Pillar 3 Regulatory Capital and Liquidity Coverage Ratio Disclosures for the quarterly period ended June 30, 2019

Nomura Holdings, Inc.

CONTENTS

PART 1: NHI Consolidated Capital Ratios

CHAPTER 1 Disclosure On Capital Items

(Unit: JPY million, %)

CC1: Composition of regulatory capital

Basel III template No.	Item	a		b
		June 30, 2019	March 31, 2019	Reference numbers of CC2
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	2,720,878	2,657,140	
1a	out of which, capital and capital surplus	1,275,557	1,282,254	1a
2	out of which, retained earnings	1,545,947	1,483,853	2
1c	out of which, investments in own shares (-)	100,626	108,967	1c
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	(60,454)	(29,050)	3
5	Adjusted amount of minority interests related to Common Equity Tier 1 capital	5	28	
6	Common Equity Tier 1 capital before regulatory adjustments (A)	2,660,429	2,628,118	
Common Equity Tier 1 Capital: Regulatory Adjustments(2)				
8+9	Intangibles other than mortgage-servicing rights (net of related tax liability)	106,968	110,094	
8	out of which, goodwill (net of related tax liability, including those equivalent)	1,319	1,324	
9	out of which, intangibles other than goodwill and mortgage-servicing rights	105,648	108,770	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of tax liability)	1,362	525	
11	Cash flow hedge reserve	—	—	
12	Shortfall of provisions to expected losses	32,630	31,643	
13	Securitization gain on sale	—	—	
14	Own credit valuation	25,340	27,341	
15	Defined-benefit pension fund net assets	12,181	12,826	
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	3,631	5,965	
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		a		b
			June 30, 2019	March 31, 2019	Reference numbers of CC2
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)	182,114	188,397	
Common Equity Tier 1 Capital					
29	Common Equity Tier 1 capital ((A) – (B))	(C)	2,478,315	2,439,720	
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		1,166	1,219	
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)		–	–	
36	Additional Tier 1 capital before regulatory adjustments	(D)	166,166	166,219	

(Unit: JPY million, %)

Basel III template No.	Item	a		b
		June 30, 2019	March 31, 2019	Reference numbers of CC2
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)	–	–	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier2 to cover deductions	–	–	
43	Regulatory adjustments to Additional Tier 1 capital (E)	–	–	
Additional Tier 1 Capital				
44	Additional Tier 1 capital ((D) – (E)) (F)	166,166	166,219	
Tier1 Capital				
45	Tier 1 capital ((C) + (F)) (G)	2,644,481	2,605,940	
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	275	293	
47+49	Capital instruments subject to transitional arrangements	45,660	45,660	
47	out of which, instruments issued by Group or special purpose vehicle controlled by Group	45,660	45,660	
49	out of which, instruments issued by consolidated subsidiaries of Group (except for the special purpose vehicle mentioned above)	–	–	
50	Provisions	–	–	
50a	out of which, general provisions included in Tier 2	–	–	
50b	out of which, eligible provisions included in Tier 2	–	–	
51	Tier 2 capital before regulatory adjustments (H)	45,935	45,953	

(Unit: JPY million, %)

Basel III template No.	Item	a		b
		June 30, 2019	March 31, 2019	Reference numbers of CC2
Tier 2 Capital: Regulatory Adjustments(5)				
52	Investments in own Tier 2 instruments	—	—	
53	Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities	—	—	
54	Investments in Tier2 instruments and other TLAC liabilities of financial institutions that are outside the scope of regulatory consolidation, where the Group does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	—	—	
54a	Investments in the other TLAC liabilities of financial institutions that are outside the scope of regulatory consolidation and where the group does not own more than 10% of the issued common share capital of the entity: amount previously designated for the 5% threshold but that no longer meets the conditions (for G-SIBs only)	—	—	
55	Significant investments in Tier2 instruments and other TLAC liabilities of financial institutions that are outside the scope of regulatory consolidation (net of eligible short positions)	—	—	
57	Regulatory adjustments to Tier 2 capital (I)	—	—	
Tier 2 Capital				
58	Tier 2 capital ((H) – (I)) (J)	45,935	45,953	
Total Capital				
59	Total capital ((G) + (J)) (K)	2,690,417	2,651,893	
Risk-Weighted Assets(6)				
60	Total risk-weighted assets (L)	14,626,406	14,251,587	
Capital Ratios and buffers(7)				
61	Consolidated Common Equity Tier 1 ratio ((C) / (L))	16.94%	17.11%	
62	Consolidated Tier 1 ratio ((G) / (L))	18.08%	18.28%	
63	Consolidated total capital ratio ((K) / (L))	18.39%	18.60%	
64	Total of group CET1 specific buffer requirements (%)	3.10%	3.11%	
65	Of which: capital conservation buffer requirement (%)	2.50%	2.50%	
66	Of which: countercyclical buffer requirement (%)	0.10%	0.11%	
67	Of which: G-SIB and/or D-SIB additional requirements (%)	0.50%	0.50%	
68	Common Equity Tier 1 available after meeting the group's minimum capital requirements (%)	10.39%	10.60%	

(Unit: JPY million, %)

Basel III template No.	Item	a		b
		June 30, 2019	March 31, 2019	Reference numbers of CC2
Amounts below the Thresholds for Deduction(8)				
72	Non-significant investments in the capital instruments of other financial institutions	116,237	122,196	
73	Significant investments in the common stock of financial institutions	178,408	172,127	
74	Mortgage-servicing rights (net of related tax liability)	—	—	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	2,171	2,042	
Applicable Caps on the Inclusion of Provisions in Tier 2(9)				
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(10)				
82	Current cap on Tier 1 instruments subject to transitional arrangements	—	—	
83	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	45,660	45,660	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	107,540	107,540	

CHAPTER 2 Consolidated Balance Sheet When The Regulatory Scope Of Consolidation Is Applied

<June 30, 2019> (Unit: JPY million)

CC2: Reconciliation of regulatory capital to balance sheet			
Item	a	b	c
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference of CC1
Assets			
Cash and cash equivalents	2,622,805	2,599,408	
Time deposits	227,043	227,043	
Deposits with stock exchanges and other segregated cash	227,647	227,647	
Loans receivable	2,474,250	2,459,999	
Receivables from customers	478,625	478,475	
Receivables from other than customers	1,224,083	1,217,765	
Allowance for doubtful accounts	(4,182)	(4,182)	
Securities purchased under agreements to resell	12,415,130	12,415,130	
Securities borrowed	3,620,819	3,620,819	
Trading assets	16,819,186	15,646,139	
Private equity investments	31,492	29,402	
Office buildings, land, equipment and facilities	498,028	452,822	
Non-trading debt securities	438,477	445,242	
Investments in equity securities	132,324	132,324	
Investments in and advances to affiliated companies	439,437	440,004	
Other	887,443	887,163	
Total Assets	42,532,614	41,275,206	
Liabilities			
Short-term borrowings	750,349	586,582	
Payables to customers	1,284,045	1,284,045	
Payables to other than customers	1,060,428	1,060,093	
Deposits received at banks	1,225,299	1,225,299	
Securities sold under agreements to repurchase	16,814,824	16,928,488	
Securities loaned	1,090,058	1,102,048	
Other secured borrowings	436,901	436,901	
Trading liabilities	8,181,432	8,212,614	
Other liabilities	1,055,803	1,108,744	
Long-term borrowings	7,906,602	7,054,500	
Total Liabilities	39,805,746	38,999,319	
Equity			
Common stock	594,492	594,492	1a
Additional paid-in capital	681,064	681,064	1a
Retained earnings	1,548,249	1,545,947	2
Accumulated other comprehensive income	(60,454)	(60,454)	3
Common stock held in treasury	(100,626)	(100,626)	1c
Noncontrolling interests	64,141	64,141	
Total equity	2,726,868	2,724,566	
Total liabilities and equity	42,532,614	41,723,885	

<March 31, 2019> (Unit: JPY million)

CC2: Reconciliation of regulatory capital to balance sheet			
	a	b	c
Item	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference of CC1
Assets			
Cash and cash equivalents	2,686,659	2,655,096	
Time deposits	289,752	289,752	
Deposits with stock exchanges and other segregated cash	285,456	285,427	
Loans receivable	2,544,218	2,523,450	
Receivables from customers	449,705	449,667	
Receivables from other than customers	892,282	886,116	
Allowance for doubtful accounts	(4,169)	(4,169)	
Securities purchased under agreements to resell	13,194,542	13,194,542	
Securities borrowed	4,112,416	4,112,416	
Trading assets	14,355,711	13,198,770	
Private equity investments	30,077	28,510	
Office buildings, land, equipment and facilities	349,365	294,545	
Non-trading debt securities	460,661	466,585	
Investments in equity securities	138,447	138,447	
Investments in and advances to affiliated companies	436,219	436,787	
Other	748,091	747,783	
Total Assets	40,969,438	39,703,732	
Liabilities			
Short-term borrowings	841,758	652,669	
Payables to customers	1,229,082	1,229,082	
Payables to other than customers	1,146,336	1,145,912	
Deposits received at banks	1,392,618	1,392,618	
Securities sold under agreements to repurchase	15,036,503	15,154,393	
Securities loaned	1,229,594	1,241,593	
Other secured borrowings	418,305	418,305	
Trading liabilities	8,219,811	8,246,623	
Other liabilities	858,865	911,579	
Long-term borrowings	7,915,769	7,094,708	
Total Liabilities	38,288,645	37,487,488	
Equity			
Common stock	594,492	594,492	1a
Additional paid-in capital	687,761	687,761	1a
Retained earnings	1,486,824	1,483,853	2
Accumulated other comprehensive income	(29,050)	(29,050)	3
Common stock held in treasury	(108,967)	(108,967)	1c
Noncontrolling interests	49,731	49,731	
Total equity	2,680,792	2,677,821	
Total liabilities and equity	40,969,438	40,165,310	

Note: The amount shown in (a) may differ from the amount shown in FORM 20-F, FORM 6-K and other accounting disclosures of the Consolidated Balance Sheets, due to the difference in rounding.

CHAPTER 3 Quantitative Disclosure

1. Quantitative Disclosure

(1) Key metrics

(Unit: JPY million, %)

KM1: KEY METRICS						
Common disclosure template		a	b	c	d	e
		As of June 30, 2019	As of March 31, 2019	As of December 31, 2018	As of September 30, 2018	As of June 30, 2018
Available capital						
1	Common Equity Tier 1 (CET1)	2,478,315	2,439,720	2,471,769	2,547,804	2,544,904
2	Tier 1	2,644,481	2,605,940	2,637,925	2,713,876	2,710,931
3	Total capital	2,690,417	2,651,893	2,699,084	2,775,010	2,772,055
RWA						
4	RWA	14,626,406	14,251,587	13,799,058	14,981,255	15,801,376
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	16.94%	17.11%	17.91%	17.00%	16.10%
6	Tier 1 ratio (%)	18.08%	18.28%	19.11%	18.11%	17.15%
7	Total capital ratio (%)	18.39%	18.60%	19.55%	18.52%	17.54%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (%)	2.50%	2.50%	1.87%	1.87%	1.87%
9	Countercyclical buffer requirement (%)	0.10%	0.11%	0.08%	0.04%	0.04%
10	Bank G-SIB and/or D-SIB additional requirements (%)	0.50%	0.50%	0.37%	0.37%	0.37%
11	Total of bank CET1 specific buffer requirements (%)	3.10%	3.11%	2.33%	2.29%	2.29%
12	CET1 available after meeting the bank’s minimum capital requirements (%)	10.39%	10.60%	11.55%	10.52%	9.54%
Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure	52,235,865	51,807,144	59,168,126	60,981,569	58,967,416
14	Basel III leverage ratio (%) (row 2 / row 13)	5.06%	5.03%	4.45%	4.45%	4.59%

(Unit: JPY million, %)

KM1: KEY METRICS						
Common disclosure template		a	b	c	d	e
		Fiscal year ended March 2020, 1st Quarter	Fiscal year ended March 2019, 4th Quarter	Fiscal year ended March 2019, 3rd Quarter	Fiscal year ended March 2019, 2nd Quarter	Fiscal year ended March 2019, 1st Quarter
Liquidity Coverage Ratio						
15	Total HQLA	4,248,314	4,319,594	4,453,912	4,408,090	4,102,789
16	Total net cash outflow	2,272,516	2,191,058	2,300,540	2,314,818	2,231,720
17	LCR ratio (%)	188.4%	198.4%	196.7%	191.1%	184.8%

(2) Overview of risk weighted asset

(Unit: JPY million)

OV1: OVERVIEW OF RWA					
Common disclosure template		a	b	c	d
		RWA		Minimum capital requirements	
		June 30, 2019	March 31, 2019	June 30, 2019	March 31, 2019
1	Credit risk (excluding counterparty credit risk) (CCR)	1,295,467	1,166,704	106,402	96,243
2	Of which standardized approach (SA)	315,825	328,374	25,266	26,269
3	Of which IRB approach	575,957	605,654	48,841	51,359
	Of which significant investments in commercial entities	—	—	—	—
	Of which lease exposures with residual value	—	—	—	—
	Other	403,685	232,674	32,294	18,613
4	Counterparty credit risk	3,253,736	3,493,257	269,772	289,431
5	Of which standardized approach for counterparty credit risk (SACCR)	487,081	534,519	41,206	45,274
6	Of which internal model method (IMM)	1,321,022	1,358,926	112,022	115,237
	Of which credit value adjustment (CVA)	971,267	1,034,580	77,701	82,766
	Of which exposures to CCP	287,019	369,814	22,961	29,585
	Other	187,345	195,415	15,880	16,568
7	Equity positions in banking book under market-based approach	1,767,242	1,768,322	149,862	149,953
8	Equity investments in funds - look-through approach	112,344	120,001	8,987	9,600
9	Equity investments in funds - mandate-based approach	—	—	—	—
	Equity investments in funds - simple risk-weight method 250%	—	—	—	—
	Equity investments in funds - simple risk-weight method 400%	168,243	175,397	13,458	41,385
10	Equity investments in funds - fall-back approach 1250%	67,353	66,834	5,388	5,346
11	Unsettled trade	39,818	7,818	3,338	656
12	Securitization exposures in banking book	—	—	—	—
13	Of which securitisation internal ratings-based approach (SEC-IRBA)	—	—	—	—
14	Of which securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA)	—	—	—	—
15	Of which securitisation standardised approach (SEC-SA)	—	—	—	—
	Of which subject to 1250% risk weight	—	—	—	—

(Unit: JPY million)

OV1: OVERVIEW OF RWA					
Common disclosure template		a	b	c	d
		RWA		Minimum capital requirements	
		June 30, 2019	March 31, 2019	June 30, 2019	March 31, 2019
16	Market risk	4,669,607	4,211,094	373,568	336,887
17	Of which standardized approach (SA)	1,243,508	1,157,621	99,480	92,609
18	Of which internal model approaches (IMM)	3,426,098	3,053,472	274,087	244,277
19	Operational risk	2,513,132	2,513,132	201,050	201,050
20	Of which Basic Indicator Approach	—	—	—	—
21	Of which standardized approach	2,513,132	2,513,132	201,050	201,050
22	Of which advanced measurement approach	—	—	—	—
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	451,449	435,424	38,282	36,924
	Amounts included in RWA according to transitional arrangements	—	—	—	—
24	Floor adjustment	—	—	—	—
25	Total (after applying 1.06 scaling factor)	14,626,406	14,251,587	1,170,112	1,140,127

(3) RWA flow statements

(Unit: Million JPY)

CR8: RWA flow statements of credit risk exposures under IRB			
Item			Credit RWA
1	RWA as at end of previous reporting period		3,005,339
2	Movement in risk levels	Asset size	189,190
3		Asset quality	(1,034)
4		Model updates	－
5		Methodology and policy	－
6		Acquisitions and disposals	－
7		Foreign exchange movements	(10,297)
8		Other	－
9	RWA as at end of reporting period		3,183,198

Note: All movements arising from obligors which the internal ratings are changed by model updates are included in Item No. 4 (Model updates). And Item No. 2 (Asset size) contains the movements other than amounts aggregated in Item No. 3 to 8

(Unit: Million JPY)

CCR7: RWA flow statements of CCR exposures under Internal Model Method (IMM)			
Item			Credit RWA
1	RWA as at end of previous reporting period		1,358,926
2	Movement in risk levels	Asset size	7,433
3		Credit quality of counterparties	(20,311)
4		Model updates (IMM only)	2,881
5		Methodology and policy (IMM only)	－
6		Acquisitions and disposals	－
7		Foreign exchange movements	(27,907)
8		Other	－
9	RWA as at end of current reporting period		1,321,022

(Unit: Million JPY)

MR2: RWA flow statements of market risk exposures under an IMA								
Item			a	b	c	d	e	f
			VaR	Stressed VaR	IRC	CRM	Other	Total RWA
1a	RWA at previous quarter end		584,149	1,051,100	1,349,012	69,211	－	3,053,472
1b	Adjustment to RWA at previous quarter end (1a divided by 1c)		1.01	1.06	1.00	1.10	－	1.01
1c	Spot RWA as at previous quarter end		576,627	982,939	1,349,012	62,794	－	2,971,373
2	Movement in risk levels	Movement in risk levels	380,902	536,444	60,894	(6,441)	－	971,799
3		Model updates/changes	(51,485)	239,542	(14,164)	－	－	173,892
4		Methodology and policy	－	－	－	－	－	－
5		Acquisitions and disposals	－	－	－	－	－	－
6		Foreign exchange movements	(25,354)	(49,220)	(39,057)	(1,576)	－	(115,209)
7		Other	－	－	－	－	－	－
8a	Spot RWA as at quarter end		880,690	1,709,705	1,356,684	54,775	－	4,001,855
8b	Adjustment to RWA at quarter end (8c divided by 8a)		0.92	0.70	1.00	1.00	－	0.89
8c	RWA at end of reporting period		815,532	1,199,106	1,356,684	54,775	－	3,426,098

CHAPTER 4 Terms And Conditions Of The Capital Instruments

1. Nomura Holdings, Inc. Common Stock

Regulatory capital instruments (common stock)

CCA: Main features of regulatory capital instruments		
1	Issuer	Nomura Holdings, Inc.
2	Unique identifier	JP3762600009
3	Governing law(s) of the instrument	Japanese Law
3a	Means governed by foreign law (other TLAC-eligible instruments only) (1)	
	Regulatory treatment (2)	
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) (3)	
7	Instrument type	Common Stock
8	Amounts recognized in regulatory capital (4)	
	For consolidated regulatory capital ratio	JPY 594,493 million
9	Aggregate nominal amount (5)	
10	Accounting classification (6)	Common Stock
	On consolidated basis	Common Stock
11	Issue Date (7)	
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 (8)	
	Other early redemption events and early redemption amounts (9)	
16	Subsequent call dates, if applicable (10)	
	Coupons / Dividends	
17	Type of coupon rate / dividend rate (11)	
18	Coupon rate or dividend rate (12)	
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 (15)	
25	If convertible, fully or partially (16)	
26	If convertible, conversion rate (17)	
27	If convertible, mandatory or optional conversion (18)	
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 (19)	No
31	If write-down, write-down trigger (20)	
32	If write-down, full or partial (21)	
33	If write-down, permanent or temporary (22)	
34	If temporary write-down, description of write-up mechanism	

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

Regulatory capital instruments (subordinated bonds)

CCA: Main features of regulatory capital instruments		
1	Issuer	Nomura Holdings, Inc.
2	Unique identifier	JP376260AGD1
3	Governing law(s) of the instrument	Japanese Law
3a	Means governed by foreign law (other TLAC-eligible instruments only) (1)	
	Regulatory treatment (2)	
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) (3)	
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 (4)	
	For consolidated regulatory capital ratio	JPY 165,000 million
9	Aggregate nominal amount (5)	JPY 165,000 million
10	Accounting classification (6)	Debt
	On consolidated basis	Debt
11	Issue Date (7)	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 (8)	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 (9)	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 (10)	15-Jun or 15-Dec from and including 15-Jun-21
	Coupons / Dividends	
17	Type of coupon rate / dividend rate (11)	Fixed to Floating
18	Coupon rate or dividend rate (12)	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 (15)	

25	If convertible, fully or partially (16)	
26	If convertible, conversion rate (17)	
27	If convertible, mandatory or optional conversion (18)	
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 (19)	Yes
31	If write-down, write-down trigger (20)	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 (21)	Full or partial
33	If write-down, permanent or temporary (22)	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.

■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)

CCA: Main features of regulatory capital instruments		
1	Issuer	Nomura Holdings, Inc.
2	Unique identifier	JP376260AAB8
3	Governing law(s) of the instrument	Japanese Law
3a	Means governed by foreign law (other TLAC-eligible instruments only) (1)	
	Regulatory treatment (2)	
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) (3)	
7	Instrument type	Nomura Holdings Inc. Second Series of Unsecured Subordinated Bonds
8	Amounts recognized in regulatory capital (4)	
	For consolidated regulatory capital ratio	JPY 11,850 million
9	Aggregate nominal amount (5)	JPY 39,500 million
10	Accounting classification (6)	Debt
	On consolidated basis	Debt
11	Issue Date (7)	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 (8)	
	Other early redemption events and early redemption amounts (9)	
16	Subsequent call dates, if applicable (10)	
	Coupons / Dividends	
17	Type of coupon rate / dividend rate (11)	Fixed
18	Coupon rate or dividend rate (12)	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 (15)	
25	If convertible, fully or partially (16)	
26	If convertible, conversion rate (17)	
27	If convertible, mandatory or optional conversion (18)	
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 (19)	No
31	If write-down, write-down trigger (20)	
32	If write-down, full or partial (21)	
33	If write-down, permanent or temporary (22)	
34	If temporary write-down, description of write-up mechanism	

■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)

CCA: Main features of regulatory capital instruments		
1	Issuer	Nomura Holdings, Inc.
2	Unique identifier	JP376260BAB6
3	Governing law(s) of the instrument	Japanese Law
3a	Means governed by foreign law (other TLAC-eligible instruments only) (1)	
	Regulatory treatment (2)	
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) (3)	
7	Instrument type	Nomura Holdings Inc. Third Series of Unsecured Subordinated Bonds
8	Amounts recognized in regulatory capital (4)	
	For consolidated regulatory capital ratio	JPY 17,010 million
9	Aggregate nominal amount (5)	JPY 57,700 million
10	Accounting classification (6)	Debt
	On consolidated basis	Debt
11	Issue Date (7)	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 (8)	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 (9)	No
16	Subsequent call dates, if applicable (10)	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 (11)	Fixed
18	Coupon rate or dividend rate (12)	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 (15)	
25	If convertible, fully or partially (16)	
26	If convertible, conversion rate (17)	
27	If convertible, mandatory or optional conversion (18)	
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 (19)	No
31	If write-down, write-down trigger (20)	
32	If write-down, full or partial (21)	
33	If write-down, permanent or temporary (22)	

34	If temporary write-down, description of write-up mechanism	

■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)

CCA: Main features of regulatory capital instruments		
1	Issuer	Nomura Holdings, Inc.
2	Unique identifier	JP376260CAB4
3	Governing law(s) of the instrument	Japanese Law
3a	Means governed by foreign law (other TLAC-eligible instruments only) (1)	
	Regulatory treatment (2)	
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) (3)	
7	Instrument type	Nomura Holdings Inc. Fourth Series of Unsecured Subordinated Bonds
8	Amounts recognized in regulatory capital (4)	
	For consolidated regulatory capital ratio	JPY 1,800 million
9	Aggregate nominal amount (5)	JPY 6,000 million
10	Accounting classification (6)	Debt
	On consolidated basis	Debt
11	Issue Date (7)	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 (8)	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 (9)	No
16	Subsequent call dates, if applicable (10)	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 (11)	Floating
18	Coupon rate or dividend rate (12)	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 (15)	
25	If convertible, fully or partially (16)	
26	If convertible, conversion rate (17)	
27	If convertible, mandatory or optional conversion (18)	
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 (19)	No
31	If write-down, write-down trigger (20)	
32	If write-down, full or partial (21)	
33	If write-down, permanent or temporary (22)	

34	If temporary write-down, description of write-up mechanism	

■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)

CCA: Main features of regulatory capital instruments		
1	Issuer	Nomura Holdings, Inc.
2	Unique identifier	JP376260AAC6
3	Governing law(s) of the instrument	Japanese Law
3a	Means governed by foreign law (other TLAC-eligible instruments only) (1)	
	Regulatory treatment (2)	
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) (3)	
7	Instrument type	Nomura Holdings Inc. Fifth Series of Unsecured Subordinated Bonds
8	Amounts recognized in regulatory capital (4)	
	For consolidated regulatory capital ratio	JPY 15,000 million
9	Aggregate nominal amount (5)	JPY 50,000 million
10	Accounting classification (6)	Debt
	On consolidated basis	Debt
11	Issue Date (7)	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 (8)	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 (9)	No
16	Subsequent call dates, if applicable (10)	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 (11)	Fixed
18	Coupon rate or dividend rate (12)	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 (15)	
25	If convertible, fully or partially (16)	
26	If convertible, conversion rate (17)	
27	If convertible, mandatory or optional conversion (18)	
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 (19)	No
31	If write-down, write-down trigger (20)	
32	If write-down, full or partial (21)	
33	If write-down, permanent or temporary (22)	

34	If temporary write-down, description of write-up mechanism	

■Additional terms and conditions

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

Security and guarantee

Acceleration clause

Subordination clause

7. Minority Interest

Regulatory capital instruments (minority interest)

CCA: Main features of regulatory capital instruments		
1	Issuer	Sugimura Warehouse Co., Ltd., Nomura Asset Management Taiwan Ltd. and others
2	Unique identifier	Not applicable
3	Governing law(s) of the instrument	Japanese Law, Law of Hong Kong and others
3a	Means governed by foreign law (other TLAC-eligible instruments only) (1)	
	Regulatory treatment (2)	
4	Transitional Basel III rules	Common Equity Tier 1 Capital Additional Tier 1 Capital Tier 2 Capital
5	Post-transitional Basel III rules	Common Equity Tier 1 Capital Additional Tier 1 Capital Tier 2 Capital
6	Entities who include the relevant instruments into capital (other than NHI) (3)	
7	Instrument type	Common Stock
8	Amounts recognized in regulatory capital (4)	
	For consolidated regulatory capital ratio	JPY 1,447 million
9	Aggregate nominal amount (5)	
10	Accounting classification (6)	Minority Interest
	On consolidated basis	Minority Interest
11	Issue Date (7)	
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 (8)	
	Other early redemption events and early redemption amounts (9)	
16	Subsequent call dates, if applicable (10)	
	Coupons / Dividends	
17	Type of coupon rate / dividend rate (11)	
18	Coupon rate or dividend rate (12)	
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 (15)	
25	If convertible, fully or partially (16)	
26	If convertible, conversion rate (17)	
27	If convertible, mandatory or optional conversion (18)	
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 (19)	No
31	If write-down, write-down trigger (20)	
32	If write-down, full or partial (21)	

33	If write-down, permanent or temporary (22)	
34	If temporary write-down, description of write-up mechanism	

CHAPTER 5 Disclosure On Leverage Ratio

(Unit: JPY million, %)

Leverage ratio common disclosure template Table 2		Leverage ratio common disclosure template Table 1	Items	June 30, 2019	March 31, 2019
On-balance sheet exposures					
1			On-balance sheet items (excluding derivatives and SFTs, but including collateral)	25,093,187	22,412,684
	1a	1	Total consolidated assets as per published financial statements	42,532,614	40,969,438
	1b	2	(The amount of assets of subsidiaries that are not included in the scope of the leverage ratio on a consolidated basis)	112,378	115,429
	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))	17,327,048	18,441,324
2		7	(Asset amounts deducted in determining Basel III Tier 1 capital)	156,774	161,056
3			Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	24,936,412	22,251,628
Derivative exposures					
4			Replacement cost associated with all derivatives transactions multiplied by 1.4	1,701,422	1,564,333
5			Add-on amounts for PFE associated with all derivatives transactions multiplied by 1.4	4,629,591	5,266,225
6			Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	1,372,788	1,319,694
7			(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	1,693,947	1,510,140
8			(Exempted CCP leg of client-cleared trade exposures)		
9			Adjusted effective notional amount of written credit derivatives	14,754,313	15,267,601
10			(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	13,400,653	13,730,083
11		4	Total derivative exposures (sum of lines 4 to 10)	7,363,516	8,177,629
Securities financing transaction exposures					
12			Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	31,232,701	36,424,638
13			(Netted amounts of cash payables and cash receivables of gross SFT assets)	15,196,751	19,117,679
14			CCR exposure for SFT assets	1,552,749	1,843,448
15			Agent transaction exposures		
16		5	Total securities financing transaction exposures (sum of lines 12 to 15)	17,588,700	19,150,408

(Unit: JPY million, %)

Leverage ratio common disclosure template Table 2	Leverage ratio common disclosure template Table 1	Items	June 30, 2019	March 31, 2019
Other off-balance sheet exposures				
17		Off-balance sheet exposure at gross notional amount	3,715,678	3,613,945
18		(Adjustments for conversion to credit equivalent amounts)	1,368,442	1,386,467
19	6	Off-balance sheet items (sum of lines 17 and 18)	2,347,235	2,227,477
Capital and total exposures				
20		Tier 1 capital	2,644,481	2,605,940
21	8	Total exposures (sum of lines 3, 11, 16 and 19)	52,235,865	51,807,144
22		Basel III leverage ratio	5.06%	5.03%

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 2020, 1st Quarter)		Highest designated parent company's previous quarterly period (Fiscal year ended March 2019, 4th Quarter)	
High quality liquid assets (1)					
1	Total high quality liquid assets	4,248,314		4,319,594	
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	516,721	141,316	533,659	157,801
3	Out of which, stable deposits	—	—	—	—
4	Out of which, less stable deposits	516,721	141,316	533,659	157,801
5	Cash outflows related to unsecured wholesale funding	1,391,771	1,231,276	1,484,265	1,322,260
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	1,047,232	886,736	1,077,526	915,521
8	Out of which, debt securities	344,539	344,539	406,738	406,738
9	Cash outflows related to secured funding, etc.		3,017,814		3,003,562
10	Cash outflows related to the derivatives, funding programs, and credit and liquidity facilities	1,994,591	1,687,302	1,959,434	1,685,658
11	Out of which, cash outflows related to the derivative transaction, etc.	1,560,442	1,560,442	1,552,894	1,552,894
12	Out of which, cash outflows related to funding programs	—	—	—	—
13	Out of which, cash outflows related to credit and liquidity facilities	434,149	126,860	406,539	132,764
14	Cash outflows based on obligations to provide funds, etc.	3,496,393	980,169	3,822,238	1,033,481
15	Cash outflows related to contingencies	408,672	203,069	439,595	217,384
16	Total cash outflows		7,260,944		7,409,884
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.	28,501,376	2,281,491	31,552,734	2,373,160
18	Cash inflows related to collection of loans, etc.	1,172,895	1,092,332	1,171,478	1,064,784
19	Other cash inflows	3,906,037	1,615,091	4,204,474	1,790,705
20	Total cash inflows	33,580,308	4,988,914	36,928,686	5,228,649

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

Item		Highest designated parent company's current quarterly period (Fiscal year ended March 2020, 1st Quarter)		Highest designated parent company's previous quarterly period (Fiscal year ended March 2019, 4th Quarter)	
Consolidated liquidity coverage ratio (4)					
21	Total high quality liquid assets allowed to be included		4,248,314		4,319,594
22	Net cash outflows		2,272,516		2,191,058
23	Consolidated liquidity coverage ratio		188.4%		198.4%
24	Number of data used to calculate averages	59		58	

PART 3: Disclosure Policy

"Policy for NHI consolidated Pillar 3 Disclosures" has been established in order to assure and maintain appropriateness of our disclosure based on "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." . This policy was approved by EMB.

Disclosure Committee and CFO shall confirm Pillar 3 Report is appropriately created in line with the procedure established by each department. Pillar 3 Report shall be reported to EMB after their disclosure. Internal Audit Department shall periodically review the effectiveness of the procedures.