

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

(Millions of yen)

	March 31, 2015	March 31, 2016	Increase/(Decrease)
ASSETS			
Current Assets	13,949,399	12,166,647	(1,782,752)
Cash and time deposits	591,750	1,386,917	795,167
Deposits with stock exchanges and other segregated cash	89,906	17,442	(72,464)
Trading assets:	3,949,294	4,090,913	141,619
Trading securities	3,065,753	3,148,450	82,697
Derivative contracts	883,541	942,463	58,922
Net receivables arising from pre-settlement date trades	268,987	—	(268,987)
Margin account assets:	268,480	244,206	(24,274)
Loans to customers in margin transactions	248,834	235,181	(13,652)
Cash collateral to securities finance companies	19,646	9,025	(10,621)
Loans with securities as collateral:	7,325,001	4,631,581	(2,693,420)
Cash collateral for securities borrowed	6,725,304	4,385,972	(2,339,332)
Loans in gensaki transactions	599,697	245,609	(354,088)
Receivables from customers and others	3,031	1,276	(1,755)
Short-term guarantee deposits	1,309,883	1,531,473	221,590
Short-term loans receivable	4,153	153,073	148,920
Deferred tax assets	49,581	41,776	(7,805)
Other current assets	89,407	68,070	(21,337)
Allowance for doubtful accounts	(74)	(79)	(6)
Fixed Assets	68,638	77,978	9,340
Tangible fixed assets	1,502	1,420	(82)
Intangible fixed assets	573	445	(128)
Investments and others	66,563	76,113	9,550
Deferred tax assets	5,148	4,771	(377)
Other investments	62,618	72,673	10,054
Allowance for doubtful accounts	(1,203)	(1,330)	(127)
TOTAL ASSETS	14,018,037	12,244,625	(1,773,412)

(Millions of yen)

	March 31, 2015	March 31, 2016	Increase/(Decrease)
LIABILITIES			
Current Liabilities	11,805,361	9,974,626	(1,830,735)
Trading liabilities:	4,080,943	2,654,901	(1,426,042)
Trading securities	3,312,136	2,034,473	(1,277,663)
Derivative contracts	768,807	620,428	(148,379)
Net payables arising from pre-settlement date trades	—	62,251	62,251
Margin account liabilities:	72,509	48,936	(23,573)
Borrowings from securities finance companies	3,875	2,791	(1,083)
Customer margin sale proceeds	68,634	46,145	(22,490)
Borrowings with securities as collateral:	4,538,901	3,990,689	(548,212)
Cash collateral for securities loaned	1,374,815	752,066	(622,749)
Borrowings in gensaki transactions	3,164,086	3,238,623	74,537
Payables to customers and others	388,635	361,898	(26,738)
Guarantee deposits received	638,149	712,345	74,196
Short-term borrowings	1,726,200	1,811,902	85,702
Short-term bonds payable	121,400	176,000	54,600
Bond due within one year	34,200	—	(34,200)
Accrued income taxes	21,075	6,517	(14,558)
Accounts payable	59,801	42,474	(17,328)
Accrued bonuses for employees	52,455	48,309	(4,146)
Other current liabilities	71,092	58,405	(12,688)
Long-term Liabilities	1,214,076	1,447,059	232,983
Bonds payable	53,896	53,897	1
Long-term borrowings	977,595	1,202,924	225,329
Reserve for retirement benefits	26,410	28,874	2,465
Other long-term liabilities	156,176	161,364	5,188
Statutory Reserve	13,820	17,927	4,107
Reserve for financial instruments transactions	13,820	17,927	4,107
TOTAL LIABILITIES	13,033,257	11,439,612	(1,593,645)
NET ASSETS			
Shareholder's equity	983,011	803,555	(179,457)
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	398,366	218,909	(179,457)
Other retained earnings	398,366	218,909	(179,457)
General reserve	63,000	63,000	—
Retained earnings carried forward	335,366	155,909	(179,457)
Valuation and translation adjustments	1,769	1,459	(310)
Net unrealized gain on investments	—	(0)	(0)
Deferred gains or losses on hedges	1,769	1,459	(310)
TOTAL NET ASSETS	984,780	805,013	(179,767)
TOTAL LIABILITIES AND NET ASSETS	14,018,037	12,244,625	(1,773,412)

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

(Millions of yen, except percentages)

	For the year ended March 31, 2015 (B)	For the year ended March 31, 2016 (A)	% Change (A-B)/(B)
Operating revenue	801,268	746,800	(6.8)
Commissions	451,065	446,136	(1.1)
Net gain on trading	270,361	218,686	(19.1)
Interests and dividends income	79,842	81,978	2.7
Interest expenses	89,236	87,796	(1.6)
Net operating revenue	712,032	659,004	(7.4)
Selling, general, and administrative expenses	481,637	475,029	(1.4)
Transaction-related expenses	87,563	88,953	1.6
Compensation and benefits	199,657	191,809	(3.9)
Rental and maintenance	42,646	41,638	(2.4)
Data processing and office supplies	139,737	140,477	0.5
Others	12,034	12,152	1.0
Operating income	230,395	183,975	(20.1)
Non-operating income	1,346	1,379	2.5
Non-operating expenses	460	648	41.0
Ordinary income	231,280	184,705	(20.1)
Special profits	2,748	2,563	(6.7)
Gains due to the exemption from payments of share-based compensation	2,748	2,563	(6.7)
Special losses	2,442	4,107	68.2
Provision of reserve for financial instruments transactions liabilities	2,442	4,107	68.2
Income before income taxes	231,586	183,161	(20.9)
Income taxes - current	82,037	54,283	(33.8)
Income taxes - deferred	(478)	8,335	—
Total income taxes	81,560	62,618	(23.2)
Net income	150,027	120,544	(19.7)

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

(Millions of yen)

	For the quarter from April 1, 2015 to June 30, 2015	For the quarter from July 1, 2015 to September 30, 2015	For the quarter from October 1, 2015 to December 30, 2015	For the quarter from January 1, 2016 to March 31, 2016	For the year ended March 31, 2016
Operating revenue	221,342	189,595	191,410	144,453	746,800
Commissions	125,592	128,279	100,949	91,316	446,136
Net gain on trading	67,345	46,913	65,648	38,781	218,686
Interest and dividend income	28,405	14,403	24,813	14,356	81,978
Interest expenses	27,064	19,542	25,577	15,613	87,796
Net operating revenue	194,277	170,054	165,833	128,840	659,004
Selling, general and administrative expenses	125,523	120,241	116,574	112,691	475,029
Transaction-related expenses	25,038	21,753	20,987	21,175	88,953
Compensation and benefits	51,198	49,529	47,400	43,682	191,809
Rental and maintenance	10,307	10,369	10,206	10,756	41,638
Data processing and office supplies	34,664	35,947	35,043	34,824	140,477
Other	4,317	2,643	2,938	2,255	12,152
Operating income	68,754	49,813	49,258	16,149	183,975
Non-operating income	938	104	104	233	1,379
Non-operating expenses	94	101	216	237	648
Ordinary income	69,599	49,815	49,147	16,145	184,705
Special profits	477	758	677	651	2,563
Gains due to the exemption from payments of share-based compensation	477	758	677	651	2,563
Special losses	751	—	27	3,329	4,107
Provision of reserve for financial instruments transactions liabilities	751	—	27	3,329	4,107
Income before income taxes	69,325	50,573	49,797	13,466	183,161
Income taxes - current	25,829	12,483	11,444	4,527	54,283
Income taxes - deferred	(2,759)	3,752	4,589	2,753	8,335
Total income taxes	23,070	16,235	16,033	7,280	62,618
Net income	46,255	34,339	33,764	6,186	120,544

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

1. Commission Revenues

(1) Breakdown by Category

(Millions of yen, except percentages)

	For the year ended		% Change (A-B)/(B)
	March 31, 2015 (B)	March 31, 2016 (A)	
Brokerage commissions	119,828	127,728	6.6
<i>(Stocks)</i>	109,689	116,053	5.8
Commissions for underwriting, secondary distribution and solicitation for selling and others for Professional Investors	40,072	50,839	26.9
<i>(Stocks)</i>	30,497	45,034	47.7
<i>(Bonds)</i>	9,575	5,805	(39.4)
Fees for offering, secondary distribution and solicitation for selling and others for Professional Investors	138,387	96,177	(30.5)
<i>(Investment trust certificates)</i>	136,490	94,050	(31.1)
Other commissions	152,778	171,392	12.2
<i>(Investment trust certificates)</i>	64,447	63,471	(1.5)
Total	451,065	446,136	(1.1)

(2) Breakdown by Product

(Millions of yen, except percentages)

	For the year ended		% Change (A-B)/(B)
	March 31, 2015 (B)	March 31, 2016 (A)	
Stocks	144,836	165,911	14.6
Bonds	13,720	9,808	(28.5)
Investment trust certificates	210,783	168,562	(20.0)
Others	81,726	101,854	24.6
Total	451,065	446,136	(1.1)

2. Net Gain on Trading

(Millions of yen, except percentages)

	For the year ended		% Change (A-B)/(B)
	March 31, 2015 (B)	March 31, 2016 (A)	
Stocks	97,872	80,949	(17.3)
Bonds and Forex	172,489	137,737	(20.1)
Total	270,361	218,686	(19.1)

3. Stock Trading (excluding futures transactions)

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

	For the year ended				% Change (A-B)/(B)	
	March 31, 2015 (B)		March 31, 2016 (A)		Number of shares	Amount
	Number of shares	Amount	Number of shares	Amount		
Total	153,196	174,038,960	187,149	240,745,914	22.2	38.3
<i>(Brokerage)</i>	137,007	153,367,357	170,468	217,524,557	24.4	41.8
<i>(Proprietary Trading)</i>	16,189	20,671,603	16,681	23,221,357	3.0	12.3
Brokerage / Total Ratio	89.4%	88.1%	91.1%	90.4%		
TSE Share	8.8%	10.9%	10.8%	13.3%		
Brokerage commission per share (yen)	0.79		0.67			

4. Underwriting, Subscription, and Distribution

(Millions of shares or yen, except percentages)

	For the year ended		% Change (A-B)/(B)
	March 31, 2015 (B)	March 31, 2016 (A)	
Underwriting			
Stocks (number of shares)	257	411	59.8
(yen amount)	700,819	1,196,957	70.8
Bonds (face value)	6,276,388	6,713,994	7.0
Investment trust certificates (yen amount)	—	—	—
Subscription and Distribution*			
Stocks (number of shares)	325	477	46.8
(yen amount)	810,074	1,303,617	60.9
Bonds (face value)	3,173,035	3,484,587	9.8
Investment trust certificates (yen amount)	26,464,734	21,732,657	(17.9)

*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, 2015	March 31, 2016	Increase/(Decrease)
Tier I	(A)	683,011	663,554	(19,456)
Tier II	Valuation and translation adjustments	1,768	1,458	(309)
	Statutory reserves	13,819	17,926	4,107
	Allowance for doubtful accounts	73	79	5
	Subordinated debts	409,095	409,197	101
	Total (B)	424,757	428,661	3,904
Illiquid Asset	(C)	94,297	111,670	17,373
Net Capital	(A) + (B) - (C) = (D)	1,013,470	980,545	(32,924)
Risk	Market risk	117,160	83,398	(33,761)
	Counterparty risk	176,245	182,834	6,588
	Basic risk	139,020	142,167	3,146
	Total (E)	432,426	408,399	(24,026)
Capital Adequacy Ratio	(D)/(E)×100	234.3 %	240.0 %	5.7 %