

Nomura Securities Co., Ltd.
Non-consolidated Balance Sheets
(UNAUDITED)

(Millions of yen)

	March 31, 2014	September 30, 2014	Increase/(Decrease)
ASSETS			
Current Assets	12,488,887	13,600,255	1,111,368
Cash and time deposits	915,496	782,665	(132,831)
Deposits with stock exchanges and other segregated cash	16,670	68,089	51,419
Trading assets:	3,858,341	4,617,341	759,000
Trading securities	3,097,103	3,852,596	755,493
Derivative contracts	761,238	764,745	3,507
Net receivables arising from pre-settlement date trades	168,915	212,793	43,878
Margin account assets:	318,022	232,474	(85,548)
Loans to customers in margin transactions	312,451	214,745	(97,705)
Cash collateral to securities finance companies	5,572	17,729	12,157
Loans with securities as collateral:	6,236,656	6,558,612	321,956
Cash collateral for securities borrowed	5,537,366	6,234,012	696,645
Loans in gensaki transactions	699,289	324,600	(374,689)
Receivables from customers and others	1,045	977	(69)
Short-term guarantee deposits	870,524	1,020,443	149,919
Short-term loans receivable	6,013	3,681	(2,332)
Deferred tax assets	47,060	48,122	1,062
Other current assets	50,238	55,117	4,879
Allowance for doubtful accounts	(94)	(60)	34
Fixed Assets	67,235	69,550	2,315
Tangible fixed assets	1,594	1,553	(41)
Intangible fixed assets	697	658	(39)
Investments and others	64,944	67,339	2,395
Investment securities	165	—	(165)
Deferred tax assets	5,671	6,190	519
Other investments	60,359	62,395	2,036
Allowance for doubtful accounts	(1,251)	(1,246)	5
TOTAL ASSETS	12,556,123	13,669,805	1,113,682

(Millions of yen)

	March 31, 2014	September 30, 2014	Increase/(Decrease)
LIABILITIES			
Current Liabilities	10,362,347	11,479,896	1,117,549
Trading liabilities:	3,711,344	3,550,168	(161,175)
Trading securities	3,199,421	3,000,372	(199,049)
Derivative contracts	511,923	549,796	37,873
Margin account liabilities:	43,473	58,201	14,728
Borrowings from securities finance companies	11,900	6,241	(5,659)
Customer margin sale proceeds	31,573	51,960	20,387
Borrowings with securities as collateral:	3,619,048	5,072,869	1,453,821
Cash collateral for securities loaned	995,985	1,031,332	35,347
Borrowings in gensaki transactions	2,623,063	4,041,537	1,418,474
Payables to customers and others	243,908	492,404	248,495
Guarantee deposits received	503,056	464,194	(38,862)
Short-term borrowings	1,894,300	1,586,900	(307,400)
Short-term bonds payable	163,000	135,000	(28,000)
Accrued income taxes	16,738	12,722	(4,016)
Accounts payable	47,868	25,240	(22,628)
Accrued bonuses for employees	51,299	29,596	(21,704)
Other current liabilities	68,312	52,602	(15,710)
Long-term Liabilities	1,145,230	1,280,037	134,806
Bonds payable	93,194	88,095	(5,099)
Long-term borrowings	915,912	1,050,390	134,478
Reserve for retirement benefits	20,985	24,464	3,479
Other long-term liabilities	115,139	117,087	1,948
Statutory Reserve	11,378	12,642	1,264
Reserve for financial instruments transactions	11,378	12,642	1,264
TOTAL LIABILITIES	11,518,955	12,772,574	1,253,619
NET ASSETS			
Shareholder's equity	1,035,035	895,278	(139,758)
Common stock	10,000	10,000	—
Capital reserves	574,646	574,646	—
Additional paid-in capital	529,579	529,579	—
Other capital reserves	45,067	45,067	—
Retained earnings	450,390	310,632	(139,758)
Other retained earnings	450,390	310,632	(139,758)
General reserve	63,000	63,000	—
Retained earnings carried forward	387,390	247,632	(139,758)
Valuation and translation adjustments	2,132	1,953	(179)
Deferred gains or losses on hedges	2,132	1,953	(179)
TOTAL NET ASSETS	1,037,168	897,230	(139,937)
TOTAL LIABILITIES AND NET ASSETS	12,556,123	13,669,805	1,113,682

Nomura Securities Co., Ltd.
Non-consolidated Income Statements
(UNAUDITED)

(Millions of yen, except percentages)

	For the six months ended September 30, 2013 (B)	For the six months ended September 30, 2014 (A)	% Change (A-B)/(B)
Operating revenue	459,748	375,901	(18.2)
Commissions	270,912	205,351	(24.2)
Net gain on trading	154,408	131,101	(15.1)
Interests and dividends income	34,429	39,449	14.6
Interest expenses	34,617	46,898	35.5
Net operating revenue	425,131	329,003	(22.6)
Selling, general, and administrative expenses	258,367	238,039	(7.9)
Transaction-related expenses	47,485	42,625	(10.2)
Compensation and benefits	111,289	102,461	(7.9)
Rental and maintenance	21,670	20,746	(4.3)
Data processing and office supplies	70,642	66,313	(6.1)
Others	7,281	5,894	(19.1)
Operating income	166,764	90,965	(45.5)
Non-operating income	754	1,168	55.0
Non-operating expenses	417	184	(56.0)
Ordinary income	167,101	91,949	(45.0)
Special profits	2,137	1,846	(13.6)
Gains due to the exemption from payments of share-based compensation	2,137	1,846	(13.6)
Special losses	1	1,264	—
Legal reserve for financial instruments transactions	1	1,264	—
Income before income taxes	169,236	92,531	(45.3)
Income taxes - current	58,335	30,565	(47.6)
Income taxes - deferred	6,023	(327)	—
Total income taxes	64,359	30,238	(53.0)
Net income	104,877	62,293	(40.6)

Nomura Securities Co., Ltd.
Quarterly Income Statement
(UNAUDITED)

(Millions of yen)

	For the Quarter from April 1, 2013 to June 30, 2013	For the Quarter from July 1, 2013 to September 30, 2013	For the Quarter from October 1, 2013 to December 31, 2013	For the Quarter from January 1, 2014 to March 31, 2014	For the Quarter from April 1, 2014 to June 30, 2014	For the Quarter from July 1, 2014 to September 30, 2014
Operating revenue	269,426	190,322	187,366	169,090	190,443	185,458
Commissions	159,016	111,896	121,814	89,104	94,696	110,656
Net gain on trading	89,247	65,160	47,759	66,723	71,038	60,062
Interest and dividend income	21,163	13,266	17,793	13,263	24,709	14,741
Interest expenses	19,373	15,245	18,914	13,344	26,656	20,242
Net operating revenue	250,053	175,078	168,452	155,746	163,787	165,216
Selling, general and administrative expenses	136,619	121,748	122,387	116,272	119,298	118,741
Transaction-related expenses	24,677	22,808	24,611	23,293	19,776	22,848
Compensation and benefits	61,170	50,119	49,936	40,609	53,514	48,947
Rental and maintenance	10,789	10,881	10,678	12,166	10,379	10,367
Data processing and office supplies	35,609	35,033	34,751	37,658	32,069	34,243
Other	4,374	2,907	2,411	2,547	3,559	2,335
Operating income	113,434	53,330	46,065	39,474	44,489	46,475
Non-operating income	550	204	64	110	1,024	144
Non-operating expenses	113	304	97	792	57	126
Ordinary income	113,870	53,230	46,031	38,791	45,456	46,493
Special profits	1,694	443	481	5,068	1,070	776
Gains due to the exemption from payments of share-based compensation	1,694	443	481	517	1,070	776
Gain on sales of investment	—	—	—	4,551	—	—
Special losses	0	1	2,319	798	630	634
Reserve for securities transactions	0	1	2,319	798	630	634
Income before income taxes	115,564	53,672	44,194	43,061	45,896	46,635
Income taxes - current	37,865	20,471	15,574	(15,299)	19,441	11,124
Income taxes - deferred	7,277	(1,254)	456	32,636	(1,810)	1,483
Total income taxes	45,142	19,217	16,030	17,336	17,631	12,607
Net income	70,422	34,455	28,164	25,725	28,265	34,028

Nomura Securities Co., Ltd.
Supplementary Information
(UNAUDITED)

1. Commission Revenues

(1) Breakdown by Category

(Millions of yen, except percentages)

	For the six months ended		% Change (A-B)/(B)
	September 30, 2013 (B)	September 30, 2014 (A)	
Brokerage commissions	83,916	49,481	(41.0)
<i>(Stocks)</i>	78,716	45,746	(41.9)
Commissions for underwriting, secondary distribution and solicitation for selling and others for Professional Investors	24,751	17,318	(30.0)
<i>(Stocks)</i>	20,518	11,652	(43.2)
<i>(Bonds)</i>	4,233	5,666	33.9
Fees for offering, secondary distribution and solicitation for selling and others for Professional Investors	102,476	70,545	(31.2)
<i>(Investment trust certificates)</i>	100,100	69,305	(30.8)
Other commissions	59,769	68,008	13.8
<i>(Investment trust certificates)</i>	29,863	31,167	4.4
Total	270,912	205,351	(24.2)

(2) Breakdown by Product

(Millions of yen, except percentages)

	For the six months ended		% Change (A-B)/(B)
	September 30, 2013 (B)	September 30, 2014 (A)	
Stocks	100,794	59,209	(41.3)
Bonds	7,282	7,835	7.6
Investment trust certificates	134,965	104,095	(22.9)
Others	27,870	34,212	22.8
Total	270,912	205,351	(24.2)

2. Net Gain on Trading

(Millions of yen, except percentages)

	For the six months ended		% Change (A-B)/(B)
	September 30, 2013 (B)	September 30, 2014 (A)	
Stocks	52,419	44,975	(14.2)
Bonds and Forex	101,989	86,125	(15.6)
Total	154,408	131,101	(15.1)

3. Stock Trading (excluding futures transactions)

(Millions of shares or yen, except per share data and percentages)

	For the six months ended				% Change (A-B)/(B)	
	September 30, 2013 (B)		September 30, 2014 (A)		Number of shares	Amount
	Number of shares	Amount	Number of shares	Amount		
Total	104,622	99,254,144	72,156	75,275,287	(31.0)	(24.2)
<i>(Brokerage)</i>	96,954	90,734,971	65,224	67,158,854	(32.7)	(26.0)
<i>(Proprietary Trading)</i>	7,668	8,519,173	6,931	8,116,433	(9.6)	(4.7)
Brokerage / Total Ratio	92.7%	91.4%	90.4%	89.2%	/	
TSE Share	8.9%	10.5%	8.7%	10.3%		
Brokerage commission per share (yen)	0.80		0.69			

4. Underwriting, Subscription, and Distribution

(Millions of shares or yen, except percentages)

	For the six months ended		% Change (A-B)/(B)
	September 30, 2013 (B)	September 30, 2014 (A)	
Underwriting			
Stocks (number of shares)	235	103	(56.3)
(yen amount)	520,391	257,893	(50.4)
Bonds (face value)	2,716,745	3,441,637	26.7
Investment trust certificates (yen amount)	—	—	—
Beneficial interest (face value)	—	—	—
Subscription and Distribution*			
Stocks (number of shares)	280	132	(53.0)
(yen amount)	564,160	293,815	(47.9)
Bonds (face value)	958,764	1,468,693	53.2
Investment trust certificates (yen amount)	13,525,268	13,143,623	(2.8)
Beneficial interest (face value)	—	—	—

*Include secondary offering, private placement, and solicitation for selling and others for professional investors.

5. Capital Adequacy Ratio

(Rounded down to millions of yen, except percentages)

		March 31, 2014	September 30, 2014	Increase/(Decrease)
Tier I	(A)	835,035	895,277	60,242
Tier II	Valuation and translation adjustments	2,132	1,952	(179)
	Statutory reserves	11,377	12,641	1,264
	Allowance for doubtful accounts	94	59	(34)
	Subordinated debts	329,194	409,194	80,000
Total		(B)	423,849	81,051
Illiquid Asset	(C)	81,908	91,616	9,707
Net Capital	(A) + (B) - (C) = (D)	1,095,924	1,227,510	131,586
Risk	Market risk	100,120	133,980	33,859
	Counterparty risk	159,943	163,862	3,919
	Basic risk	141,800	137,921	(3,879)
Total		(E)	435,764	33,899
Capital Adequacy Ratio	(D)/(E)×100	272.7 %	281.6 %	8.9 %