLOSURE ON LIQUIDITY RISK MANAGEMENT POLICY

1. Liquidity Risk Management Policy and Operation

We define liquidity risk as the risk of loss arising from difficulty in securing the necessary funding or from a significantly higher cost of funding than normal levels due to deterioration of Nomura Group's creditworthiness or deterioration in market conditions. Our global liquidity risk management policy is based on liquidity risk appetite formulated by the EMB. Nomura's liquidity risk management, under market-wide stress and in addition, under Nomura-specific stress, seeks to ensure enough continuous liquidity to meet all funding requirements and unsecured debt obligations across one year and 30-day periods, respectively, without raising funds through unsecured funding or through the liquidation of assets.

We have in place a number of liquidity risk management frameworks that enable us to achieve our primary liquidity objective. These frameworks include (1) Centralized Control of Residual Cash and Maintenance of Liquidity Portfolio; (2) Utilization of Unencumbered Assets as Part of Our Liquidity Portfolio; (3) Appropriate Funding and Diversification of Funding Sources and Maturities Commensurate with the Composition of Assets; (4) Management of Credit Lines to Nomura Group Entities; (5) Implementation of Liquidity Stress Tests; and (6) Contingency Funding Plan.

Our EMB has the authority to make decisions concerning group liquidity management. The Chief Financial Officer ("CFO") has the operational authority and responsibility over our liquidity management based on decisions made by the EMB.

2. Liquidity Risk Management Framework

(1) Centralized Control of Residual Cash and Maintenance of Liquidity Portfolio

We centrally control residual cash held at Nomura Group entities for effective liquidity utilization purposes. As for the usage of funds, the CFO decides the maximum amount of available funds, provided without posting any collateral, for allocation within Nomura and the EMB allocates the funds to each business division. Global Treasury monitors usage by businesses and reports to the EMB.

In order to enable us to transfer funds smoothly between group entities, we limit the issuance of securities by regulated broker-dealers or banking entities within Nomura Group and seek to raise unsecured funding primarily through us or through unregulated subsidiaries. The primary benefits of this strategy include cost minimization, wider investor name recognition and greater flexibility in providing funding to various subsidiaries across Nomura Group.

To meet any potential liquidity requirement, we maintain a liquidity portfolio, managed by Global Treasury apart from other assets, in the form of cash and highly liquid, unencumbered securities that may be sold or pledged to provide liquidity. As of March 31, 2017, our liquidity portfolio was 4,970.3 billion Yen which sufficiently met liquidity requirements under the stress scenarios.

(2) Utilization of Unencumbered Assets as Part of Our Liquidity Portfolio

In addition to our liquidity portfolio, we had 2,048.57 billion yen of other unencumbered assets comprising mainly of unpledged trading assets that can be used as an additional source of secured funding. Global Treasury monitors other unencumbered assets and can, under a liquidity stress event when the contingency funding plan has been invoked, monetize and utilize the cash generated as a result. The aggregate of our liquidity portfolio and other unencumbered assets as of March 31, 2017 was 7,018.8 billion yen, which represented 372.7% of our total unsecured debt maturing within one year.

(3) Appropriate Funding and Diversification of Funding Sources and Maturities Commensurate with the Composition of Assets

We seek to maintain a surplus of long-term debt and equity above the cash capital requirements of our assets. We also seek to achieve diversification of our funding by market, instrument type, investors, currency, and maturities in order to reduce unsecured refinancing risk.

(4) Management of Credit Lines to Nomura Group Entities

We maintain and expand credit lines to Nomura Group entities from other financial institutions to secure stable funding. We ensure that the maturity dates of borrowing agreements are distributed evenly throughout the year in order to prevent excessive maturities in any given period.

(5) Implementation of Liquidity Stress Tests

We maintain our liquidity portfolio and monitor the sufficiency of our liquidity based on an internal model which simulates changes in cash outflow under specified stress scenarios to comply with our above mentioned liquidity management policy.

We assess the liquidity requirements of Nomura Group under various stress scenarios with differing levels of severity over multiple time horizons. We evaluate these requirements under Nomura-specific and broad market-wide events, including potential credit rating downgrades at the parent and subsidiary levels that may impact us by loss of access to unsecured capital markets, additional collateral posting requirements, limited or no access to secured funding markets and other events. We call this risk analysis our Maximum Cumulative Outflow (“MCO”) framework.

The MCO framework is designed to incorporate the primary liquidity risks and models the relevant future cash flows in the following two primary scenarios:

- *Stressed scenario*: to maintain adequate liquidity during a severe market-wide liquidity event without raising funds through unsecured financing or through the liquidation of assets for a year; and

- *Acute stress scenario: t*o maintain adequate liquidity during a severe market-wide liquidity event coupled with credit concerns regarding Nomura's liquidity position, without raising funds through unsecured funding or through the liquidation of assets for 30 days.

We assume that Nomura will not be able to liquidate assets or adjust its business model during the time horizons used in each of these scenarios. The MCO framework therefore defines the amount of liquidity required to be held in order to meet our expected liquidity needs in a stress event to a level we believe appropriate based on our liquidity risk appetite.

As of March 31, 2017, our liquidity portfolio exceeded net cash outflows under the stress scenarios described above.

We constantly evaluate and modify our liquidity risk assumptions based on regulatory and market changes. The model we use in order to simulate the impact of stress scenarios includes the following assumptions:

- No liquidation of assets;
- No ability to issue additional unsecured funding;
- Upcoming maturities of unsecured debt (maturities less than one year);
- Potential buybacks of our outstanding debt;
- Loss of secured funding lines particularly for less liquid assets, over and above our cash capital estimates;
- Fluctuation of funding needs under normal business circumstances;
- Cash and collateral outflows in a stress event;
- Widening of haircuts on outstanding repo funding;
- Additional collateralization requirements of clearing banks and depositories;
- Drawdown on loan commitments;
- Loss of liquidity from market losses;
- Assuming a two-notch downgrade of our credit ratings, the aggregate fair value of assets that we would be required to post as additional collateral in connection with our derivative contracts;
- Legal and regulatory requirements that can restrict the flow of funds between entities in Nomura Group.

(6) Contingency Funding Plan

We have developed a detailed contingency funding plan ("CFP") to integrate liquidity risk control into our comprehensive risk management strategy and to enhance the quantitative aspects of our liquidity risk control procedures. As a part of our CFP, we have developed an approach for analyzing and quantifying the impact of any liquidity crisis. This allows us to estimate the likely impact of both Nomura specific and market-wide events; and specifies the immediate action to be taken to mitigate any risk. The CFP lists details of key internal and external parties to be contacted and the processes by which information is to be disseminated. This has been developed at a legal entity level in order to capture specific cash requirements at the local level assuming that Nomura Group may not have access to cash at a Nomura Group entity level due to regulatory, legal or tax constraints. We periodically test the effectiveness of our funding plans for different Nomura-specific and market-wide events. We also have access to central banks including, but not exclusively, the Bank of Japan, which provide financing against various types of securities. These operations are accessed in the normal course of business and are an important tool in mitigating contingent risk from market disruptions.

3. Other Liquidity Risk Management

There are no other matters of significance to note.