Pillar 3 Regulatory Capital and Liquidity Coverage Ratio Disclosures for the quarterly period ended March 31, 2020

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
		March 31, 2020	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	2,676,220	
1a	out of which, capital and capital surplus	1,277,724	1a
2	out of which, retained earnings	1,642,099	2
1c	out of which, investments in own shares (-)	243,603	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	(26,105)	3
5	Adjusted amount of minority interests related to Common Equity Tier 1 capital	—	
6	Common Equity Tier 1 capital before regulatory adjustments (A)	2,650,115	
Common Equity Tier 1 Capital: Regulatory Adjustments(2)			
8+9	Intangibles other than mortgage-servicing rights (net of related tax liability)	99,936	
8	out of which, goodwill (net of related tax liability, including those equivalent)	1,217	
9	out of which, intangibles other than goodwill and mortgage-servicing rights	98,719	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of tax liability)	993	
11	Cash flow hedge reserve	—	
12	Shortfall of provisions to expected losses	41,562	
13	Securitization gain on sale	—	
14	Own credit valuation	82,266	
15	Defined-benefit pension fund net assets	14,105	
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	6,616	
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 March 31, 2020	b 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)	245,481	
Common Equity Tier 1 Capital					
29		Common Equity Tier 1 capital ((A) – (B))	(C)	2,404,634	
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	
	30	Additional Tier 1 instruments issued by special purpose vehicle, etc.		—	
34-35		Adjusted amount of minority interests related to Additional Tier 1 capital		1,866	
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)	166,866	

(Unit: JPY million, %)

Basel III template No.	Item		a March 31, 2020	b 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)	166,866	
Tier1 Capital				
45	Tier 1 capital ((C) + (F))	(G)	2,571,500	
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		439	
47+49	Capital instruments subject to transitional arrangements		30,440	
47	out of which, instruments issued by Group or special purpose vehicle controlled by Group		30,440	
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)	30,879	

(Unit: JPY million, %)

Basel III template No.	Item	a	b
		March 31, 2020	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)	30,879	
Total Capital			
59	Total capital ((G) + (J)) (K)	2,602,379	
Risk-Weighted Assets(6)			
60	Total risk-weighted assets (L)	15,674,493	
Capital Ratios and buffers(7)			
61	Consolidated Common Equity Tier 1 ratio ((C) / (L))	15.34%	
62	Consolidated Tier 1 ratio ((G) / (L))	16.40%	
63	Consolidated total capital ratio ((K) / (L))	16.60%	
64	Total of group CET1 specific buffer requirements (%)	3.01%	
65	Of which: capital conservation buffer requirement (%)	2.50%	
66	Of which: countercyclical buffer requirement (%)	0.01%	
67	Of which: G-SIB and/or D-SIB additional requirements (%)	0.50%	
68	Common Equity Tier 1 available after meeting the group’s minimum capital requirements (%)	8.60%	

(Unit: JPY million, %)

Basel III template No.	Item	a March 31, 2020	b Reference numbers of CC2
Amounts below the Thresholds for Deduction(8)			
72	Non-significant investments in the capital instruments of other financial institutions	137,563	
73	Significant investments in the common stock of financial institutions	110,198	
74	Mortgage-servicing rights (net of related tax liability)	–	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	3,566	
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	30,440	
85	Amount excluded from Tier 2 due to cap (excess over cap after redemptions and maturities)	121,760	

(Unit: JPY million, %)

CC1: Composition of regulatory capital			
Basel III template No.	Item	a	b
		December 31, 2019	March 31, 2019
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	2,756,356	2,657,140
1a	out of which, capital and capital surplus	1,277,796	1,282,254
2	out of which, retained earnings	1,691,967	1,483,853
1c	out of which, investments in own shares (-)	213,407	108,967
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	(58,403)	(29,050)
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)	2,697,958	2,628,118
Common Equity Tier 1 Capital: Regulatory Adjustments(2)			
8+9	Intangibles other than mortgage-servicing rights (net of related tax liability)	101,566	110,094
8	out of which, goodwill (net of related tax liability, including those equivalent)	1,220	1,324
9	out of which, intangibles other than goodwill and mortgage-servicing rights	100,346	108,770
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of tax liability)	2,311	525
11	Cash flow hedge reserve	—	—
12	Shortfall of provisions to expected losses	32,518	31,643
13	Securitization gain on sale	—	—
14	Own credit valuation	9,262	27,341
15	Defined-benefit pension fund net assets	12,834	12,826
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	5,204	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 December 31, 2019	b March 31, 2019
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)	163,699	188,397
Common Equity Tier 1 Capital					
29		Common Equity Tier 1 capital ((A) – (B))	(C)	2,534,259	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		1,827	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)	166,827	166,219

(Unit: JPY million, %)

Basel III template No.	Item		a December 31, 2019	b March 31, 2019
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)	166,827	166,219
Tier1 Capital				
45	Tier 1 capital ((C) + (F))	(G)	2,701,086	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		431	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)	46,091	45,953

(Unit: JPY million, %)

Basel III template No.	Item		a December 31, 2019	b March 31, 2019
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)		—	—
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 Tier 2 instruments of other 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)	46,091	45,953
Total Capital				
59	Total capital ((G) + (J))	(K)	2,747,178	2,651,893
Risk-Weighted Assets(5)				
60	Total risk-weighted assets	(L)	14,028,085	14,251,587
Capital Ratios				
61	Consolidated Common Equity Tier 1 ratio ((C) / (L))		18.06%	17.11%
62	Consolidated Tier 1 ratio ((G) / (L))		19.25%	18.28%
63	Consolidated total capital ratio ((K) / (L))		19.58%	18.60%
64	Total of group CET1 specific buffer requirements (%)		3.11%	3.11%
65	Of which: capital conservation buffer requirement (%)		2.50%	2.50%
66	Of which: countercyclical buffer requirement (%)		0.11%	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 (%)		11.58%	10.60%
Amounts below the Thresholds for Deduction(6)				
72	Non-significant investments in the capital instruments of other financial institutions		155,664	122,196
73	Significant investments in the common stock of financial institutions		138,174	172,127
74	Mortgage-servicing rights (net of related tax liability)		—	—
75	Deferred tax assets arising from temporary differences (net of related tax liability)		4,347	2,042

(Unit: JPY million, %)

Basel III template No.	Item	a	b
		December 31, 2019	March 31, 2019
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)			
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)	107,140	107,540

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, 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 187 companies as of March 31, 2020.

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 31, 2020, the following companies fall under (ii):

Nomura Reinsurance ICC Limited, (Guernsey, insurance business, total assets of 0.06 billion yen and net assets of 0.05 billion yen);

Nomura Reinsurance 1 IC Limited (Guernsey, insurance business, total assets of 135.5 billion yen and net assets of 1.6 billion yen);

Nomura Reinsurance 3 IC Limited (Guernsey, insurance business, total assets of 0.04 billion yen and net assets of 0.04 billion yen);

Nomura Reinsurance 5IC Limited (Guernsey, insurance business, total assets of 0.7 billion yen and net assets of 0.7 billion yen);

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

US CB Reinsurance 2 IC Limited (Guernsey, insurance business, total assets of 0.0 billion yen and net assets of 0.0 billion yen);

Nomura Americas Re. Ltd. (Bermuda, insurance business, total assets of 148.7 billion yen and net assets of 7.1 billion yen);

Nomura Americas US Re Ltd. (Bermuda, insurance business, total assets of 2.8 billion yen and net assets of 2.6 billion yen), as well as 1,146 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.

(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 has determined the types and levels of risk that it will assume in pursuit of its strategic objectives and business plan and has articulated this in its Risk Appetite Statement. This document is jointly submitted by the Chief Risk Officer ("CRO"), the Chief Financial Officer ("CFO") and the Chief Compliance Officer ("CCO") to the Executive Management Board ("EMB") for approval.

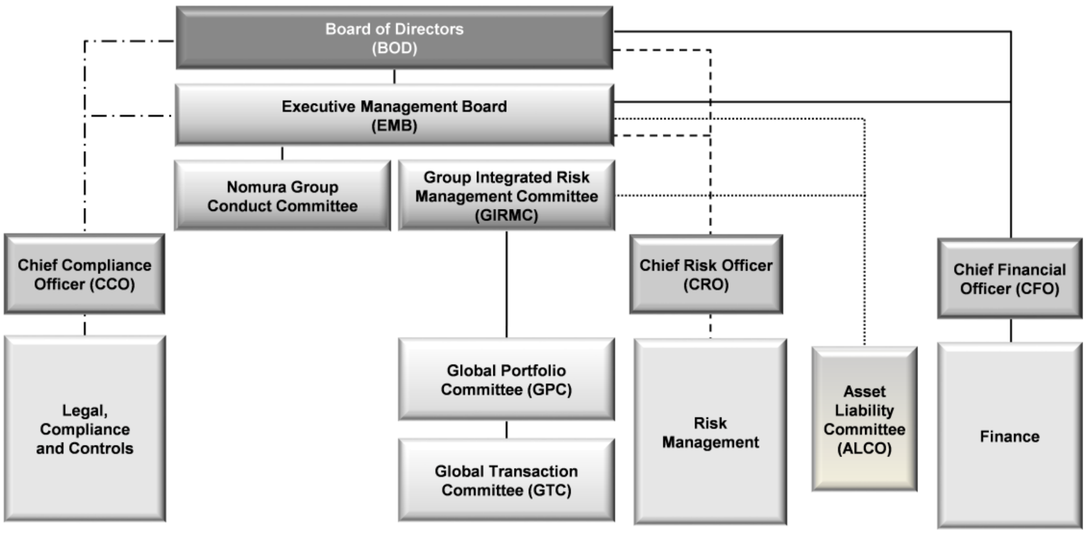
The Risk Appetite Statement provides an aggregated view of risk and includes capital adequacy, liquidity, financial risk and non-financial risk. It is subject to regular monitoring and breach escalation as appropriate by the owner of the relevant risk appetite statement.

Nomura's Risk Appetite Statement is required to be reviewed at least annually by the EMB but it is reviewed on an ad hoc basis if necessary, and must specifically be reviewed following any significant changes in Nomura's strategy. Risk appetite underpins all additional aspects of Nomura's 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. Key responsibilities of the EMB include the following:

- Resource Allocation — At the beginning of each financial year, the EMB determines the allocation of management resources and financial resources such as risk-weighted asset and unsecured funding to business units and establishes usage limits for these resources;
- Business Plan — At the beginning of each financial year, the EMB approves the business plan and budget of Nomura. Introduction of significant new businesses, changes to business plans, the budget and the allocation of management resources during the year are also approved by the EMB; and
- Reporting — The EMB reports the status of its deliberations to the BoD.

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 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.

Nomura Group Conduct Committee

Upon delegation from the EMB, the Nomura Group Conduct Committee deliberates on the matters as necessary and thereby assures the sound and effective management of Nomura's businesses..

Global Portfolio Committee ("GPC")

Upon delegation from the GIRMC, the GPC deliberates on or determines all matters in relation to the management of a specific portfolio, for the purpose of achieving a risk profile consistent with the risk allocation and risk appetite of Nomura. The portfolio consists of businesses and products that fall within at least one of the three following categories: event financing, term financing and asset-based financing.

Asset Liability Committee ("ALCO")

Upon delegation from the EMB and 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 Transaction Committee ("GTC")

Upon delegation from the GPC, the GTC deliberates on or determines individual transactions in line with Nomura's risk appetite determined by the EMB and thereby assures the sound and effective management of Nomura's businesses.

Other Committees

The Global Risk Analytics Committee and the Model Risk Analytics Committee deliberate on or determine matters concerning the development, management and strategy of risk models and valuation models upon delegation from the CRO, respectively. The primary responsibility of these committees 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 CRO on a regular basis. The Collateral Steering Committee 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 upon delegation from the CRO.

Chief Risk Officer ("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.

Chief Financial Officer ("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's liquidity management based on decisions made by the EMB.

Chief Compliance Officer ("CCO")

The CCO is responsible for supervising the Legal, Compliance and Controls Division ("LCC Division") and maintaining the effectiveness of the non-financial risk management framework (operational risk and reputational risk).

(4) Risk Management Division, Finance Division and LCC Division

The Risk Management Division, the Finance Division and the LCC Division comprise various departments or units established independently from Nomura's business units. These three divisions are 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 these three divisions and the CRO, CFO and CCO. The CRO, CFO and CCO regularly attend the EMB and GIRMC meetings to report specific risk issues.

(5) Risk Policy Framework

Policies and procedures are essential tools of governance and define principles, rules and standards, and the specific processes that must be adhered to in order to effectively manage risk at Nomura. Risk management operations are run in accordance with these policies and procedures.

(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, the Finance Division and the LCC Division are responsible for producing regular risk MI, which reflects the position of Nomura 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. These three divisions are 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)

A key component used in the calculation of our consolidated capital adequacy ratios is risk-weighted assets. The EMB determines the risk appetite for our consolidated Tier 1 capital ratio on an annual basis and sets the limits for the usage of risk-weighted assets by each division and by additional lower levels of the division. In addition the EMB determines the risk appetite for the level of exposures under the leverage ratio framework which is a non-risk based measure to supplement risk-weighted assets. See Item 4.B. "*Business Overview—Regulatory Capital Rules*", Item 5.B. "*Consolidated Regulatory Capital Requirements*" and *"Consolidated Leverage Ratio Requirements"* in this annual report for further information on our consolidated capital adequacy ratios and risk-weighted assets.

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. (Please note the management by NCAT was abolished on 31 March 2020 and the management with risk-weighted asset is solely in place since 1 April 2020.)

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 financial loss, incorrect decision making, or damage to the firm's credibility arising from model errors or incorrect or inappropriate model application.
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.

VaR Methodology Assumptions

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. One-day trading losses did not exceed the 99% VaR estimate at the Nomura Group level on any occasion for the twelve months ended March 31, 2019.

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 regularly, 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 framework is established to capture the structural and underlying collateral risk in securitization activity. Risk management function reviews structures using various cash flow and valuation tools, and continuously monitors trading and exposures using valuation and risk models, market activity and monthly remittance data to evaluate risks.

(3) In securitization exposures which are classified as Nomura "acts as a sponsor" as of March 31, 2019, a list of special purpose conduit involved in those transactions is as follows:

- AJAX MORTGAGE LOAN TRUST
- AJAX MORTGAGE LOAN TRUST 2017-D
- CIM TRUST 2018-R4
- CIVIC MORTGAGE LLC 2018-2
- COLT 2018-2 MORTGAGE LOAN TRUST
- COLT 2018-4 MORTGAGE LOAN TRUST
- COLT 2019-2 MORTGAGE LOAN TRUST
- CONNECTICUT AVENUE SECURITIES TRUST 2019-R04
- CONNECTICUT AVENUE SECURITIES TRUST 2019-R07
- CONNECTICUT AVENUE SECURITIES TRUST 2020-SBT1
- DEEPHAVEN RESIDENTIAL MORTGAGE TRUST 2017-2
- DEEPHAVEN RESIDENTIAL MORTGAGE TRUST 2019-1
- DEEPHAVEN RESIDENTIAL MORTGAGE TRUST 2019-2
- MILL CITY MORTGAGE LOAN TRUST 2019-1
- NATIONSTAR HECM LOAN TRUST 2018-2
- NATIONSTAR HECM LOAN TRUST 2018-3
- NATIONSTAR HECM LOAN TRUST 2019-1
- NEW RESIDENTIAL MORTGAGE LOAN TRUST 2019-NQM1
- NEW RESIDENTIAL MORTGAGE LOAN TRUST 2019-NQM2
- NEW RESIDENTIAL MORTGAGE LOAN TRUST 2019-NQM4
- NOMURA ASSET ACCEPTANCE CORP ALTERNATIVE LOAN TRUST SERIES 2006-AF2
- NOMURA RESECURITIZATION TRUST 2014-1R
- NOMURA RESECURITIZATION TRUST 2015-2R
- PRPM 2018-1 LLC
- PRPM 2019-2 LLC
- PRPM 2020-1 LLC
- RMF BUYOUT ISSUANCE TRUST 2020-1
- STARWOOD MORTGAGE RESIDENTIAL TRUST 2019-INV1
- TOORAK MORTGAGE CORP 2019-1 LTD
- VERUS SECURITIZATION TRUST 2019-INV2
- VISIO 2019-1 TRUST
- VOLT LXXX LLC
- VOLT LXXXIII LLC

(4) A list of securitization purpose conduit to which Nomura group provides implicit support and the associated capital impact for each of them

Nomura group does not provide implicit support to securitization purposes conduits.

(5) Accounting policy for securitized transactions

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

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

Nomura Group uses ratings assigned by i) Rating and Investment Information, Inc., ii) Japan Credit Rating Agency, Ltd., iii) Moody's Investors Services, Inc., iv) S&P Global Ratings and v) Fitch Ratings Ltd

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

Nomura Group does not use the internal assessment approach.

(8) 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 are 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.

Internal ratings are mapped to the probabilities of default (PD) which in turn are used for calculating credit risk-weighted assets. PDs are estimated annually by the Risk Methodology Group and validated by the Credit Risk Control Unit through testing of conservativeness and backtesting of PDs used in calculations.

(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 financial loss or non-financial impact arising from inadequate or failed internal processes, people and systems, or from external events. Operational risk includes in its definition Compliance, Legal, IT and Cyber Security, Fraud, Third Party and other non-financial risks. Operational risk does not include strategic risk and reputational risk, however, some operational risks can lead to reputational issues and as such operational and reputational risks may be closely linked.

(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 co-ordinates the Operational Risk Management Framework and its implementation.
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

- Event Reporting: This process is used to identify and report any event which resulted in or had the potential to result in a loss or gain or other impact associated with inadequate or failed internal processes, people and systems, or from external events.
- Risk and Control Self-Assessment (“RCSA”): This process is used to identify the Inherent Risks the Business faces, the key controls associated with those risks and relevant actions to mitigate the residual risks. Global ORM are responsible for developing the RCSA process and supporting the Business in its implementation.
- Key Risk Indicators (“KRI”): Metrics which allow monitoring of certain key operational risks and trigger appropriate responses as thresholds are breached.
- Scenario Analysis: The process used to assess and quantify potential high impact, low likelihood operational risk events. During the process actions may be identified to enhance the control environment which are then tracked via the Operational Risk Management Framework.

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 financial loss, incorrect decision making, or damage to the firm's credibility arising from Model errors or incorrect or inappropriate Model application.

To effectively manage the Firm's Model Risk, Nomura has established a Model Risk Management Framework to govern the development, ownership, validation, approval, usage, ongoing monitoring, and periodic review of the Firm's Models. The framework is supported by a set of policies and procedures that articulate process requirements for the various elements of the model lifecycle, including monitoring of model risk with respect to the Firm's appetite.

New models and material changes to approved models must be independently validated prior to official use. Thresholds to assess the materiality of model changes are defined in Model Risk Management's procedures. During independent validation, validation teams analyze a number of factors to assess a model's suitability, identify model limitations, and quantify the associated model risk, which is ultimately mitigated through the imposition of approval conditions, such as usage conditions, model reserves and capital adjustments. Approved models are subject to Model Risk Management's annual re-approval process and ongoing performance monitoring to assess their continued suitability. Appropriately delegated Model Risk Management Committees provide oversight, challenge, governance, and ultimate approval of validated Models.

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 EMB and committees at the entities within the Group.

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. Qualitative Disclosure with Regard to Standardized Approach ("SA")

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.

- Rating and Investment Information, Inc.
- Japan Credit Rating Agency, Ltd.
- Moody's Investors Service, Inc.
- S&P Global Ratings
- Fitch Ratings Ltd.

11. Overview of Accounting Policy for Allowance and Charge-offs

Management establishes an allowance for credit losses against loans carried at amortized cost which reflects management's best estimate of probable losses incurred. The allowance for credit losses against loans, which is reported in the consolidated balance sheets within Allowance for doubtful accounts, comprises two components:

- A specific component for loans which have been individually evaluated for impairment; and
- A general component for loans which, while not individually evaluated for impairment, have been collectively evaluated for impairment based on historical loss experience.

The specific component of the allowance reflects probable losses incurred within loans which have been individually evaluated for impairment. A loan is defined as being impaired when, based on current information and events, it is probable that all amounts due according to the contractual terms of the loan agreement will not be collected. Factors considered by management in determining impairment include an assessment of the ability of borrowers to pay by considering various factors such as the nature of the loan, prior credit loss experience, current economic conditions, the current financial situation of the borrower and the fair value of any underlying collateral. Loans that experience insignificant payment delays or insignificant payment shortfalls are not classified as impaired. Impairment is measured on a loan by loan basis by adjusting the carrying value of the loan to either the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's observable market price, or the fair value of the collateral if the loan is collateral dependent.

The general component of the allowance is for loans not individually evaluated for impairment and includes judgment about collectability based on available information at the balance sheet date and the uncertainties inherent in those underlying assumptions. The allowance is based on historical loss experience adjusted for qualitative factors such as current economic conditions.

While management has based its estimate of the allowance for credit losses against loans on the best information available, future adjustments to the allowance may be necessary as a result of changes in the economic environment or variances between actual results and original assumptions.

Loans are charged-off when Nomura determines that the loans are uncollectible.

This determination is based on factors such as the occurrence of significant changes in the borrower's financial position such that the borrower can no longer pay the obligation or that the proceeds from collateral will not be sufficient to pay the loans.

12. Disclosures related to IRB Approach

(1) Percentage of EADs covered by each approach for credit RWA (excluding derivatives, SFTs and securitization) for each regulatory portfolio

(Unit: %)

Exposures covered by various approaches			
Item		EAD (%)	
		March 31, 2020	March 31, 2019
1	Exposures subject to FIRB	75.93%	76.58%
2	Bank	22.56%	22.87%
3	Sovereign	29.45%	29.72%
4	Corporate (excluding specialized lending)	5.74%	3.51%
5	Corporate (specialized lending)	3.36%	3.52%
6	Equity	8.82%	12.64%
7	Fund	1.00%	0.95%
8	Other	4.96%	3.34%
9	Exposures subject to SA	13.01%	14.63%
10	Exposures to CCP	11.04%	8.78%
11	Total	100.00%	100.00%

(2) Explanation how the scope of IRB approach was determined and overview of the carve-out

Nomura group decided the business units and asset classes under SA, instead of IRB approach, based on the business characteristics, the nature of exposures and the materiality in amount and risk management development. Nomura group does not have a plan to adapt a phased rollout of the IRB approach

1) Type of IRB approach:

FIRB

2) Business units and Asset Classes under IRB approach:

All business units and asset classes except for the business units and asset classes described in 3)

3) Business units and Asset Classes that are in scope of exemption:

◇ Business units

- Instinet Incorporated and its subsidiaries
- Nomura Land and Building Co., Ltd. and its subsidiaries
- Sugimura Warehouse Co., Ltd. and its subsidiaries
- Nomura Orient International Securities Co., Ltd.

◇ Asset classes

- Accrued interest revenue
- Accrued revenues
- Customer contract assets
- Customer contract receivables
- Margin Trade (Retail exposures)
- Prepaid expenses
- Accrued income taxes
- Receivables from employees
- Long term settlement transactions
- Immaterial low value exposures

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

Nomura Group's non-trading book assets mostly consist of short-term assets such as deposits, and liabilities mostly consist of borrowings and outstanding bond issuance for fund-raising purposes. These borrowings and outstanding bonds are in most cases converted into floating rate liabilities through swap agreements, so that the materiality of interest rate risk in the non-trading book is considerably low.

For interest rate risk as a part of market risk in the trading book, a summary of the management framework and procedures is provided in 4."Market Risk Management".

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

<March 31, 2020> (Unit: JPY million)

CC2: Reconciliation of regulatory capital to balance sheet

Item	a Balance sheet as in published financial statements	b Under regulatory scope of consolidation	c Reference of CC1
Assets			
Cash and cash equivalents	3,191,888	3,137,967	
Time deposits	309,372	309,372	
Deposits with stock exchanges and other segregated cash	373,685	373,685	
Loans receivable	2,857,405	2,869,329	
Receivables from customers	541,284	536,688	
Receivables from other than customers	1,731,235	1,727,438	
Allowance for doubtful accounts	(13,012)	(13,012)	
Securities purchased under agreements to resell	12,377,315	12,377,315	
Securities borrowed	3,529,796	3,529,796	
Trading assets	16,853,821	15,753,459	
Private equity investments	44,278	33,474	
Office buildings, land, equipment and facilities	440,511	425,088	
Non-trading debt securities	455,392	404,026	
Investments in equity securities	112,174	112,174	
Investments in and advances to affiliated companies	367,640	368,208	
Other	827,022	826,774	
Total Assets	43,999,815	42,771,788	
Liabilities			
Short-term borrowings	1,486,732	1,326,348	
Payables to customers	1,467,434	1,467,434	
Payables to other than customers	1,653,495	1,653,353	
Deposits received at banks	1,276,152	1,276,152	
Securities sold under agreements to repurchase	16,349,182	16,452,832	
Securities loaned	961,445	967,470	
Other secured borrowings	717,710	717,710	
Trading liabilities	8,546,283	8,620,861	
Other liabilities	1,034,448	951,313	
Long-term borrowings	7,775,664	7,004,709	
Total Liabilities	41,268,550	40,438,187	
Equity			
Common stock	594,492	594,492	1a
Additional paid-in capital	683,231	683,231	1a
Retained earnings	1,645,450	1,642,099	2
Accumulated other comprehensive income	(26,105)	(26,105)	3
Common stock held in treasury	(243,603)	(243,603)	1c
Noncontrolling interests	77,798	77,798	
Total equity	2,731,264	2,727,913	
Total liabilities and equity	43,999,815	43,166,100	

<December 31, 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	3,152,016	3,119,044	
Time deposits	266,707	266,707	
Deposits with stock exchanges and other segregated cash	316,822	316,734	
Loans receivable	2,943,499	2,970,131	
Receivables from customers	406,029	401,385	
Receivables from other than customers	513,962	511,383	
Allowance for doubtful accounts	(6,069)	(6,069)	
Securities purchased under agreements to resell	15,632,816	15,632,816	
Securities borrowed	3,922,105	3,922,105	
Trading assets	16,672,457	15,484,622	
Private equity investments	39,112	36,017	
Office buildings, land, equipment and facilities	460,100	432,977	
Non-trading debt securities	465,998	471,325	
Investments in equity securities	129,939	129,939	
Investments in and advances to affiliated companies	362,406	362,973	
Other	964,429	964,187	
Total Assets	46,242,334	45,016,283	
Liabilities			
Short-term borrowings	1,067,890	921,286	
Payables to customers	1,174,953	1,174,953	
Payables to other than customers	1,292,191	1,291,682	
Deposits received at banks	1,237,027	1,237,027	
Securities sold under agreements to repurchase	19,387,218	19,492,588	
Securities loaned	1,266,228	1,278,297	
Other secured borrowings	317,137	317,137	
Trading liabilities	8,626,238	8,669,277	
Other liabilities	1,172,644	1,179,088	
Long-term borrowings	7,911,181	7,059,093	
Total Liabilities	43,452,711	42,620,432	
Equity			
Common stock	594,492	594,492	1a
Additional paid-in capital	683,303	683,303	1a
Retained earnings	1,695,181	1,691,967	2
Accumulated other comprehensive income	(58,403)	(58,403)	3
Common stock held in treasury	(213,407)	(213,407)	1c
Noncontrolling interests	88,455	88,455	
Total equity	2,789,623	2,786,409	
Total liabilities and equity	46,242,334	45,406,841	

<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 and other accounting disclosures of the Consolidated Balance Sheets, due to the difference in rounding.

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. Credit Risk

(1) Credit Risk (Excluding Derivatives and SFTs ("Counterparty Credit Risk"), Securitization Exposures and Exposures Calculated under "Funds" Rules)

1) Exposure by region, industry and residual contractual maturity

(Unit: JPY million)

Exposure by region, industry and residual contractual maturity			
Item		Exposure amount	
		March 31, 2020	March 31, 2019
By region			
1	Japan	3,217,470	2,966,399
2	Non-Japan	2,935,543	2,305,075
3	Europe	734,689	756,422
4	North America	1,731,580	1,121,902
5	Asia	469,274	426,749
6	Total	6,153,014	5,271,474
By industry			
1	Financial institution	2,275,166	2,081,253
2	Sovereign	2,084,048	1,748,622
3	Corporate	1,790,757	1,441,582
4	Other	3,042	16
5	Total	6,153,014	5,271,474
By residual contractual maturity			
1	Due within 1 year	22,911	30,575
2	Due over 1 to 3 years	3,849,772	3,335,566
3	Due over 3 to 5 years	67,490	24,967
4	Due over 5 years	88,401	80,943
5	Terms not specified	2,124,439	1,799,421
6	Total	6,153,014	5,271,474

2) Nomura group is not conducting "Self-assessment" under Financial Revitalization Law and there are no exposures to obligors the events described in Article 183, Paragraph 1-1 to 1-4 of Capital Adequacy Notice occur and no corresponding allowance and charge-offs.

3) Aging analysis of past-due

(Unit: JPY million)

		Less than 1 month	1 to 2 months	2 to 3 months	More than 3 months
Past due amounts	March 31, 2020	18,131	726	990	9,603
	March 31, 2019	3,810	632	2,489	1,837

4) Nomura group is not conducting "Self-assessment" under Financial Revitalization Law and no allowances are additionally reserved due to the change of loan conditions for the purpose of reconstructing or supporting the business of the borrower (excluding exposures to obligors the events described in Article 183, Paragraph 1-1 to 1-4 of Capital Adequacy Notice occur)

(2) Exposures underlying several assets which risk weights are not directly identified under SA and Fund exposures under IRB

(Unit: JPY million)

	Exposure amount March 31, 2020
Equity investments in funds – look-through approach	8,548
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%	58,225
Equity investments in funds – fall-back approach 1250%	4,050

(Unit: JPY million)

	Exposure amount March 31, 2019
Equity investments in funds – look-through approach	9,600
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%	41,385
Equity investments in funds – fall-back approach 1250%	5,346

3. Other Quantitative Disclosure

Following tables show the quantitative disclosure based on Annex No.2 and No.7 of “Notice 132 (27 December 2010) of FSA of the Establishment of Matters to be Included in a Document stating the Capital adequacy by a Final Designated Parent Company in Cases Specified by the FSA Commissioner” (the “Pillar 3 Notice”).

(1) Key Metrics

(Unit: JPY million, %)

KM1: KEY METRICS						
Common disclosure template		a	b	c	d	e
		March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019
Available capital						
1	Common Equity Tier 1 (CET1)	2,404,634	2,534,259	2,524,353	2,478,315	2,439,720
2	Tier 1	2,571,500	2,701,086	2,691,284	2,644,481	2,605,940
3	Total capital	2,602,379	2,747,178	2,737,400	2,690,417	2,651,893
RWA						
4	RWA	15,674,493	14,028,085	14,576,989	14,626,406	14,251,587
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	15.34%	18.06%	17.31%	16.94%	17.11%
6	Tier 1 ratio (%)	16.40%	19.25%	18.46%	18.08%	18.28%
7	Total capital ratio (%)	16.60%	19.58%	18.77%	18.39%	18.60%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical buffer requirement (%)	0.01%	0.11%	0.12%	0.10%	0.11%
10	G-SIB and/or D-SIB additional requirements (%)	0.50%	0.50%	0.50%	0.50%	0.50%
11	Total of bank CET1 specific buffer requirements (%)	3.01%	3.11%	3.12%	3.10%	3.11%
12	CET1 available after meeting the bank's minimum capital requirements (%)	8.60%	11.58%	10.77%	10.39%	10.60%
Basel III leverage ratio						
13	Total Basel III leverage ratio exposure measure	53,135,763	55,692,934	54,906,506	52,235,865	51,807,144
14	Basel III leverage ratio (%) (row 2 / row 13)	4.83%	4.84%	4.90%	5.06%	5.03%

(Unit: JPY million, %)

KM1: KEY METRICS						
Common disclosure template		a	b	c	d	e
		Fiscal year ended March 2020, 4th Quarter	Fiscal year ended March 2020, 3rd Quarter	Fiscal year ended March 2020, 2nd Quarter	Fiscal year ended March 2020, 1st Quarter	Fiscal year ended March 2019, 4th Quarter
Liquidity Coverage Ratio						
15	Total HQLA	4,218,005	4,100,488	3,987,451	4,248,314	4,319,594
16	Total net cash outflow	2,109,636	2,153,762	2,076,060	2,272,516	2,191,058
17	LCR ratio (%)	201.1%	192.3%	194.4%	188.4%	198.4%

(2) Over view of Risk Weighted Asset

(Unit: JPY million)

OV1: OVERVIEW OF RWA

Common disclosure template		a	b	c	d
		RWA		Minimum capital requirements	
		March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
1	Credit risk (excluding counterparty credit risk) (CCR)	1,445,685	1,395,747	119,123	114,836
2	Of which standardized approach (SA)	347,856	354,380	27,828	28,350
3	Of which IRB approach	722,594	661,879	61,276	56,127
	Of which significant investments in commercial entities	–	–	–	–
	Of which lease exposures with residual value	–	–	–	–
	Other	375,233	379,486	30,018	30,358
4	Counterparty credit risk	3,591,776	3,097,119	297,422	256,930
5	Of which standardized approach for counterparty credit risk (SACCR)	682,911	532,795	57,730	44,988
6	Of which internal model method (IMM)	1,274,488	1,275,822	108,076	108,189
	Of which credit value adjustment (CVA)	1,133,188	854,456	90,655	68,356
	Of which exposures to CCP	314,711	292,575	25,176	23,406
	Other	186,476	141,470	15,782	11,989
7	Equity positions in banking book under market-based approach	1,598,270	1,635,735	135,533	138,710
8	Equity investments in funds – look-through approach	100,801	109,547	8,547	9,289
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%	232,902	205,344	19,745	17,410
10	Equity investments in funds – fall-back approach 1250%	50,636	55,031	4,050	4,402
11	Unsettled trade	27,210	9,113	2,233	745
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	
		March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
16	Market risk	5,549,324	4,305,604	443,945	344,448
17	Of which standardized approach (SA)	814,707	977,001	65,176	78,160
18	Of which internal model approaches (IMM)	4,734,616	3,328,603	378,769	266,288
19	Operational risk	2,490,490	2,565,722	199,239	205,257
20	Of which Basic Indicator Approach	―	―	―	―
21	Of which standardized approach	2,490,490	2,565,722	199,239	205,257
22	Of which advanced measurement approach	―	―	―	―
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	284,410	356,306	24,118	30,214
	Amounts included in RWA according to transitional arrangements	―	―	―	―
24	Floor adjustment	―	―	―	―
25	Total (after applying 1.06 scaling factor)	15,674,493	14,028,085	1,253,959	1,122,246

(Unit: JPY million)

OV1: OVERVIEW OF RWA

Common disclosure template		a	b	c	d
		RWA		Minimum capital requirements	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
1	Credit risk (excluding counterparty credit risk) (CCR)	1,445,685	1,166,704	119,123	96,243
2	Of which standardized approach (SA)	347,856	328,374	27,828	26,269
3	Of which IRB approach	722,594	605,654	61,276	51,359
	Of which significant investments in commercial entities	—	—	—	—
	Of which lease exposures with residual value	—	—	—	—
	Other	375,233	232,674	30,018	18,613
4	Counterparty credit risk	3,591,776	3,493,257	297,422	289,431
5	Of which standardized approach for counterparty credit risk (SACCR)	682,911	534,519	57,730	45,274
6	Of which internal model method (IMM)	1,274,488	1,358,926	108,076	115,237
	Of which credit value adjustment (CVA)	1,133,188	1,034,580	90,655	82,766
	Of which exposures to CCP	314,711	369,814	25,176	29,585
	Other	186,476	195,415	15,782	16,568
7	Equity positions in banking book under market-based approach	1,598,270	1,768,322	135,533	149,953
8	Equity investments in funds – look-through approach	100,801	120,001	8,547	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%	232,902	175,397	19,745	41,385
10	Equity investments in funds – fall-back approach 1250%	50,636	66,834	4,050	5,346
11	Unsettled trade	27,210	7,818	2,233	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	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
16	Market risk	5,549,324	4,211,094	443,945	336,887
17	Of which standardized approach (SA)	814,707	1,157,621	65,176	92,609
18	Of which internal model approaches (IMM)	4,734,616	3,053,472	378,769	244,277
19	Operational risk	2,490,490	2,513,132	199,239	201,050
20	Of which Basic Indicator Approach	—	—	—	—
21	Of which standardized approach	2,490,490	2,513,132	199,239	201,050
22	Of which advanced measurement approach	—	—	—	—
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	284,410	435,424	24,118	36,924
	Amounts included in RWA according to transitional arrangements	—	—	—	—
24	Floor adjustment	—	—	—	—
25	Total (after applying 1.06 scaling factor)	15,674,493	14,251,587	1,253,959	1,140,127

(3) Linkage between Balance Sheet and Regulatory Exposures

<March 31, 2020> (Unit: JPY million)

LI1: DIFFERENCES BETWEEN ACCOUNTING AND REGULATORY SCOPES OF CONSOLIDATION AND MAPPING OF FINANCIAL STATEMENT CATEGORIES WITH REGULATORY RISK CATEGORIES

	a	b	c	d	e	f	g
	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Carrying value of items:				
			Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitization framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
Assets							
Cash and cash equivalents	3,191,888	3,137,967	3,137,967	—	—	—	—
Time deposits	309,372	309,372	309,372	—	—	—	—
Deposits with stock exchanges and other segregated cash	373,685	373,685	373,685	—	—	—	—
Loans receivable	2,857,405	2,869,329	244,862	303,653	—	2,320,813	—
Receivables from customers	541,284	536,688	454,134	82,553	—	—	—
Receivables from other than customers	1,731,235	1,727,438	170,373	781,578	—	239,464	681,946
Allowance for doubtful accounts	(13,012)	(13,012)	—	—	—	—	(13,012)
Securities purchased under agreements to resell	12,377,315	12,377,315	—	12,377,315	—	12,377,315	—
Securities borrowed	3,529,796	3,529,796	—	3,529,796	—	3,508,239	—
Trading assets	16,853,821	15,753,459	5,050	7,141,073	—	15,748,408	—
Private equity investments	44,278	33,474	33,474	—	—	—	—
Office buildings, land, equipment and facilities	440,511	425,088	314,057	—	—	—	111,031
Non-trading debt securities	455,392	404,026	8,875	—	—	395,150	—
Investments in equity securities	112,174	112,174	112,174	—	—	—	—
Investments in and advances to affiliated companies	367,640	368,208	367,707	—	—	500	—
Other	827,022	826,774	504,616	290,268	—	290,268	31,888
Total Assets	43,999,815	42,771,788	6,036,353	24,506,240	—	34,880,161	811,854
Liabilities							
Short-term borrowings	1,486,732	1,326,348	—	—	—	—	1,326,348
Payables to customers	1,467,434	1,467,434	—	37,777	—	—	1,429,656
Payables to other than customers	1,653,495	1,653,353	—	1,043,755	—	273,798	609,598
Deposits received at banks	1,276,152	1,276,152	—	—	—	816,098	460,053
Securities sold under agreements to repurchase	16,349,182	16,452,832	—	16,452,832	—	16,452,832	—
Securities loaned	961,445	967,470	—	967,470	—	967,470	—
Other secured borrowings	717,710	717,710	—	—	—	—	717,710
Trading liabilities	8,546,283	8,620,861	—	1,883,826	—	8,620,861	—
Other liabilities	1,034,448	951,313	66,907	290,268	—	290,268	594,137
Long-term borrowings	7,775,664	7,004,709	—	—	—	—	7,004,709
Total Liabilities	41,268,550	40,438,187	66,907	20,675,931	—	27,421,330	12,142,215

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

LI1: DIFFERENCES BETWEEN ACCOUNTING AND REGULATORY SCOPES OF CONSOLIDATION AND MAPPING OF FINANCIAL STATEMENT CATEGORIES WITH REGULATORY RISK CATEGORIES							
	a	b	c	d	e	f	g
	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Carrying value of items:				
			Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitization framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
Assets							
Cash and cash equivalents	2,686,659	2,655,096	2,655,096	−	−	−	−
Time deposits	289,752	289,752	289,752	−	−	−	−
Deposits with stock exchanges and other segregated cash	285,456	285,427	285,427	−	−	−	−
Loans receivable	2,544,218	2,523,450	224,879	337,455	−	1,961,114	−
Receivables from customers	449,705	449,667	262,531	187,136	−	−	−
Receivables from other than customers	892,282	886,116	97,311	336,747	−	107,765	345,849
Allowance for doubtful accounts	(4,169)	(4,169)	−	−	−	−	(4,169)
Securities purchased under agreements to resell	13,194,542	13,194,542	−	13,194,542	−	13,194,542	−
Securities borrowed	4,112,416	4,112,416	−	4,112,416	−	4,087,154	−
Trading assets	14,355,711	13,198,770	5,517	5,292,856	−	13,193,253	−
Private equity investments	30,077	28,510	28,510	−	−	−	−
Office buildings, land, equipment and facilities	349,365	294,545	173,299	−	−	−	121,245
Non-trading debt securities	460,661	466,585	9,297	−	−	457,288	−
Investments in equity securities	138,447	138,447	138,447	−	−	−	−
Investments in and advances to affiliated companies	436,219	436,787	436,301	−	−	485	−
Other	748,091	747,783	432,508	282,655	−	282,655	32,619
Total Assets	40,969,438	39,703,732	5,038,882	23,743,811	−	33,284,260	495,545
Liabilities							
Short-term borrowings	841,758	652,669	−	−	−	−	652,669
Payables to customers	1,229,082	1,229,082	−	60,362	−	−	1,168,720
Payables to other than customers	1,146,336	1,145,912	−	677,527	−	141,810	468,385
Deposits received at banks	1,392,618	1,392,618	−	−	−	937,962	454,656
Securities sold under agreements to repurchase	15,036,503	15,154,393	−	15,154,393	−	15,154,393	−
Securities loaned	1,229,594	1,241,593	−	1,241,593	−	1,241,593	−
Other secured borrowings	418,305	418,305	−	−	−	−	418,305
Trading liabilities	8,219,811	8,246,623	−	840,592	−	8,246,623	−
Other liabilities	858,865	911,579	54,322	282,655	−	282,655	574,602
Long-term borrowings	7,915,769	7,094,708	−	−	−	−	7,094,708
Total Liabilities	38,288,645	37,487,488	54,322	18,257,125	−	26,005,039	10,832,047

Note: Derivatives assets and SFTs held in the trading book are shown in the both columns for counterparty credit risk and market risk. Foreign exchange risk and commodity risk arising from non-trading book is not included in this table due to the difficulties in identifying the accounts on the balance sheet.

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

<March 31, 2020> (Unit: JPY million)

LI2: MAIN SOURCES OF DIFFERENCES BETWEEN REGULATORY EXPOSURE AMOUNTS AND CARRYING VALUES IN FINANCIAL STATEMENTS						
Item		a	b	c	d	e
		Total	Items subject to:			
			Credit risk framework	Counterparty credit risk framework	Securitization framework	Market risk framework
1	Asset carrying value amount under scope of regulatory consolidation (as per template LI1)	65,422,754	6,036,353	24,506,240	－	34,880,161
2	Liabilities carrying value amount under regulatory scope of consolidation (as per template LI1)	48,164,168	66,907	20,675,931	－	27,421,330
3	Total net amount under regulatory scope of consolidation	17,258,586	5,969,446	3,830,309	－	7,458,831
4	Off-balance sheet amounts	76,695	76,695	－	－	－
5	Differences in valuations for derivatives and SFTs	14,798,269	－	14,798,269	－	－
6	Other differences	(107,290)	(107,290)	－	－	－
7	Exposure amounts considered for regulatory purpose	32,026,260	5,938,851	18,628,578	－	7,458,831

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

LI2: MAIN SOURCES OF DIFFERENCES BETWEEN REGULATORY EXPOSURE AMOUNTS AND CARRYING VALUES IN FINANCIAL STATEMENTS						
Item		a	b	c	d	e
		Total	Items subject to:			
			Credit risk framework	Counterparty credit risk framework	Securitization framework	Market risk framework
1	Asset carrying value amount under scope of regulatory consolidation (as per template LI1)	62,066,953	5,038,882	23,743,811	－	33,284,260
2	Liabilities carrying value amount under regulatory scope of consolidation (as per template LI1)	44,316,486	54,322	18,257,125	－	26,005,039
3	Total net amount under regulatory scope of consolidation	17,750,467	4,984,560	5,486,686	－	7,279,221
4	Off-balance sheet amounts	64,857	64,857	－	－	－
5	Differences in valuations for derivatives and SFTs	9,069,881	－	9,069,881	－	－
6	Other differences	(73,932)	(73,932)	－	－	－
7	Exposure amounts considered for regulatory purpose	26,811,273	4,975,485	14,556,567	－	7,279,221

Note: Item No.5 “Differences in valuations for derivatives and SFTs” are arising from exposures calculated under IMM, SACCR and comprehensive method. Item No.6 “Other differences” is mainly regulatory adjustments for deferred tax asset and unsettled trades.

(4) Credit Risk (Excluding Counterparty Credit Risk, Securitization in Credit Risk and Exposures Calculated under "Funds" Rules)

<March 31, 2020> (Unit: JPY million)

CR1: CREDIT QUALITY OF ASSETS

Item		a	b	c	d
		Gross carrying values of		Allowances/ impairments	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		
1	Loans	352	521,899	—	522,251
2	Securities	—	—	—	—
3	Of which are debt securities	—	—	—	—
4	Total of on balance sheet assets (1+2+3)	352	521,899	—	522,251
	Off balance sheet assets				
5	Guarantees	—	2,360	—	2,360
6	Commitments	—	68,981	—	68,981
7	Total of off balance sheet assets (5+6)	—	71,342	—	71,342
	Total				
8	Total (4+7)	352	593,242	—	593,594

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

CR1: CREDIT QUALITY OF ASSETS

Item		a	b	c	d
		Gross carrying values of		Allowances/ impairments	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		
1	Loans	369	596,988	—	597,358
2	Securities	—	—	—	—
3	Of which are debt securities	—	—	—	—
4	Total of on balance sheet assets (1+2+3)	369	596,988	—	597,358
	Off balance sheet assets				
5	Guarantees	—	5,843	—	5,843
6	Commitments	—	62,163	—	62,163
7	Total of off balance sheet assets (5+6)	—	68,007	—	68,007
	Total				
8	Total (4+7)	369	664,995	—	665,365

Note: Default refers not only to non-payment of financial obligations, markedly disadvantageous modification to a contractual term, bankruptcy or the equivalent, but also to a situation under which the creditworthiness of the obligor is weak such that uncertainty as to the fulfillment of payment is high, and includes the sale of assets that are subject to credit risk measurement (excluding Equity Exposure), at a material loss (a loss of over 30% of the original principal).

<March 31, 2020> (Unit: Million JPY)

CR2: Changes in stock of defaulted loans and debt securities

Item			Amount
1	Defaulted loans and debt securities at previous year end		369
2	Loan and debt securities movement in each factor	Defaulted amount	4,218
3		Returned to non-defaulted status	—
4		Amounts written off	4,218
5		Other changes	(17)
6	Defaulted loans and debt securities at end of the reporting period (1+2-3-4+5)		352

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

CR2: Changes in stock of defaulted loans and debt securities

Item			Amount
1	Defaulted loans and debt securities at previous year end		—
2	Loan and debt securities movement in each factor	Defaulted amount	369
3		Returned to non-defaulted status	—
4		Amounts written off	—
5		Other changes	—
6	Defaulted loans and debt securities at end of the reporting period (1+2-3-4+5)		369

<March 31, 2020> (Unit: JPY million)

CR3: CREDIT RISK MITIGATION TECHNIQUES - OVERVIEW

Item		a	b	c	d	e
		Exposures unsecured	Exposures secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Loans	237,264	284,987	284,987	—	—
2	Debt securities	—	—	—	—	—
3	Other on balance sheet assets (debt instruments)	—	—	—	—	—
4	Total (1+2+3)	237,264	284,987	284,987	—	—
5	Of which defaulted	352	—	—	—	—

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

CR3: CREDIT RISK MITIGATION TECHNIQUES - OVERVIEW

Item		a	b	c	d	e
		Exposures unsecured	Exposures secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Loans	245,037	352,320	352,320	—	—
2	Debt securities	—	—	—	—	—
3	Other on balance sheet assets (debt instruments)	—	—	—	—	—
4	Total (1+2+3)	245,037	352,320	352,320	—	—
5	Of which defaulted	369	—	—	—	—

<March 31, 2020> (Unit: JPY million, %)

CR4: STANDARDIZED APPROACH - CREDIT RISK EXPOSURE AND CREDIT RISK MITIGATION (CRM) EFFECTS

Item		a	b	c	d	e	f
		Exposures before CCF and CRM		Exposures post-CCF and CRM		Credit RWA	Weighted average RW (RWA density)
	Asset Classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount		
1	Cash	–	–	–	–	–	–
2	Japan government	17,187	–	17,187	–	0	0.00%
3	Foreign government	3,998	–	3,998	–	1,012	25.31%
4	The bank for internal settlements	–	–	–	–	–	–
5	Local public entities	–	–	–	–	–	–
6	Foreign local public entities and public sector	0	–	0	–	0	20.00%
7	Development banks	–	–	–	–	–	–
8	Japan finance organization for municipalities	–	–	–	–	–	–
9	Non-central government public sector entities	0	–	0	–	0	10.00%
10	Local public sector of real estate	–	–	–	–	–	–
11	Banks and securities dealer	35,858	–	35,858	–	10,653	29.70%
12	Corporate	617,335	–	332,348	–	331,464	99.73%
13	Small and medium sized entities and retail	–	–	–	–	–	–
14	Mortgage loan	–	–	–	–	–	–
15	Commercial real estate	–	–	–	–	–	–
16	Over 3 months past due (excluding mortgage loan)	3,151	–	3,151	–	4,726	150.00%
17	Over 3 months past due related to mortgage loan	–	–	–	–	–	–
18	Uncollected bills	–	–	–	–	–	–
19	Guaranteed by credit guarantee corporation	–	–	–	–	–	–
20	Guaranteed by Regional economy vitalization corporation of Japan	–	–	–	–	–	–
21	Equity (excluding significant investment in commercial entities)	–	–	–	–	–	–
22	Total	677,532	–	392,544	–	347,856	88.61%

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

CR4: STANDARDIZED APPROACH - CREDIT RISK EXPOSURE AND CREDIT RISK MITIGATION (CRM) EFFECTS							
Item		a	b	c	d	e	f
		Exposures before CCF and CRM		Exposures post-CCF and CRM		Credit RWA	Weighted average RW (RWA density)
	Asset Classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount		
1	Cash	—	—	—	—	—	—
2	Japan government	10,739	—	10,739	—	0	—
3	Foreign government	1,294	—	1,294	—	360	27.86%
4	The bank for internal settlements	—	—	—	—	—	—
5	Local public entities	—	—	—	—	—	—
6	Foreign local public entities and public sector	21	—	21	—	4	20.00%
7	Development banks	—	—	—	—	—	—
8	Japan finance organization for municipalities	—	—	—	—	—	—
9	Non-central government public sector entities	6	—	6	—	0	10.00%
10	Local public sector of real estate	—	—	—	—	—	—
11	Banks and securities dealer	40,732	—	40,732	—	10,096	24.78%
12	Corporate	665,137	—	312,816	—	311,380	99.54%
13	Small and medium sized entities and retail	—	—	—	—	—	—
14	Mortgage loan	—	—	—	—	—	—
15	Commercial real estate	4	—	4	—	4	100.00%
16	Over 3 months past due (excluding mortgage loan)	4,352	—	4,352	—	6,528	150.00%
17	Over 3 months past due related to mortgage loan	—	—	—	—	—	—
18	Uncollected bills	—	—	—	—	—	—
19	Guaranteed by credit guarantee corporation	—	—	—	—	—	—
20	Guaranteed by Regional economy vitalization corporation of Japan	—	—	—	—	—	—
21	Equity (excluding significant investment in commercial entities)	—	—	—	—	—	—
22	Total	722,289	—	369,968	—	328,374	88.75%

<March 31, 2020> (Unit: JPY million)

CR5: STANDARDIZED APPROACH - EXPOSURES BY ASSET CLASSES AND RISK WEIGHTS												
Item		a	b	c	d	e	f	g	h	i	j	k
		Credit exposures amount (post CCF and post-CRM)										
	Risk Weight / Asset Classes	0%	10%	20%	35%	50%	75%	100%	150%	250%	1250%	Total
1	Cash	–	–	–	–	–	–	–	–	–	–	–
2	Japan government	17,187	–	–	–	–	–	–	–	–	–	17,187
3	Foreign government	1,958	–	26	–	2,013	–	–	–	–	–	3,998
4	The bank for internal settlements	–	–	–	–	–	–	–	–	–	–	–
5	Local public entities	–	–	–	–	–	–	–	–	–	–	–
6	Foreign local public entities and public sector	–	–	0	–	–	–	–	–	–	–	0
7	Development banks	–	–	–	–	–	–	–	–	–	–	–
8	Japan finance organization for municipalities	–	–	–	–	–	–	–	–	–	–	–
9	Non-central government public sector entities	–	0	–	–	–	–	–	–	–	–	0
10	Local public sector of real estate	–	–	–	–	–	–	–	–	–	–	–
11	Banks and securities dealer	–	–	25,541	–	9,543	–	773	–	–	–	35,858
12	Corporate	–	–	970	–	214	–	331,163	–	–	–	332,348
13	Small and medium sized entities and retail	–	–	–	–	–	–	–	–	–	–	–
14	Mortgage loan	–	–	–	–	–	–	–	–	–	–	–
15	Commercial real estate	–	–	–	–	–	–	–	–	–	–	–
16	Over 3 months past due (excluding mortgage loan)	–	–	–	–	–	–	–	3,151	–	–	3,151
17	Over 3 months past due related to mortgage loan	–	–	–	–	–	–	–	–	–	–	–
18	Uncollected bills	–	–	–	–	–	–	–	–	–	–	–
19	Guaranteed by credit guarantee corporation	–	–	–	–	–	–	–	–	–	–	–
20	Guaranteed by Regional economy vitalization corporation of Japan	–	–	–	–	–	–	–	–	–	–	–
21	Equity (excluding significant investment in commercial entities)	–	–	–	–	–	–	–	–	–	–	–
22	Total	19,146	0	26,538	–	11,772	–	331,936	3,151	–	–	392,544

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

Item	CR5: STANDARDIZED APPROACH - EXPOSURES BY ASSET CLASSES AND RISK WEIGHTS	a	b	c	d	e	f	g	h	i	j	k
		Credit exposures amount (post CCF and post-CRM)										
	Asset Classes / Risk Weight	0%	10%	20%	35%	50%	75%	100%	150%	250%	1250%	Total
1	Cash	－	－	－	－	－	－	－	－	－	－	－
2	Japan government	10,739	－	－	－	－	－	－	－	－	－	10,739
3	Foreign government	399	－	290	－	603	－	1	－	－	－	1,294
4	The bank for internal settlements	－	－	－	－	－	－	－	－	－	－	－
5	Local public entities	－	－	－	－	－	－	－	－	－	－	－
6	Foreign local public entities and public sector	－	－	21	－	－	－	－	－	－	－	21
7	Development banks	－	－	－	－	－	－	－	－	－	－	－
8	Japan finance organization for municipalities	－	－	－	－	－	－	－	－	－	－	－
9	Non-central government public sector entities	－	6	－	－	－	－	－	－	－	－	6
10	Local public sector of real estate	－	－	－	－	－	－	－	－	－	－	－
11	Banks and securities dealer	－	－	37,746	－	878	－	2,107	－	－	－	40,732
12	Corporate	－	－	373	－	2,276	－	310,167	－	－	－	312,816
13	Small and medium sized entities and retail	－	－	－	－	－	－	－	－	－	－	－
14	Mortgage loan	－	－	－	－	－	－	－	－	－	－	－
15	Commercial real estate	－	－	－	－	－	－	4	－	－	－	4
16	Over 3 months past due (excluding mortgage loan)	－	－	－	－	－	－	－	4,352	－	－	4,352
17	Over 3 months past due related to mortgage loan	－	－	－	－	－	－	－	－	－	－	－
18	Uncollected bills	－	－	－	－	－	－	－	－	－	－	－
19	Guaranteed by credit guarantee corporation	－	－	－	－	－	－	－	－	－	－	－
20	Guaranteed by Regional economy vitalization corporation of Japan	－	－	－	－	－	－	－	－	－	－	－
21	Equity (excluding significant investment in commercial entities)	－	－	－	－	－	－	－	－	－	－	－
22	Total	11,139	6	38,432	－	3,757	－	312,280	4,352	－	－	369,968

<March 31, 2020> (Unit: JPY million, number of obligors in the thousands, %)

CR6: IRB – CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE

		a	b	c	d	e	f	g	h	i	j	k	l
Item	PD range	Original on-balance sheet gross exposure	Off-balance sheet exposure (pre CCF)	Average CCF	EAD (post CRM, post CCR)	Average PD	Number of obligors	Average LGD	Average maturity	Credit RWA	Weighted average RW(RWA density)	EL	Provisions
	Sovereign												
1	0.00 to <0.15	2,060,391	－	－	2,060,391	－	Less than 100 obligors	45.00%	1.3	83	－	0	
2	0.15 to <0.25	－	－	－	－	－	－	－	－	－	－	－	
3	0.25 to <0.5	544	－	－	544	0.29%	Less than 100 obligors	45.00%	1.0	209	38.51%	0	
4	0.5 to <0.75	28	－	－	28	0.63%	Less than 100 obligors	45.00%	1.0	16	58.96%	0	
5	0.75 to <2.50	23	－	－	23	1.97%	Less than 100 obligors	45.00%	1.0	21	95.35%	0	
6	2.50 to <10.00	11	－	－	11	9.04%	Less than 100 obligors	45.00%	1.0	20	168.50%	0	
7	10.00 to <100.00	31	－	－	31	27.47%	Less than 100 obligors	45.00%	1.0	72	235.02%	3	
8	100.00 (Default)	47	－	－	47	100.00%	Less than 100 obligors	45.00%	1.0	－	－	21	
9	Sub-total	2,061,077	－	－	2,061,077	－	Less than 100 obligors	45.00%	1.3	424	0.02%	26	－
	Bank												
1	0.00 to <0.15	1,504,984	－	－	1,504,984	0.05%	0.2	45.00%	1.2	263,237	17.49%	373	
2	0.15 to <0.25	23,400	－	－	23,400	0.20%	Less than 100 obligors	45.00%	1.4	8,263	35.31%	21	
3	0.25 to <0.5	30,600	－	－	30,600	0.30%	Less than 100 obligors	45.00%	1.2	16,180	52.87%	42	
4	0.5 to <0.75	4,400	－	－	4,400	0.63%	Less than 100 obligors	45.00%	1.5	3,087	70.15%	12	
5	0.75 to <2.50	836	－	－	836	1.66%	Less than 100 obligors	45.00%	2.2	961	114.92%	6	
6	2.50 to <10.00	8,132	－	－	8,132	4.37%	Less than 100 obligors	45.00%	1.1	10,398	127.86%	160	
7	10.00 to <100.00	6,796	－	－	6,796	27.47%	Less than 100 obligors	45.00%	1.3	16,210	238.52%	840	
8	100.00 (Default)	－	－	－	－	－	－	－	－	－	－	－	
9	Sub-total	1,579,152	－	－	1,579,152	0.20%	0.3	45.00%	1.2	318,340	20.15%	1,456	－
	Corporate (excluding small and medium sized entities and specialized lending)												
1	0.00 to <0.15	314,510	9	100.00%	314,520	0.03%	0.2	45.00%	1.2	42,140	13.39%	56	
2	0.15 to <0.25	4,329	－	－	4,329	0.20%	Less than 100 obligors	45.00%	4.0	3,025	69.88%	3	
3	0.25 to <0.5	4,359	－	－	4,359	0.33%	Less than 100 obligors	45.00%	4.3	4,005	91.89%	6	
4	0.5 to <0.75	994	－	－	994	0.63%	Less than 100 obligors	45.00%	4.6	1,320	132.72%	2	
5	0.75 to <2.50	5,368	－	－	5,368	1.49%	Less than 100 obligors	45.00%	1.6	6,193	115.35%	36	
6	2.50 to <10.00	644	630	100.00%	1,274	6.73%	Less than 100 obligors	45.00%	4.8	2,488	195.23%	38	
7	10.00 to <100.00	62,035	1,720	100.00%	63,756	27.47%	1.8	45.00%	1.8	170,487	267.40%	7,882	
8	100.00 (Default)	7,423	－	－	7,423	100.00%	Less than 100 obligors	45.00%	1.0	－	－	3,340	
9	Sub-total	399,666	2,360	100.00%	402,026	6.28%	2.2	45.00%	1.4	229,660	57.12%	11,367	－

<March 31, 2020> (Unit: JPY million, number of obligors in the thousands, %)

CR6: IRB – CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE

		a	b	c	d	e	f	g	h	i	j	k	l
Item	PD range	Original on-balance sheet gross exposure	Off-balance sheet exposure (pre CCF)	Average CCF	EAD (post CRM, post CCR)	Average PD	Number of obligors	Average LGD	Average maturity	Credit RWA	Weighted average RW(RWA density)	EL	Provisions
	Small and medium sized entities												
1	0.00 to <0.15	-	-	-	-	-	-	-	-	-	-	-	
2	0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-	
3	0.25 to <0.5	-	-	-	-	-	-	-	-	-	-	-	
4	0.5 to <0.75	-	-	-	-	-	-	-	-	-	-	-	
5	0.75 to <2.50	-	-	-	-	-	-	-	-	-	-	-	
6	2.50 to <10.00	-	-	-	-	-	-	-	-	-	-	-	
7	10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	
8	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
9	Sub-total	-	-	-	-	-	-	-	-	-	-	-	-
	Specialized lending												
1	0.00 to <0.15	-	-	-	-	-	-	-	-	-	-	-	
2	0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-	
3	0.25 to <0.5	-	-	-	-	-	-	-	-	-	-	-	
4	0.5 to <0.75	-	-	-	-	-	-	-	-	-	-	-	
5	0.75 to <2.50	-	-	-	-	-	-	-	-	-	-	-	
6	2.50 to <10.00	-	-	-	-	-	-	-	-	-	-	-	
7	10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	
8	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
9	Sub-total	-	-	-	-	-	-	-	-	-	-	-	-
	Equity subject to PD/LGD approach												
1	0.00 to <0.15	-	-	-	-	-	-	-	-	-	-	-	
2	0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-	
3	0.25 to <0.5	-	-	-	-	-	-	-	-	-	-	-	
4	0.5 to <0.75	-	-	-	-	-	-	-	-	-	-	-	
5	0.75 to <2.50	-	-	-	-	-	-	-	-	-	-	-	
6	2.50 to <10.00	-	-	-	-	-	-	-	-	-	-	-	
7	10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	
8	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
9	Sub-total	-	-	-	-	-	-	-	-	-	-	-	-
	Purchased receivables (corporate)												
1	0.00 to <0.15	-	-	-	-	-	-	-	-	-	-	-	
2	0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-	
3	0.25 to <0.5	-	-	-	-	-	-	-	-	-	-	-	
4	0.5 to <0.75	-	-	-	-	-	-	-	-	-	-	-	
5	0.75 to <2.50	-	-	-	-	-	-	-	-	-	-	-	
6	2.50 to <10.00	-	-	-	-	-	-	-	-	-	-	-	
7	10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	
8	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
9	Sub-total	-	-	-	-	-	-	-	-	-	-	-	-
	Purchased receivables (retail)												
1	0.00 to <0.15	-	-	-	-	-	-	-	-	-	-	-	
2	0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-	
3	0.25 to <0.5	-	-	-	-	-	-	-	-	-	-	-	
4	0.5 to <0.75	-	-	-	-	-	-	-	-	-	-	-	
5	0.75 to <2.50	-	-	-	-	-	-	-	-	-	-	-	
6	2.50 to <10.00	-	-	-	-	-	-	-	-	-	-	-	
7	10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	
8	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
9	Sub-total	-	-	-	-	-	-	-	-	-	-	-	-
	Qualifying revolving retail												
1	0.00 to <0.15	-	-	-	-	-	-	-	-	-	-	-	
2	0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-	
3	0.25 to <0.5	-	-	-	-	-	-	-	-	-	-	-	
4	0.5 to <0.75	-	-	-	-	-	-	-	-	-	-	-	
5	0.75 to <2.50	-	-	-	-	-	-	-	-	-	-	-	
6	2.50 to <10.00	-	-	-	-	-	-	-	-	-	-	-	
7	10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	
8	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
9	Sub-total	-	-	-	-	-	-	-	-	-	-	-	-
	Residential mortgages												
1	0.00 to <0.15	-	-	-	-	-	-	-	-	-	-	-	
2	0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-	
3	0.25 to <0.5	-	-	-	-	-	-	-	-	-	-	-	
4	0.5 to <0.75	-	-	-	-	-	-	-	-	-	-	-	
5	0.75 to <2.50	-	-	-	-	-	-	-	-	-	-	-	
6	2.50 to <10.00	-	-	-	-	-	-	-	-	-	-	-	
7	10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	

8	100.00 (Default)	－	－	－	－	－	－	－	－	－	－	－	
9	Sub-total	－	－	－	－	－	－	－	－	－	－	－	－
	Other retail												
1	0.00 to <0.15	－	－	－	－	－	－	－	－	－	－	－	
2	0.15 to <0.25	－	－	－	－	－	－	－	－	－	－	－	
3	0.25 to <0.5	－	－	－	－	－	－	－	－	－	－	－	
4	0.5 to <0.75	－	－	－	－	－	－	－	－	－	－	－	
5	0.75 to <2.50	－	－	－	－	－	－	－	－	－	－	－	
6	2.50 to <10.00	－	－	－	－	－	－	－	－	－	－	－	
7	10.00 to <100.00	－	－	－	－	－	－	－	－	－	－	－	
8	100.00 (Default)	－	－	－	－	－	－	－	－	－	－	－	
9	Sub-total	－	－	－	－	－	－	－	－	－	－	－	－
Total (sum of portfolios)		4,039,895	2,360	100.00%	4,042,256	0.70%	2.6	45.00%	1.3	548,424	13.56%	12,850	－

<March 31, 2019> (Unit: JPY million, number of obligors in the thousands, %)

CR6: IRB – CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE

		a	b	c	d	e	f	g	h	i	j	k	l
Item	PD range	Original on-balance sheet gross exposure	Off-balance sheet exposure (pre CCF)	Average CCF	EAD (post CRM, post CCR)	Average PD	Number of obligors	Average LGD	Average maturity	Credit RWA	Weighted average RW(RWA density)	EL	Provisions
	Sovereign												
1	0.00 to <0.15	1,736,448	－	－	1,736,448	－	Less than 100 obligors	45.00%	0.9	46	－	0	
2	0.15 to <0.25	－	－	－	－	－	－	－	－	－	－	－	
3	0.25 to <0.5	10	－	－	10	0.30%	Less than 100 obligors	45.00%	1.0	4	39.37%	0	
4	0.5 to <0.75	－	－	－	－	－	－	－	－	－	－	－	
5	0.75 to <2.50	－	－	－	－	－	－	－	－	－	－	－	
6	2.50 to <10.00	－	－	－	－	－	－	－	－	－	－	－	
7	10.00 to <100.00	－	－	－	－	－	－	－	－	－	－	－	
8	100.00 (Default)	－	－	－	－	－	－	－	－	－	－	－	
9	Sub-total	1,736,459	－	－	1,736,459	－	Less than 100 obligors	45.00%	0.9	50	－	0	－
	Bank												
1	0.00 to <0.15	1,199,843	－	－	1,199,843	0.05%	0.1	45.00%	1.1	195,980	16.33%	285	
2	0.15 to <0.25	61,358	－	－	61,358	0.21%	Less than 100 obligors	45.00%	1.0	19,771	32.22%	57	
3	0.25 to <0.5	59,326	－	－	59,326	0.32%	Less than 100 obligors	45.00%	1.1	29,370	49.50%	85	
4	0.5 to <0.75	5,647	－	－	5,647	0.66%	Less than 100 obligors	45.00%	4.4	6,142	108.77%	16	
5	0.75 to <2.50	2,998	－	－	2,998	1.81%	Less than 100 obligors	45.00%	1.7	3,645	121.56%	24	
6	2.50 to <10.00	4,076	－	－	4,076	4.51%	Less than 100 obligors	45.00%	1.0	5,225	128.18%	82	
7	10.00 to <100.00	2,820	－	－	2,820	27.56%	Less than 100 obligors	45.00%	1.9	6,860	243.19%	349	
8	100.00 (Default)	－	－	－	－	－	－	－	－	－	－	－	
9	Sub-total	1,336,071	－	－	1,336,071	0.15%	0.2	45.00%	1.1	266,995	19.98%	903	－
	Corporate (excluding small and medium sized entities and specialized lending)												
1	0.00 to <0.15	115,950	－	－	115,950	0.04%	0.1	45.00%	1.7	19,533	16.84%	21	
2	0.15 to <0.25	4,053	－	－	4,053	0.21%	Less than 100 obligors	45.00%	5.0	3,582	88.39%	3	
3	0.25 to <0.5	23,781	－	－	23,781	0.36%	Less than 100 obligors	45.00%	3.5	17,256	72.56%	38	
4	0.5 to <0.75	741	3,585	100.00%	4,326	0.66%	Less than 100 obligors	45.00%	5.0	4,960	114.64%	12	
5	0.75 to <2.50	3,477	－	－	3,477	1.42%	Less than 100 obligors	45.00%	1.1	3,702	106.46%	22	
6	2.50 to <10.00	1,490	855	100.00%	2,345	6.38%	Less than 100 obligors	45.00%	2.5	4,027	171.70%	67	
7	10.00 to <100.00	49,339	1,702	95.59%	50,967	27.56%	0.1	45.00%	1.8	138,370	271.48%	6,321	
8	100.00 (Default)	168	－	－	168	100.00%	Less than 100 obligors	45.00%	1.0	－	－	75	
9	Sub-total	199,002	6,143	98.77%	205,071	7.11%	0.3	45.00%	2.1	191,434	93.35%	6,564	－

<March 31, 2019> (Unit: JPY million, number of obligors in the thousands, %)

CR6: IRB – CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE

		a	b	c	d	e	f	g	h	i	j	k	l
Item	PD range	Original on-balance sheet gross exposure	Off-balance sheet exposure (pre CCF)	Average CCF	EAD (post CRM, post CCR)	Average PD	Number of obligors	Average LGD	Average maturity	Credit RWA	Weighted average RW(RWA density)	EL	Provisions
	Small and medium sized entities												
1	0.00 to <0.15	－	－	－	－	－	－	－	－	－	－	－	
2	0.15 to <0.25	－	－	－	－	－	－	－	－	－	－	－	
3	0.25 to <0.5	－	－	－	－	－	－	－	－	－	－	－	
4	0.5 to <0.75	－	－	－	－	－	－	－	－	－	－	－	
5	0.75 to <2.50	－	－	－	－	－	－	－	－	－	－	－	
6	2.50 to <10.00	－	－	－	－	－	－	－	－	－	－	－	
7	10.00 to <100.00	－	－	－	－	－	－	－	－	－	－	－	
8	100.00 (Default)	－	－	－	－	－	－	－	－	－	－	－	
9	Sub-total	－	－	－	－	－	－	－	－	－	－	－	－
	Specialized lending												
1	0.00 to <0.15	－	－	－	－	－	－	－	－	－	－	－	
2	0.15 to <0.25	－	－	－	－	－	－	－	－	－	－	－	
3	0.25 to <0.5	－	－	－	－	－	－	－	－	－	－	－	
4	0.5 to <0.75	－	－	－	－	－	－	－	－	－	－	－	
5	0.75 to <2.50	－	－	－	－	－	－	－	－	－	－	－	
6	2.50 to <10.00	－	－	－	－	－	－	－	－	－	－	－	
7	10.00 to <100.00	－	－	－	－	－	－	－	－	－	－	－	
8	100.00 (Default)	－	－	－	－	－	－	－	－	－	－	－	
9	Sub-total	－	－	－	－	－	－	－	－	－	－	－	－
	Equity subject to PD/LGD approach												
1	0.00 to <0.15	－	－	－	－	－	－	－	－	－	－	－	
2	0.15 to <0.25	－	－	－	－	－	－	－	－	－	－	－	
3	0.25 to <0.5	－	－	－	－	－	－	－	－	－	－	－	
4	0.5 to <0.75	－	－	－	－	－	－	－	－	－	－	－	
5	0.75 to <2.50	－	－	－	－	－	－	－	－	－	－	－	
6	2.50 to <10.00	－	－	－	－	－	－	－	－	－	－	－	
7	10.00 to <100.00	－	－	－	－	－	－	－	－	－	－	－	
8	100.00 (Default)	－	－	－	－	－	－	－	－	－	－	－	
9	Sub-total	－	－	－	－	－	－	－	－	－	－	－	－
	Purchased receivables (corporate)												
1	0.00 to <0.15	－	－	－	－	－	－	－	－	－	－	－	
2	0.15 to <0.25	－	－	－	－	－	－	－	－	－	－	－	
3	0.25 to <0.5	－	－	－	－	－	－	－	－	－	－	－	
4	0.5 to <0.75	－	－	－	－	－	－	－	－	－	－	－	
5	0.75 to <2.50	－	－	－	－	－	－	－	－	－	－	－	
6	2.50 to <10.00	－	－	－	－	－	－	－	－	－	－	－	
7	10.00 to <100.00	－	－	－	－	－	－	－	－	－	－	－	
8	100.00 (Default)	－	－	－	－	－	－	－	－	－	－	－	
9	Sub-total	－	－	－	－	－	－	－	－	－	－	－	－
	Purchased receivables (retail）												
1	0.00 to <0.15	－	－	－	－	－	－	－	－	－	－	－	
2	0.15 to <0.25	－	－	－	－	－	－	－	－	－	－	－	
3	0.25 to <0.5	－	－	－	－	－	－	－	－	－	－	－	
4	0.5 to <0.75	－	－	－	－	－	－	－	－	－	－	－	
5	0.75 to <2.50	－	－	－	－	－	－	－	－	－	－	－	
6	2.50 to <10.00	－	－	－	－	－	－	－	－	－	－	－	
7	10.00 to <100.00	－	－	－	－	－	－	－	－	－	－	－	
8	100.00 (Default)	－	－	－	－	－	－	－	－	－	－	－	
9	Sub-total	－	－	－	－	－	－	－	－	－	－	－	－
	Qualifying revolving retail												
1	0.00 to <0.15	－	－	－	－	－	－	－	－	－	－	－	
2	0.15 to <0.25	－	－	－	－	－	－	－	－	－	－	－	
3	0.25 to <0.5	－	－	－	－	－	－	－	－	－	－	－	
4	0.5 to <0.75	－	－	－	－	－	－	－	－	－	－	－	
5	0.75 to <2.50	－	－	－	－	－	－	－	－	－	－	－	
6	2.50 to <10.00	－	－	－	－	－	－	－	－	－	－	－	
7	10.00 to <100.00	－	－	－	－	－	－	－	－	－	－	－	
8	100.00 (Default)	－	－	－	－	－	－	－	－	－	－	－	
9	Sub-total	－	－	－	－	－	－	－	－	－	－	－	－
	Residential mortgages												
1	0.00 to <0.15	－	－	－	－	－	－	－	－	－	－	－	
2	0.15 to <0.25	－	－	－	－	－	－	－	－	－	－	－	
3	0.25 to <0.5	－	－	－	－	－	－	－	－	－	－	－	
4	0.5 to <0.75	－	－	－	－	－	－	－	－	－	－	－	
5	0.75 to <2.50	－	－	－	－	－	－	－	－	－	－	－	
6	2.50 to <10.00	－	－	－	－	－	－	－	－	－	－	－	
7	10.00 to <100.00	－	－	－	－	－	－	－	－	－	－	－	

8	100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	
9	Sub-total	–	–	–	–	–	–	–	–	–	–	–	–
	Other retail												
1	0.00 to <0.15	–	–	–	–	–	–	–	–	–	–	–	
2	0.15 to <0.25	–	–	–	–	–	–	–	–	–	–	–	
3	0.25 to <0.5	–	–	–	–	–	–	–	–	–	–	–	
4	0.5 to <0.75	–	–	–	–	–	–	–	–	–	–	–	
5	0.75 to <2.50	–	–	–	–	–	–	–	–	–	–	–	
6	2.50 to <10.00	–	–	–	–	–	–	–	–	–	–	–	
7	10.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	
8	100.00 (Default)	–	–	–	–	–	–	–	–	–	–	–	
9	Sub-total	–	–	–	–	–	–	–	–	–	–	–	–
Total (sum of portfolios)		3,271,533	6,143	98.77%	3,277,602	0.50%	0.6	45.00%	1.1	458,481	13.98%	7,467	–

Note: “Number of obligors” in column “f” is denoted as “Less than 100 obligors”, where the total count of obligor in any one category is less than 100.

<March 31, 2020> (Unit: JPY million)

CR7: IRB - EFFECT ON RWA OF CREDIT DERIVATIVES USED AS CRM TECHNIQUES			
Item	Portfolio	a	b
		pre-credit derivatives RWA	Actual RWA
1	Sovereign – FIRB	424	424
2	Sovereign – AIRB	—	—
3	Bank – FIRB	318,340	318,340
4	Bank – AIRB	—	—
5	Corporate (excluding specialized lending) – FIRB	229,660	229,660
6	Corporate (excluding specialized lending) – AIRB	—	—
7	Specialized lending – FIRB	—	—
8	Specialized lending – AIRB	—	—
9	Retail – qualifying revolving (QRRE)	—	—
10	Retail – residential mortgage exposures	—	—
11	Retail – other retail	—	—
12	Equity – FIRB	—	—
13	Equity – AIRB	—	—
14	Purchased receivables – FIRB	—	—
15	Purchased receivables – AIRB	—	—
16	Total	548,424	548,424

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

CR7: IRB - EFFECT ON RWA OF CREDIT DERIVATIVES USED AS CRM TECHNIQUES			
Item	Portfolio	a	b
		pre-credit derivatives RWA	Actual RWA
1	Sovereign – FIRB	50	50
2	Sovereign – AIRB	—	—
3	Bank – FIRB	266,995	266,995
4	Bank – AIRB	—	—
5	Corporate (excluding specialized lending) – FIRB	191,434	191,434
6	Corporate (excluding specialized lending) – AIRB	—	—
7	Specialized lending – FIRB	—	—
8	Specialized lending – AIRB	—	—
9	Retail – qualifying revolving (QRRE)	—	—
10	Retail – residential mortgage exposures	—	—
11	Retail – other retail	—	—
12	Equity – FIRB	—	—
13	Equity – AIRB	—	—
14	Purchased receivables – FIRB	—	—
15	Purchased receivables – AIRB	—	—
16	Total	458,481	458,481

(Unit: Million JPY)

CR8: RWA flow statements of credit risk exposures under IRB			
Item			Credit RWA
1	RWA as at end of previous quarter end (December 31, 2019)		2,989,571
2	Movement in risk levels	Asset size	(38,627)
3		Asset quality	(5)
4		Model updates	(1,756)
5		Methodology and policy	―
6		Acquisitions and disposals	―
7		Foreign exchange movements	(4,776)
8		Other	―
9	RWA as at end of reporting period (March 31, 2020)		2,944,407

(Unit: Million JPY)

CR8: RWA flow statements of credit risk exposures under IRB			
Item			Credit RWA
1	RWA as at end of previous year end (March 31, 2019)		3,005,339
2	Movement in risk levels	Asset size	(95,127)
3		Asset quality	44,824
4		Model updates	(1,936)
5		Methodology and policy	―
6		Acquisitions and disposals	―
7		Foreign exchange movements	(8,693)
8		Other	―
9	RWA as at end of reporting period (March 31, 2020)		2,944,407

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

<March 31, 2020> (Unit: %, number of obligors)

CR9: IRB - BACKTESTING OF PROBABILITY OF DEFAULT (PD) PER PORTFOLIO

a	b	c					d	e	f		g	h	i
Portfolio	PD range	External rating equivalent					Weighted average PD	Arithmetic average PD by obligors	Number of obligors		Defaulted obligors in the year	Of which new defaulted obligors in the year	Average historical annual default rate (5 years)
		S&P	Moody's	Fitch	R&I	JCR			End of previous year	End of the year			
Sovereign and bank	<0.05%	AAA～A+	Aaa～A1	AAA～A+	AAA～A+	AAA～A+	0.01%	0.03%	81	100	0	0	0.00%
	<1%	A～BB	A2～Ba2	A～BB	A～BB	A～BB	0.10%	0.23%	167	257	0	0	0.00%
	1%<=100%	BB-～D	Ba3-～D	BB-～D	BB-～D	BB-～D	14.66%	22.48%	29	56	2	0	2.17%
Corporate (excluding specialized lending)	<0.05%	AAA～A+	Aaa～A1	AAA～A+	AAA～A+	AAA～A+	0.03%	0.03%	94	76	0	0	0.00%
	<1%	A～BB	A2～Ba2	A～BB	A～BB	A～BB	0.22%	0.23%	127	296	0	0	0.00%
	1%<=100%	BB-～D	Ba3-～D	BB-～D	BB-～D	BB-～D	33.27%	27.34%	140	1,902	0	0	0.08%
Specialized lending	—	—	—	—	—	—	—	—	—	—	—	—	—
Equity subject to PD/LGD approach	—	—	—	—	—	—	—	—	—	—	—	—	—
Purchased receivables (corporate)	—	—	—	—	—	—	—	—	—	—	—	—	—
Purchased receivables (retail)	—	—	—	—	—	—	—	—	—	—	—	—	—
Qualifying revolving retail	—	—	—	—	—	—	—	—	—	—	—	—	—
Residential mortgages	—	—	—	—	—	—	—	—	—	—	—	—	—
Other retail	—	—	—	—	—	—	—	—	—	—	—	—	—

<March 31, 2019> (Unit: %, number of obligors)

CR9: IRB - BACKTESTING OF PROBABILITY OF DEFAULT (PD) PER PORTFOLIO

a	b	c					d	e	f		g	h	i
Portfolio	PD range	External rating equivalent					Weighted average PD	Arithmetic average PD by obligors	Number of obligors		Defaulted obligors in the year	Of which new defaulted obligors in the year	Average historical annual default rate (5 years)
		S&P	Moody's	Fitch	R&I	JCR			End of previous year	End of the year			
Sovereign and bank	<0.05%	AAA～A+	Aaa～A1	AAA～A+	AAA～A+	AAA～A+	0.01%	0.03%	77	81	0	0	0.00%
	<1%	A～BB	A2～Ba2	A～BB	A～BB	A～BB	0.12%	0.20%	158	167	0	0	0.00%
	1%<=100%	BB-～D	Ba3-～D	BB-～D	BB-～D	BB-～D	10.26%	10.28%	29	29	0	0	0.65%
Corporate (excluding specialized lending)	<0.05%	AAA～A+	Aaa～A1	AAA～A+	AAA～A+	AAA～A+	0.03%	0.04%	226	94	0	0	0.00%
	<1%	A～BB	A2～Ba2	A～BB	A～BB	A～BB	0.30%	0.17%	203	127	0	0	0.00%
	1%<=100%	BB-～D	Ba3-～D	BB-～D	BB-～D	BB-～D	25.30%	25.22%	181	140	0	0	0.08%
Specialized lending	—	—	—	—	—	—	—	—	—	—	—	—	—
Equity subject to PD/LGD approach	—	—	—	—	—	—	—	—	—	—	—	—	—
Purchased receivables (corporate)	—	—	—	—	—	—	—	—	—	—	—	—	—
Purchased receivables (retail)	—	—	—	—	—	—	—	—	—	—	—	—	—
Qualifying revolving retail	—	—	—	—	—	—	—	—	—	—	—	—	—
Residential mortgages	—	—	—	—	—	—	—	—	—	—	—	—	—
Other retail	—	—	—	—	—	—	—	—	—	—	—	—	—

Note: Nomura group uses only one internal rating model and this table shows the figures for all exposures under internal rating model except for specialized lending which is using slotting criteria. With regard to exposures to sovereign and bank, these portfolios are aggregated as one portfolio since there are a few obligors in each PD range. Explanation for the treatment of the PD range set in CR9 is omitted as Nomura group is not conducting "Self-assessment" under Financial Revitalization Law. Number of obligors as at end of previous year in column "f" is omitted by applying the transitional arrangement.

<March 31, 2020> (Unit: JPY million, %)

CR10:IRB (SPECIALIZED LENDING AND EQUITIES UNDER THE SIMPLE RISK-WEIGHT METHOD)											
a	b	c	d	e	f	g	h	i	j	k	l
Specialized lending (Slotting criteria)											
Other than HVCRE											
Regulatory categories	Remaining maturity	On-balance sheet amount	Off-balance sheet amount	Risk Weight	Exposure amount					Credit RWA	Expected losses
					PF	OF	CF	IPRE	Total		
Strong	< 2.5 years	43,081	16,097	50.00%	24,569	－	－	30,584	55,154	27,577	0
	≧ 2.5 years	56,841	10,921	70.00%	64,166	－	－	865	65,032	45,522	260
Good	< 2.5 years	24,776	542	70.00%	1,700	－	－	23,483	25,183	17,628	100
	≧ 2.5 years	55,637	41,356	90.00%	46,041	－	－	40,612	86,654	77,989	693
Satisfactory		2,829	63	115.00%	2,876	－	－	－	2,876	3,308	80
Weak		857	－	250.00%	－	－	－	857	857	2,143	68
Default		－	－	－	－	－	－	－	－	－	－
Total		184,023	68,981	－	139,355	－	－	96,404	235,759	174,169	1,203
HVCRE											
Regulatory categories	Remaining maturity	On-balance sheet amount	Off-balance sheet amount	Risk Weight					Exposure amount	Credit RWA	Expected losses
Strong	< 2.5 years	－	－	－					－	－	－
	≧ 2.5 years	－	－	－					－	－	－
Good	< 2.5 years	－	－	－					－	－	－
	≧ 2.5 years	－	－	－					－	－	－
Satisfactory		－	－	－					－	－	－
Weak		－	－	－					－	－	－
Default		－	－	－					－	－	－
Total		－	－	－					－	－	－
Equities under the simple risk-weight approach											
Equities under the market-based approach											
Categories		On-balance sheet amount	Off-balance sheet amount	Risk Weight					Exposure amount	Credit RWA	
Exchange-traded equity exposures		430,958	－	300.00%					430,958	1,292,876	
Private equity exposures		76,348	－	400.00%					76,348	305,394	
Internal models method		－	－	－					－	－	
Total		507,307	－	－					507,307	1,598,270	
Equities subject to 100% risk weight											
Equities subject to risk weight 100% as per Article 143, sub-paragraph 1of the Capital Adequacy Notice		－	－	100.00%					－	－	

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

CR10:IRB (SPECIALIZED LENDING AND EQUITIES UNDER THE SIMPLE RISK-WEIGHT METHOD)											
a	b	c	d	e	f	g	h	i	j	k	l
Specialized lending (Slotting criteria)											
Other than HVCRE											
Regulatory categories	Remaining maturity	On-balance sheet amount	Off-balance sheet amount	Risk Weight	Exposure amount					Credit RWA	Expected losses
					PF	OF	CF	IPRE	Total		
Strong	< 2.5 years	24,435	－	50.00%	－	－	－	24,435	24,435	12,217	－
	≧ 2.5 years	46,150	58,945	70.00%	55,438	7,330	－	27,590	90,359	63,251	361
Good	< 2.5 years	53,969	410	70.00%	26,582	－	－	27,694	54,277	37,994	217
	≧ 2.5 years	31,690	2,439	90.00%	14,748	－	－	18,771	33,519	30,167	268
Satisfactory		3,028	68	115.00%	3,080	－	－	－	3,080	3,542	86
Weak		－	－	250.00%	－	－	－	－	－	－	－
Default		－	－	－	－	－	－	－	－	－	－
Total		159,273	61,863	－	99,849	7,330	－	98,491	205,671	147,173	932
HVCRE											
Regulatory categories	Remaining maturity	On-balance sheet amount	Off-balance sheet amount	Risk Weight					Exposure amount	Credit RWA	Expected losses
Strong	< 2.5 years	－	－	－					－	－	－
	≧ 2.5 years	－	－	－					－	－	－
Good	< 2.5 years	－	－	－					－	－	－
	≧ 2.5 years	－	－	－					－	－	－
Satisfactory		－	－	－					－	－	－
Weak		－	－	－					－	－	－
Default		－	－	－					－	－	－
Total		－	－	－					－	－	－
Equities under the simple risk-weight approach											
Equities under the market-based approach											
Categories		On-balance sheet amount	Off-balance sheet amount	Risk Weight					Exposure amount	Credit RWA	
Exchange-traded equity exposures		496,460	－	300.00%					496,460	1,489,380	
Private equity exposures		69,735	－	400.00%					69,735	278,942	
Internal models method		－	－	－					－	－	
Total		566,195	－	－					566,195	1,768,322	
Equities subject to 100% risk weight											
Equities subject to risk weight 100% as per Article 143, sub-paragraph 1of the Capital Adequacy Notice		－	－	100.00%					－	－	

(5) Counterparty Credit Risk

<March 31, 2020> (Unit: JPY million)

CCR1: ANALYSIS OF COUNTERPARTY CREDIT RISK (CCR) EXPOSURE BY APPROACH							
Item		a	b	c	d	e	f
		RC	PFE	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR	367,818	593,864		1.4	1,424,447	682,911
2	Internal Model Method (for derivatives and SFTs)			3,801,008	1.4	6,257,406	1,274,488
3	Simple Approach for credit risk mitigation (for SFTs)					―	―
4	Comprehensive Approach for credit risk mitigation (for SFTs)					3,035,307	186,476
5	VaR for SFTs					―	―
6	Total						2,143,876

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

CCR1: ANALYSIS OF COUNTERPARTY CREDIT RISK (CCR) EXPOSURE BY APPROACH							
Item		a	b	c	d	e	f
		RC	PFE	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR	143,758	450,614		1.4	916,400	534,519
2	Internal Model Method (for derivatives and SFTs)			3,707,982	1.4	5,307,534	1,358,926
3	Simple Approach for credit risk mitigation (for SFTs)					―	―
4	Comprehensive Approach for credit risk mitigation (for SFTs)					2,535,296	195,415
5	VaR for SFTs					―	―
6	Total						2,088,861

<March 31, 2020> (Unit: JPY million)

CCR2: CREDIT VALUATION ADJUSTMENT (CVA) CAPITAL CHARGE			
Item		a	b
		EAD post-CRM	RWA
1	Total portfolios subject to the Advanced CVA capital charge	3,237,085	722,530
2	(i) VaR component (including the 3×multiplier)		269,471
3	(ii) Stressed VaR component (including the 3×multiplier)		453,059
4	All portfolios subject to the Standardized CVA capital charge	1,424,447	410,658
5	TOTAL SUBJECT TO THE CVA CAPITAL CHARGE	4,661,532	1,133,188

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

CCR2: CREDIT VALUATION ADJUSTMENT (CVA) CAPITAL CHARGE			
Item		a	b
		EAD post-CRM	RWA
1	Total portfolios subject to the Advanced CVA capital charge	3,186,410	768,342
2	(i) VaR component (including the 3×multiplier)		185,391
3	(ii) Stressed VaR component (including the 3×multiplier)		582,950
4	All portfolios subject to the Standardized CVA capital charge	911,020	266,238
5	TOTAL SUBJECT TO THE CVA CAPITAL CHARGE	4,097,431	1,034,580

<March 31, 2020> (Unit: JPY million)

CCR3: STANDARDIZED APPROACH – CCR EXPOSURES BY REGULATORY PORTFOLIO AND RISK WEIGHTS

Item		a	b	c	d	e	f	g	g	i
		EAD post-CRM								
	Risk Weight / Regulatory portfolio	0%	10%	20%	50%	75%	100%	150%	Other	Total
1	Japan government	－	－	－	－	－	－	－	－	－
2	Foreign government	－	－	114,597	－	－	－	－	－	114,597
3	The bank for internal settlements	－	－	－	－	－	－	－	－	－
4	Local public entities	－	－	－	－	－	－	－	－	－
5	Foreign local public entities and public sector	－	－	－	－	－	－	－	－	－
6	Development banks	－	－	－	－	－	－	－	－	－
7	Japan finance organization for municipalities	－	－	－	－	－	－	－	－	－
8	Non-central government public sector entities	－	－	－	－	－	－	－	－	－
9	Local public sector of real estate	－	－	－	－	－	－	－	－	－
10	Banks and securities dealer	－	－	19,154	2,577	－	－	－	0	21,731
11	Corporate	－	－	－	－	－	15,801	－	－	15,801
12	Small and medium sized entities and retail	－	－	－	－	－	－	－	－	－
13	Other	－	－	－	－	－	－	－	－	－
14	Total	－	－	133,752	2,577	－	15,801	－	0	152,131

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

CCR3: STANDARDIZED APPROACH – CCR EXPOSURES BY REGULATORY PORTFOLIO AND RISK WEIGHTS

Item		a	b	c	d	e	f	g	g	i
		EAD post-CRM								
	Risk Weight / Regulatory portfolio	0%	10%	20%	50%	75%	100%	150%	Other	Total
1	Japan government	－	－	－	－	－	－	－	－	－
2	Foreign government	－	－	27,462	－	－	－	－	－	27,462
3	The bank for internal settlements	－	－	－	－	－	－	－	－	－
4	Local public entities	348	－	－	－	－	－	－	－	348
5	Foreign local public entities and public sector	－	－	－	－	－	－	－	－	－
6	Development banks	－	－	－	－	－	－	－	－	－
7	Japan finance organization for municipalities	－	－	－	－	－	－	－	－	－
8	Non-central government public sector entities	－	－	－	－	－	－	－	－	－
9	Local public sector of real estate	－	－	－	－	－	－	－	－	－
10	Banks and securities dealer	0	－	4,943	3	－	－	－	－	4,946
11	Corporate	－	－	－	－	－	5,002	－	－	5,002
12	Small and medium sized entities and retail	－	－	－	－	－	－	－	－	－
13	Other	－	－	－	－	－	－	－	－	－
14	Total	348	－	32,405	3	－	5,002	－	－	37,759

<March 31, 2020> (Unit: JPY million, number of obligors in the thousands, %)

Item	CCR4: IRB – CCR exposures by portfolio and PD scale	a	b	c	d	e	f	g
	PD range	EAD post-CRM	Average PD	Number of obligors	Average LGD	Average maturity	Credit RWA	Weighted average RW(RWA density)
	Sovereign							
1	0.00 to <0.15	2,955,343	0.00%	0.1	41.10%	0.3	26,904	0.91%
2	0.15 to <0.25	5,913	0.20%	Less than 100 obligors	45.00%	1.0	1,838	31.09%
3	0.25 to <0.5	28,037	0.30%	Less than 100 obligors	45.00%	0.9	10,871	38.77%
4	0.5 to <0.75	9,236	0.63%	Less than 100 obligors	45.00%	0.0	4,351	47.11%
5	0.75 to <2.50	30,051	1.97%	Less than 100 obligors	45.00%	0.9	28,593	95.14%
6	2.50 to <10.00	—	—	—	—	—	—	—
7	10.00 to <100.00	1,180	27.47%	Less than 100 obligors	45.00%	0.0	2,689	227.80%
8	100.00 (Default)	—	—	—	—	—	—	—
9	Sub-total	3,029,763	0.04%	0.1	41.19%	0.3	75,249	2.48%
	Bank							
1	0.00 to <0.15	2,574,607	0.05%	0.3	35.82%	0.9	331,722	12.88%
2	0.15 to <0.25	195,613	0.20%	Less than 100 obligors	39.33%	1.0	59,626	30.48%
3	0.25 to <0.5	449,767	0.34%	0.1	10.33%	1.1	59,323	13.18%
4	0.5 to <0.75	164,276	0.63%	Less than 100 obligors	6.83%	1.4	15,793	9.61%
5	0.75 to <2.50	144,172	1.71%	Less than 100 obligors	12.24%	2.4	31,687	21.97%
6	2.50 to <10.00	53,958	5.90%	Less than 100 obligors	21.83%	1.1	35,685	66.13%
7	10.00 to <100.00	20,339	27.47%	Less than 100 obligors	35.14%	0.7	37,529	184.51%
8	100.00 (Default)	235	100.00%	Less than 100 obligors	45.00%	0.9	0	0.00%
9	Sub-total	3,602,969	0.44%	0.8	30.35%	1.0	571,368	15.85%
	Corporate							
1	0.00 to <0.15	2,262,570	0.06%	5.4	39.28%	1.2	343,586	15.18%
2	0.15 to <0.25	255,247	0.20%	0.5	44.62%	1.2	98,440	38.56%
3	0.25 to <0.5	456,897	0.33%	0.4	30.70%	0.8	169,638	37.12%
4	0.5 to <0.75	152,272	0.63%	0.2	28.65%	0.9	79,403	52.14%
5	0.75 to <2.50	477,096	1.30%	0.3	23.00%	0.5	226,119	47.39%
6	2.50 to <10.00	205,345	7.30%	0.3	36.58%	0.9	266,208	129.63%
7	10.00 to <100.00	118,574	27.47%	1.8	39.21%	1.2	270,020	227.72%
8	100.00 (Default)	4,292	100.00%	Less than 100 obligors	45.00%	1.0	0	0.00%
9	Sub-total	3,932,296	1.59%	9.3	36.10%	1.0	1,453,417	36.96%
Total (sum of portfolios)		10,565,029	0.75%	10.3	35.60%	0.8	2,100,035	19.87%

<March 31, 2019> (Unit: JPY million, number of obligors in the thousands, %)

CCR4: IRB – CCR exposures by portfolio and PD scale								
Item		a	b	c	d	e	f	g
	PD range	EAD post-CRM	Average PD	Number of obligors	Average LGD	Average maturity	Credit RWA	Weighted average RW(RWA density)
	Sovereign							
1	0.00 to <0.15	1,542,559	0.01%	0.1	41.39%	0.6	31,176	2.02%
2	0.15 to <0.25	8,130	0.21%	Less than 100 obligors	44.69%	0.7	2,340	28.78%
3	0.25 to <0.5	41,245	0.32%	Less than 100 obligors	45.00%	0.8	16,268	39.44%
4	0.5 to <0.75	4,534	0.66%	Less than 100 obligors	45.00%	0.0	2,197	48.47%
5	0.75 to <2.50	22	2.08%	Less than 100 obligors	45.00%	1.0	21	97.21%
6	2.50 to <10.00	40,792	5.77%	Less than 100 obligors	45.00%	2.0	61,445	150.63%
7	10.00 to <100.00	2,491	27.56%	Less than 100 obligors	45.00%	0.0	5,641	226.44%
8	100.00 (Default)	―	―	―	―	―	―	―
9	Sub-total	1,639,775	0.20%	0.1	41.61%	0.7	119,092	7.26%
	Bank							
1	0.00 to <0.15	2,363,867	0.06%	0.3	37.85%	0.8	350,317	14.81%
2	0.15 to <0.25	168,966	0.21%	Less than 100 obligors	27.57%	0.9	38,839	22.98%
3	0.25 to <0.5	518,157	0.36%	0.1	16.31%	1.4	125,873	24.29%
4	0.5 to <0.75	86,906	0.66%	Less than 100 obligors	16.73%	2.1	20,114	23.14%
5	0.75 to <2.50	200,708	1.69%	Less than 100 obligors	12.43%	2.3	46,187	23.01%
6	2.50 to <10.00	46,639	6.90%	Less than 100 obligors	14.38%	1.7	22,347	47.91%
7	10.00 to <100.00	16,075	27.56%	Less than 100 obligors	26.32%	0.7	22,622	140.72%
8	100.00 (Default)	400	100.00%	Less than 100 obligors	45.00%	1.1	0	0.00%
9	Sub-total	3,401,722	0.46%	0.8	31.64%	1.1	626,303	18.41%
	Corporate							
1	0.00 to <0.15	2,248,649	0.07%	5.1	37.03%	1.2	311,920	13.87%
2	0.15 to <0.25	218,234	0.21%	0.4	39.68%	1.2	78,353	35.90%
3	0.25 to <0.5	372,605	0.34%	0.4	31.72%	0.8	145,760	39.11%
4	0.5 to <0.75	286,514	0.66%	0.2	38.10%	1.0	195,856	68.35%
5	0.75 to <2.50	312,037	1.47%	0.3	23.31%	0.9	162,203	51.98%
6	2.50 to <10.00	134,362	7.07%	0.3	42.60%	1.0	208,254	154.99%
7	10.00 to <100.00	106,630	27.56%	1.7	37.42%	1.1	229,633	215.35%
8	100.00 (Default)	941	100.00%	Less than 100 obligors	45.00%	5.0	0	0.00%
9	Sub-total	3,679,974	1.35%	8.8	35.79%	1.1	1,331,981	36.19%
Total (sum of portfolios)		8,721,472	0.79%	9.8	35.26%	1.0	2,077,376	23.81%

Note: “Number of obligors” in column “c” is denoted as “Less than 100 obligors”, where the total count of obligor in any one category is less than 100.

<March 31, 2020> (Unit: JPY million)

CCR5: COMPOSITION OF COLLATERAL FOR CCR EXPOSURE							
Item		a	b	c	d	e	f
		Collateral used in derivative transactions				Collateral used in SFTs	
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
		Segregated	Unsegregated	Segregated	Unsegregated		
1	Cash - domestic currency	―	1,225,168	―	2,624,217	1,274,383	4,268,447
2	Cash - other currencies	―	2,794,477	―	1,277,231	35,361,139	32,151,876
3	Domestic sovereign debt	106,190	213,141	482,631	100,767	3,874,356	1,792,926
4	Other sovereign debt	255,021	308,426	6,143	147,381	25,113,613	22,879,434
5	Government agency debt	1,125	10,196	―	―	942,143	1,041,013
6	Corporate bonds	36,897	125,665	4,103	51,786	7,975,238	18,916,511
7	Equity securities	8,684	303,812	23	663,214	3,489,023	3,639,032
8	Other collateral	438	5,316	―	24	99,921	175,100
9	Total	408,356	4,986,205	492,902	4,864,623	78,036,348	84,791,693

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

CCR5: COMPOSITION OF COLLATERAL FOR CCR EXPOSURE							
Item		a	b	c	d	e	f
		Collateral used in derivative transactions				Collateral used in SFTs	
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
		Segregated	Unsegregated	Segregated	Unsegregated		
1	Cash - domestic currency	―	866,991	―	1,682,168	1,568,136	4,570,841
2	Cash - other currencies	―	2,304,460	―	995,480	33,774,384	33,301,365
3	Domestic sovereign debt	84,268	152,694	349,235	97,539	3,514,075	2,616,447
4	Other sovereign debt	234,595	246,554	21,372	109,123	30,035,473	27,193,223
5	Government agency debt	―	8,882	570	24,094	1,477,257	3,073,389
6	Corporate bonds	18,941	134,052	4,176	19,810	3,931,940	9,200,215
7	Equity securities	3,849	212,811	―	593,353	3,695,981	3,764,306
8	Other collateral	1,348	7,092	―	―	93,214	10,599
9	Total	343,004	3,933,540	375,354	3,521,569	78,090,464	83,730,388

<March 31, 2020> (Unit: JPY million)

CCR6: CREDIT DERIVATIVES EXPOSURES			
Item		a	b
		Protection bought	Protection sold
	Notional		
1	Single-name credit default swaps	7,827,495	8,017,765
2	Index credit default swaps	7,764,653	8,064,528
3	Total return swaps	1,120,806	356,760
4	Credit options	16,233	16,233
5	Other credit derivatives	—	—
6	Total notional	16,729,188	16,455,287
	Fair values		
7	Positive fair value (asset)	200,448	16,779
8	Negative fair value (liability)	(39,627)	(195,057)

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

CCR6: CREDIT DERIVATIVES EXPOSURES			
Item		a	b
		Protection bought	Protection sold
	Notional		
1	Single-name credit default swaps	8,490,712	9,206,180
2	Index credit default swaps	5,902,676	5,735,165
3	Total return swaps	928,307	231,013
4	Credit options	12,432	—
5	Other credit derivatives	—	—
6	Total notional	15,334,129	15,172,358
	Fair values		
7	Positive fair value (asset)	64,580	202,326
8	Negative fair value (liability)	(198,807)	(52,362)

(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 quarter end (December 31, 2019)		1,275,822
2	Movement in risk levels	Asset size	215
3		Credit quality of counterparties	4,487
4		Model updates (IMM only)	2,393
5		Methodology and policy (IMM only)	—
6		Acquisitions and disposals	—
7		Foreign exchange movements	(8,430)
8		Other	44
9	RWA as at end of reporting period (March 31, 2020)		1,274,488

(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 year end (March 31, 2019)		1,358,926
2	Movement in risk levels	Asset size	(75,418)
3		Credit quality of counterparties	(22,257)
4		Model updates (IMM only)	35,811
5		Methodology and policy (IMM only)	—
6		Acquisitions and disposals	—
7		Foreign exchange movements	(22,574)
8		Other	(158)
9	RWA as at end of reporting period (March 31, 2020)		1,274,488

<March 31, 2020> (Unit: JPY million)

CCR8: EXPOSURES TO CENTRAL COUNTERPARTIES			
Item		a	b
		EAD (post-CRM) to CCP	RWA
1	Exposures to QCCPs (total)		206,931
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	7,038,845	140,776
3	(i) OTC derivatives	5,794,715	115,894
4	(ii) Exchange-traded derivatives	794,584	15,891
5	(iii) Securities financing transactions	449,545	8,990
6	(iv) Netting sets where cross-product netting has been approved	—	—
7	Segregated initial margin	—	
8	Non-segregated initial margin	562,651	11,253
9	Pre-funded default fund contributions	201,023	54,901
10	Unfunded default fund contributions	—	—
11	Exposures to non-QCCPs (total)		107,780
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	91,653	71,647
13	(i) OTC derivatives	40,234	40,234
14	(ii) Exchange-traded derivatives	23,867	23,716
15	(iii) Securities financing transactions	27,551	7,695
16	(iv) Netting sets where cross-product netting has been approved	—	—
17	Segregated initial margin	—	
18	Non-segregated initial margin	15,601	15,592
19	Pre-funded default fund contributions	1,643	20,540
20	Unfunded default fund contributions	—	—

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

CCR8: EXPOSURES TO CENTRAL COUNTERPARTIES

Item		a	b
		EAD (post-CRM) to CCP	RWA
1	Exposures to QCCPs (total)		197,577
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	5,148,297	102,965
3	(i) OTC derivatives	3,893,417	77,868
4	(ii) Exchange-traded derivatives	1,016,576	20,331
5	(iii) Securities financing transactions	238,303	4,766
6	(iv) Netting sets where cross-product netting has been approved	—	—
7	Segregated initial margin	—	
8	Non-segregated initial margin	356,477	7,129
9	Pre-funded default fund contributions	136,430	87,481
10	Unfunded default fund contributions	—	—
11	Exposures to non-QCCPs (total)		172,237
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	125,417	117,140
13	(i) OTC derivatives	89,721	89,721
14	(ii) Exchange-traded derivatives	24,726	24,668
15	(iii) Securities financing transactions	10,969	2,749
16	(iv) Netting sets where cross-product netting has been approved	—	—
17	Segregated initial margin	—	
18	Non-segregated initial margin	28,592	28,590
19	Pre-funded default fund contributions	2,120	26,506
20	Unfunded default fund contributions	—	—

(6) Securitization

SEC1: There are no securitization exposures subject to credit risk.

<March 31, 2020> (Unit: JPY million)

SEC2: SECURITIZATION EXPOSURES IN THE TRADING BOOK

Item	Type of underlying assets	a	b	c	e	f	g	i	j	k
		Bank acts as originator			Bank acts as sponsor			Banks acts as investor		
		Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
1	Retail (total) – of which	–	–	–	16,121	–	16,121	45,642	–	45,642
2	Residential mortgage	–	–	–	16,121	–	16,121	38,300	–	38,300
3	Credit card	–	–	–	–	–	–	–	–	–
4	Other retail exposures	–	–	–	–	–	–	5,459	–	5,459
5	re-securitization	–	–	–	–	–	–	1,882	–	1,882
6	Wholesale (total) – of which	–	–	–	–	–	–	51,009	38	51,047
7	Loans to corporates	–	–	–	–	–	–	36,695	–	36,695
8	Commercial mortgage	–	–	–	–	–	–	1,336	38	1,374
9	Lease and receivables	–	–	–	–	–	–	1,650	–	1,650
10	Other wholesale	–	–	–	–	–	–	11,326	–	11,326
11	re-securitization	–	–	–	–	–	–	–	–	–

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

SEC2: SECURITIZATION EXPOSURES IN THE TRADING BOOK

Item	Type of underlying assets	a	b	c	e	f	g	i	j	k
		Bank acts as originator			Bank acts as sponsor			Banks acts as investor		
		Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
1	Retail (total) – of which	–	–	–	21,227	–	21,227	58,783	–	58,783
2	Residential mortgage	–	–	–	21,227	–	21,227	48,747	–	48,747
3	Credit card	–	–	–	–	–	–	–	–	–
4	Other retail exposures	–	–	–	–	–	–	9,346	–	9,346
5	re-securitization	–	–	–	–	–	–	689	–	689
6	Wholesale (total) – of which	–	–	–	–	–	–	72,107	143	72,250
7	Loans to corporates	–	–	–	–	–	–	56,692	–	56,692
8	Commercial mortgage	–	–	–	–	–	–	2,204	143	2,347
9	Lease and receivables	–	–	–	–	–	–	2,758	–	2,758
10	Other wholesale	–	–	–	–	–	–	10,451	–	10,451
11	re-securitization	–	–	–	–	–	–	–	–	–

SEC3: There are no securitization exposures subject to credit risk.

SEC4: There are no securitization exposures subject to credit risk.

(7) Market Risk

(Unit: JPY million)

MR1: MARKET RISK UNDER STANDARDIZED APPROACH			
Item		RWA	
		March 31, 2020	March 31, 2019
1	Interest rate risk (general and specific)	−	−
2	Equity risk (general and specific)	−	−
3	Foreign exchange risk	−	−
4	Commodity risk	−	−
	Options		
5	Simplified approach	−	−
6	Delta-plus method	−	−
7	Scenario approach	−	−
8	Securitization	814,708	1,157,621
9	Total	814,708	1,157,621

(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 end of previous quarter end (December 31, 2019)		653,000	1,003,670	1,581,915	90,017		3,328,603
1b	Adjustment to RWA at previous quarter end (1a divided by 1c)		0.99	0.86	1.00	1.00		0.96
1c	Spot RWA as at previous quarter end		656,448	1,160,756	1,581,915	90,017		3,489,137
2	Movement in risk levels	Movement in risk levels	990,025	1,258,793	207,924	2,835		2,459,579
3		Model updates/changes	1,068,843	(90,087)	―	―		978,756
4		Methodology and policy	―	―	―	―		―
5		Acquisitions and disposals	―	―	―	―		―
6		Foreign exchange movements	(7,748)	(6,647)	(5,107)	(264)		(19,769)
7		Other	―	―	―	―		―
8a	Spot RWA at end of reporting period (March 31, 2020)		2,707,568	2,322,815	1,784,731	92,587		6,907,703
8b	Adjustment to RWA at end of reporting period (8c divided by 8a)		0.50	0.64	1.00	1.00		0.71
8c	RWA at end of reporting period		1,355,762	1,501,534	1,784,731	92,587		4,734,616

(Unit: Million JPY)

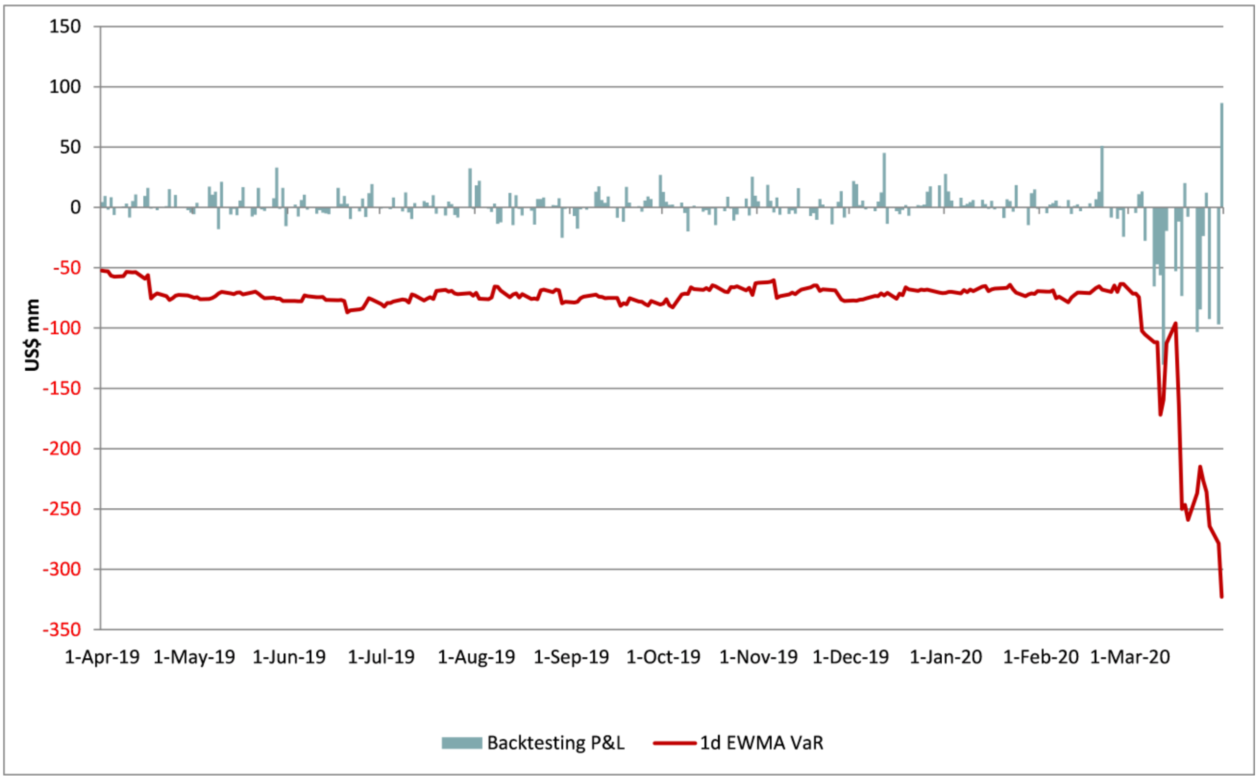
MR2: RWA flow statements of market risk exposures under an IMA								
Item			a	b	c	d	e	f
			VaR	Stressed VaR	IRC	CRM	Other	Total RWA
1a	RWA at end of previous year end (March 31, 2019)		584,149	1,051,100	1,349,012	69,211		3,053,472
1b	Adjustment to RWA at previous quarter end (1a divided by 1c)		1.01	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	723,137	847,191	662,496	55,023		2,287,849
3		Model updates/changes	1,253,278	20,355	(14,164)	―		1,259,468
4		Methodology and policy	―	―	―	―		―
5		Acquisitions and disposals	―	―	―	―		―
6		Foreign exchange movements	(26,947)	(44,529)	(30,764)	(1,111)		(103,352)
7		Other	―	―	―	―		―
8a	Spot RWA at end of reporting period (March 31, 2020)		2,707,568	2,322,815	1,784,731	92,587		6,907,703
8b	Adjustment to RWA at end of reporting period (8c divided by 8a)		0.50	0.64	1.00	1.00		0.71
8c	RWA at end of reporting period		1,355,762	1,501,534	1,784,731	92,587		4,734,616

(Unit: JPY million)

MR3: IMA VALUES FOR TRADING PORTFOLIOS			
Item		March 31, 2020	March 31, 2019
	VaR (10 day 99%)		
1	Maximum value	157,148	30,627
2	Average value	23,767	15,552
3	Minimum value	14,009	11,427
4	Period end	72,202	15,377
	Stressed VaR (10 day 99%)		
5	Maximum value	90,874	76,408
6	Average value	35,005	35,233
7	Minimum value	17,560	21,254
8	Period end	61,942	26,212
	Incremental Risk Charge (99.9%)		
9	Maximum value	173,930	141,833
10	Average value	120,022	111,525
11	Minimum value	102,815	102,334
12	Period end	142,779	107,921
	Comprehensive Risk capital charge (99.9%)		
13	Maximum value	9,154	8,876
14	Average value	6,136	7,088
15	Minimum value	4,328	5,537
16	Period end	7,407	5,537
17	Floor (standardized measurement method)	7,407	5,024

MR4: Comparison of VaR estimates with gains/losses

There is no back-testing exception for the twelve months ended March 31, 2019.



(8) Interest Rate Risk in Non-trading Book

(1) The loss in economic value due to interest rate shocks (ΔEVE)

As the ΔEVE (Economic Value of Equity) estimated for a parallel shift scenario defined in the relevant disclosure rule, as of end of March 2020 is less than 1% of the consolidated Tier 1 capital, it is deemed immaterial and therefore detailed quantitative disclosure is omitted.

(2) The loss in P&L due to interest rate shocks (ΔNII)

Given the assets and liabilities composition of Nomura Group as described above, the ΔNII (Net Interest Income) is immaterial compared with those of commercial banks operating under the general business model whose balance sheets are mostly composed of loans and deposits in the non-trading book, and therefore detailed quantitative disclosure is omitted.

(9) Macroprudential supervisory measures

CCyB1: Geographical distribution of credit exposures used in the countercyclical buffer

(Unit: JPY million, %)

CCyB1: Geographical distribution of credit exposures used in the countercyclical buffer				
	a	b	c	d
Geographical breakdown	Countercyclical capital buffer rate	Risk-weighted assets used in the computation of the countercyclical capital buffer	Group-specific countercyclical capital buffer rate	Countercyclical buffer amount
France	0.25%	33,090		
Hong Kong SAR	1.00%	30,963		
Luxembourg	0.25%	146,128		
Sum		210,182		
Total		5,090,392	0.01%	1,348,419

Note:As for a column "b", the geographical location of risk-weighted assets are generally identified according to the concept of ultimate risk. Risk-weighted assets for other assets such as lands and buildings, a part of equities, funds and exposures to banks and corporates are calculated by booking entity basis.

(Unit: JPY million)

GSIB1: Disclosure of G-SIB indicators				
Common disclosure template		Individual indicator	March 31, 2020	March 31, 2019
1	Cross-jurisdictional activity	Cross-jurisdictional claims	28,635,265	27,297,023
2		Cross-jurisdictional liabilities	24,263,258	18,713,962
3	Size	Total exposures	53,589,245	56,083,628
4	Interconnectedness	Intra-financial system assets	8,831,857	13,828,887
5		Intra-financial system liabilities	8,394,635	10,173,900
6		Securities outstanding	6,292,011	5,813,590
7	Substitutability/ Financial institution infrastructure	Assets under custody	32,304,938	31,994,802
8		Payment activity	2,590,995,743	2,031,011,692
9		Underwritten transactions in debt and equity markets	13,687,389	14,035,517
10	Complexity	Notional amount of over-the-counter (OTC) derivatives	2,735,950,610	2,204,380,116
11		Level 3 assets	949,060	752,052
12		Trading and available for sale (AFS) securities	3,944,217	4,611,539

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 7,900 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 11,340 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 1,200 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 10,000 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 Orient International Securities Co., Ltd. and others
2	Unique identifier	Not applicable
3	Governing law(s) of the instrument	Japanese Law, Law of the People's Republic of China and others
3a	Means governed by foreign law (other TLAC-eligible instruments only) (1)	
	Regulatory treatment (2)	
4	Transitional Basel III rules	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) (3)	
7	Instrument type	Common Stock
8	Amounts recognized in regulatory capital (4)	
	For consolidated regulatory capital ratio	JPY 2,305 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	March 31, 2020	December 31, 2019	March 31, 2019
On-balance sheet exposures						
1			On-balance sheet items (excluding derivatives and SFTs, but including collateral)	25,732,615	25,120,876	22,412,684
	1a	1	Total consolidated assets as per published financial statements	43,999,815	46,242,334	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)	128,282	182,291	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))	18,138,917	20,939,166	18,441,324
2		7	(Asset amounts deducted in determining Basel III Tier 1 capital)	163,215	154,436	161,056
3			Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	25,569,400	24,966,440	22,251,628
Derivative exposures						
4			Replacement cost associated with all derivatives transactions multiplied by 1.4	2,221,065	1,442,932	1,564,333
5			Add-on amounts for PFE associated with all derivatives transactions multiplied by 1.4	4,349,497	4,655,170	5,266,225
6			Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	1,678,514	1,139,355	1,319,694
7			(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	1,530,690	1,628,037	1,510,140
8			(Exempted CCP leg of client-cleared trade exposures)			
9			Adjusted effective notional amount of written credit derivatives	16,738,482	15,470,397	15,267,601
10			(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	15,536,021	14,093,601	13,730,083
11		4	Total derivative exposures (sum of lines 4 to 10)	7,920,848	6,986,217	8,177,629
Securities financing transaction exposures						
12			Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	35,955,335	41,411,109	36,424,638
13			(Netted amounts of cash payables and cash receivables of gross SFT assets)	20,048,222	21,856,188	19,117,679
14			CCR exposure for SFT assets	1,513,935	1,809,275	1,843,448
15			Agent transaction exposures			
16		5	Total securities financing transaction exposures (sum of lines 12 to 15)	17,421,047	21,364,197	19,150,408

(Unit: JPY million, %)

Leverage ratio common disclosure template Table 2	Leverage ratio common disclosure template Table 1	Items	March 31, 2020	December 31, 2019	March 31, 2019
Other off-balance sheet exposures					
17		Off-balance sheet exposure at gross notional amount	3,397,740	3,655,910	3,613,945
18		(Adjustments for conversion to credit equivalent amounts)	1,173,273	1,279,830	1,386,467
19	6	Off-balance sheet items (sum of lines 17 and 18)	2,224,467	2,376,079	2,227,477
Capital and total exposures					
20		Tier 1 capital	2,571,500	2,701,086	2,605,940
21	8	Total exposures (sum of lines 3, 11, 16 and 19)	53,135,763	55,692,934	51,807,144
22		Basel III leverage ratio	4.83%	4.84%	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, 4th Quarter)		Highest designated parent company's previous quarterly period (Fiscal year ended March 2020, 3rd Quarter)	
High quality liquid assets (1)					
1	Total high quality liquid assets	4,218,005		4,100,488	
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	492,275	93,636	479,470	94,556
3	Out of which, stable deposits	—	—	—	—
4	Out of which, less stable deposits	492,275	93,636	479,470	94,556
5	Cash outflows related to unsecured wholesale funding	1,711,377	1,522,002	1,536,461	1,353,535
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	1,214,031	1,024,657	1,127,229	944,303
8	Out of which, debt securities	497,345	497,345	409,232	409,232
9	Cash outflows related to secured funding, etc.		3,096,597		2,975,840
10	Cash outflows related to the derivatives, funding programs, and credit and liquidity facilities	2,164,716	1,835,774	2,078,430	1,752,843
11	Out of which, cash outflows related to the derivative transaction, etc.	1,689,454	1,689,454	1,615,225	1,615,225
12	Out of which, cash outflows related to funding programs	—	—	—	—
13	Out of which, cash outflows related to credit and liquidity facilities	475,261	146,319	463,205	137,618
14	Cash outflows based on obligations to provide funds, etc.	4,522,908	1,015,689	3,858,367	977,257
15	Cash outflows related to contingencies	433,399	210,166	428,508	205,885
16	Total cash outflows		7,773,862		7,359,916
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.	33,100,163	2,544,419	30,653,585	2,389,494
18	Cash inflows related to collection of loans, etc.	1,282,314	1,181,723	1,248,751	1,147,753
19	Other cash inflows	4,943,861	1,981,484	4,142,643	1,683,303
20	Total cash inflows	39,326,337	5,707,626	36,044,980	5,220,550
Consolidated liquidity coverage ratio (4)					
21	Total high quality liquid assets allowed to be included		4,218,005		4,100,488
22	Net cash outflows		2,109,636		2,153,762
23	Consolidated liquidity coverage ratio		201.1%		192.3%
24	Number of data used to calculate averages	58		62	

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, 2020, the daily average of Nomura Group's total high quality liquid assets increased by 117,516 million yen to 4,218,005 million yen compared with the third quarter, cash outflows related to unsecured wholesale funding increased by 168,467 million yen to 1,522,002 million yen compared with the third quarter, cash outflows related to secured funding, etc. increased by 120,757 million yen to 3,096,597 million yen compared with the third quarter, cash inflows related to secured investments, etc. increased by 154,925 million yen to 2,544,419 million yen compared with the third quarter, Other cash inflows increased by 298,181 million yen to 1,981,484 million yen compared with the third quarter, and total net cash outflows decreased by 44,125 million yen to 2,109,636 million yen compared with the third quarter.

As a result, for the fourth quarter of the year ended March 31, 2020, the daily average of the consolidated liquidity coverage ratio was at 201.1%.

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, redemption of unsecured wholesale funding 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, 2020, 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.

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 the Nomura Group's creditworthiness or deterioration in market conditions. This risk could arise from Nomura-specific or market-wide events such as inability to access the secured or unsecured debt markets, a deterioration in our credit ratings, a failure to manage unplanned changes in funding requirements, a failure to liquidate assets quickly and with minimal loss in value, or changes in regulatory capital restrictions which may prevent the free flow of funds between different group entities. Our global liquidity risk management policy is based on liquidity risk appetite formulated by the Executive Management Board ("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 brokerdealers or banking entities within Nomura Group and seek to raise unsecured funding primarily through the Company 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, 2020, our liquidity portfolio was 5,354.4 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 2,573.6 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, 2020 was 7,928.0 billion yen, which represented 258.0% 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 staggered 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 Company and subsidiary levels. We call this risk analysis our Maximum Cumulative Outflow (“MCO”) framework..

The MCO framework is designed to incorporate the primary liquidity risks for Nomura 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: To 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, 2020, 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,
- Fluctuation of funding needs under normal business circumstances;
- Cash deposits and free collateral roll-off 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; and
- 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 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 Contingency Funding Plan (“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. It assumes that our parent company does not have access to cash that may be trapped at a subsidiary 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 BOJ, 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.

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.