

Nomura Securities Co., Ltd.
Unconsolidated Balance Sheets

(UNAUDITED)

	Millions of yen		
	March 31, 2016	September 30, 2016	Increase/(Decrease)
Assets			
Current assets:	12,166,647	12,664,771	498,124
Trading assets	4,090,913	3,817,727	(273,186)
Loans with securities as collateral	4,631,581	5,141,382	509,801
Other current assets	3,444,154	3,705,662	261,508
Fixed assets	77,978	75,109	(2,869)
Total assets	<u>12,244,625</u>	<u>12,739,880</u>	<u>495,255</u>
Liabilities			
Current liabilities:	9,974,626	10,717,745	743,120
Trading liabilities	2,654,901	2,936,831	281,930
Borrowings with securities as collateral	3,990,689	4,087,698	97,009
Other current liabilities	3,329,035	3,693,216	364,180
Long-term liabilities	1,447,059	1,299,156	(147,904)
Statutory reserves	17,927	17,965	38
Total liabilities	<u>11,439,612</u>	<u>12,034,866</u>	<u>595,255</u>
Shareholder's equity	803,555	703,932	(99,623)
Valuation and translation adjustments	1,459	1,081	(377)
Total net assets	<u>805,013</u>	<u>705,014</u>	<u>(100,000)</u>
Total liabilities and net assets	<u>12,244,625</u>	<u>12,739,880</u>	<u>495,255</u>

Nomura Securities Co., Ltd.
Unconsolidated Statements of Income

(UNAUDITED)

	Millions of yen		% Change (A-B)/(B)
	For the six months ended		
	September 30, 2015 (B)	September 30, 2016 (A)	
Operating revenue	410,937	328,852	(20.0)
Commissions	253,871	164,683	(35.1)
Net gain on trading	114,257	119,592	4.7
Interest and dividend income	42,809	44,577	4.1
Interest expenses	46,606	47,514	1.9
Net operating revenue	<u>364,331</u>	<u>281,338</u>	<u>(22.8)</u>
Selling, general and administrative expenses	245,764	226,100	(8.0)
Operating income	<u>118,567</u>	<u>55,238</u>	<u>(53.4)</u>
Non-operating income	1,042	1,606	54.1
Non-operating expenses	195	183	(6.1)
Ordinary income	<u>119,414</u>	<u>56,661</u>	<u>(52.6)</u>
Special profits	1,235	779	(36.9)
Special losses	751	38	(94.9)
Income before income taxes	<u>119,898</u>	<u>57,401</u>	<u>(52.1)</u>
Income taxes - current	38,312	16,304	(57.4)
Income taxes - deferred	993	720	(27.4)
Net income	<u>80,593</u>	<u>40,377</u>	<u>(49.9)</u>

Nomura Securities Co., Ltd.**Unconsolidated Statements of Income - Quarterly Comparatives**

(Millions of yen)

	For the three months ended					
	June 30, 2015	September 30, 2015	December 31, 2015	March 31, 2016	June 30, 2016	September 30, 2016
Operating revenue	221,342	189,595	191,410	144,453	175,483	153,369
Commissions	125,592	128,279	100,949	91,316	79,430	85,253
Net gain on trading	67,345	46,913	65,648	38,781	65,814	53,778
Interest and dividend income	28,405	14,403	24,813	14,356	30,239	14,338
Interest expenses	27,064	19,542	25,577	15,613	30,431	17,083
Net operating revenue	194,277	170,054	165,833	128,840	145,052	136,286
Selling, general and administrative expenses	125,523	120,241	116,574	112,691	114,305	111,795
Operating income	68,754	49,813	49,258	16,149	30,747	24,491
Non-operating income	938	104	104	233	107	1,499
Non-operating expenses	94	101	216	237	114	69
Ordinary income	69,599	49,815	49,147	16,145	30,740	25,921
Special profits	477	758	677	651	373	406
Special losses	751	—	27	3,329	38	—
Income before income taxes	69,325	50,573	49,797	13,466	31,074	26,327
Income taxes - current	25,829	12,483	11,444	4,527	9,012	7,292
Income taxes - deferred	(2,759)	3,752	4,589	2,753	518	203
Net income	46,255	34,339	33,764	6,186	21,545	18,833

Nomura Securities Co., Ltd.
Supplementary Information

1. Commission Revenues

(1) Breakdown by Category

(Millions of yen, except percentages)

	For the six months ended		% Change (A-B)/(B)
	September 30, 2015 (B)	September 30, 2016 (A)	
Brokerage commissions	72,936	42,559	(41.6)
<i>(Stocks)</i>	66,554	38,767	(41.8)
Commissions for underwriting, secondary distribution and solicitation for selling and others for Professional Investors	36,857	11,627	(68.5)
<i>(Stocks)</i>	32,861	8,853	(73.1)
<i>(Bonds)</i>	3,996	2,774	(30.6)
Fees for offering, secondary distribution and solicitation for selling and others for Professional Investors	58,654	38,843	(33.8)
<i>(Investment trust certificates)</i>	58,084	37,599	(35.3)
Other commissions	85,424	71,653	(16.1)
<i>(Investment trust certificates)</i>	33,653	27,689	(17.7)
Total	253,871	164,683	(35.1)

(2) Breakdown by Product

(Millions of yen, except percentages)

	For the six months ended		% Change (A-B)/(B)
	September 30, 2015 (B)	September 30, 2016 (A)	
Stocks	101,856	49,275	(51.6)
Bonds	5,395	4,749	(12.0)
Investment trust certificates	97,722	68,762	(29.6)
Others	48,899	41,897	(14.3)
Total	253,871	164,683	(35.1)

2. Net Gain on Trading

(Millions of yen, except percentages)

	For the six months ended		% Change (A-B)/(B)
	September 30, 2015 (B)	September 30, 2016 (A)	
Stocks	41,044	24,957	(39.2)
Bonds and Forex	73,213	94,635	29.3
Total	114,257	119,592	4.7

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, 2015 (B)		September 30, 2016 (A)		Number of shares	Amount
	Number of shares	Amount	Number of shares	Amount		
Total	81,733	109,679,409	89,935	107,691,224	10.0	(1.8)
<i>(Brokerage)</i>	72,841	96,900,015	83,278	98,996,490	14.3	2.2
<i>(Proprietary trading)</i>	8,892	12,779,394	6,657	8,694,734	(25.1)	(32.0)
Brokerage / Total ratio	89.1%	88.3%	92.6%	91.9%		
TSE share	10.0%	12.7%	12.3%	14.0%		
Brokerage commission per share (yen)	0.90		0.45			

4. Underwriting, Subscription, and Distribution

(Millions of shares or yen, except percentages)

	For the six months ended		% Change (A-B)/(B)
	September 30, 2015 (B)	September 30, 2016 (A)	
Underwriting			
Stocks (number of shares)	168	44	(74.0)
(yen amount)	741,448	221,259	(70.2)
Bonds (face value)	2,994,140	3,435,059	14.7
Investment trust certificates (yen amount)	—	—	—
Subscription and distribution*			
Stocks (number of shares)	192	51	(73.3)
(yen amount)	777,222	243,439	(68.7)
Bonds (face value)	1,220,832	1,747,642	43.2
Investment trust certificates (yen amount)	12,600,606	7,953,393	(36.9)

*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, 2016	September 30, 2016	Increase/(Decrease)	
Tier I	(A)	663,554	703,932	40,377	
Tier II	Valuation and translation adjustments	1,458	1,081	(377)	
	Statutory reserves	17,926	17,965	38	
	Allowance for doubtful accounts	79	68	(10)	
	Subordinated debts	409,197	409,197	—	
Total		(B)	428,661	428,312	(349)
Illiquid asset	(C)	111,670	95,822	(15,848)	
Net capital	(A) + (B) - (C) = (D)	980,545	1,036,422	55,876	
Risk	Market risk	83,398	60,818	(22,580)	
	Counterparty risk	182,834	165,348	(17,485)	
	Basic risk	142,167	136,665	(5,502)	
Total		(E)	408,399	362,831	(45,567)
Capital adequacy ratio	(D)/(E)×100	240.0%	285.6%	45.6%	