

Nomura Securities Co., Ltd.
Unconsolidated Balance Sheets

(UNAUDITED)

	Millions of yen		
	March 31, 2018	June 30, 2018	Increase/(Decrease)
Assets			
Current assets:	12,449,946	12,156,813	(293,134)
Trading assets	3,369,194	4,627,242	1,258,048
Loans with securities as collateral	6,025,130	4,907,947	(1,117,183)
Other current assets	3,055,623	2,621,623	(433,999)
Fixed assets	30,143	61,678	31,535
Total assets	12,480,089	12,218,491	(261,599)
Liabilities			
Current liabilities:	10,800,445	10,297,303	(503,141)
Trading liabilities	3,038,869	2,467,965	(570,904)
Borrowings with securities as collateral	5,129,050	5,296,250	167,200
Other current liabilities	2,632,526	2,533,088	(99,438)
Long-term liabilities	991,602	1,273,114	281,512
Statutory reserves	21,856	21,856	—
Total liabilities	11,813,903	11,592,274	(221,630)
Shareholder's equity	666,154	626,217	(39,937)
Valuation and translation adjustments	32	—	(32)
Total net assets	666,186	626,217	(39,969)
Total liabilities and net assets	12,480,089	12,218,491	(261,599)

Nomura Securities Co., Ltd.
Unconsolidated Statements of Income

(UNAUDITED)

	Millions of yen		
	For the three months ended		% Change (A-B)/(B)
	June 30, 2017 (B)	June 30, 2018 (A)	
Operating revenue	179,942	150,385	(16.4)
Commissions	93,938	91,274	(2.8)
Net gain on trading	56,755	37,674	(33.6)
Interest and dividend income	29,249	21,437	(26.7)
Interest expenses	29,964	21,626	(27.8)
Net operating revenue	149,979	128,759	(14.1)
Selling, general and administrative expenses	122,126	115,220	(5.7)
Operating income	27,852	13,539	(51.4)
Non-operating income	56	37	(35.1)
Non-operating expenses	41	99	142.4
Ordinary income	27,868	13,477	(51.6)
Special profits	381	410	7.7
Special losses	—	—	—
Income before income taxes	28,249	13,887	(50.8)
Income taxes - current	9,238	6,586	(28.7)
Income taxes - deferred	(413)	(2,219)	—
Net income	19,424	9,521	(51.0)

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

Millions of yen

	For the three months ended				
	June 30, 2017	September 30, 2017	December 31, 2017	March 31, 2018	June 30, 2018
Operating revenue	179,942	162,166	184,569	164,344	150,385
Commissions	93,938	94,054	110,829	95,766	91,274
Net gain on trading	56,755	54,984	54,851	57,496	37,674
Interest and dividend income	29,249	13,128	18,888	11,082	21,437
Interest expenses	29,964	14,077	20,717	13,669	21,626
Net operating revenue	149,979	148,089	163,851	150,675	128,759
Selling, general and administrative expenses	122,126	118,423	125,312	123,763	115,220
Operating income	27,852	29,666	38,539	26,912	13,539
Non-operating income	56	59	48	261	37
Non-operating expenses	41	169	46	91	99
Ordinary income	27,868	29,556	38,541	27,082	13,477
Special profits	381	483	602	181	410
Special losses	—	—	—	3,402	—
Income before income taxes	28,249	30,039	39,143	23,862	13,887
Income taxes - current	9,238	8,690	10,301	10,020	6,586
Income taxes - deferred	(413)	624	7,178	(1,618)	(2,219)
Net income	19,424	20,724	21,664	15,460	9,521

From April 1, 2018, Nomura changed its accounting policy for certain derivatives and has restated previously reported amounts of Unconsolidated Balance Sheets, Unconsolidated Statements of Income, and Unconsolidated Statements of Income - Quarterly Comparatives.

Nomura Securities Co., Ltd.
Supplementary Information

1. Commission Revenues

Breakdown by Category

(Millions of yen, except percentages)

	For the three months ended		% Change (A-B)/(B)
	June 30, 2017 (B)	June 30, 2018 (A)	
Brokerage commissions	27,642	24,293	(12.1)
<i>(Stocks)</i>	26,270	23,320	(11.2)
Commissions for underwriting, secondary distribution and solicitation for selling and others for Professional Investors	4,251	6,901	62.4
<i>(Stocks)</i>	3,041	4,751	56.2
<i>(Bonds)</i>	1,210	2,151	77.8
Fees for offering, secondary distribution and solicitation for selling and others for Professional Investors	24,323	19,179	(21.1)
<i>(Investment trust certificates)</i>	23,998	17,957	(25.2)
Other commissions	37,723	40,900	8.4
<i>(Investment trust certificates)</i>	15,686	17,239	9.9
Total	93,938	91,274	(2.8)

2. Stock Trading (excluding futures transactions)

(Millions of yen, except percentages)

	For the three months ended		% Change (A-B)/(B)
	June 30, 2017 (B)	June 30, 2018 (A)	
Brokerage	70,790,425	64,746,193	(8.5)
Proprietary trading	5,234,315	4,595,018	(12.2)
Total	76,024,740	69,341,211	(8.8)

3. Capital Adequacy Ratio

(Rounded down to millions of yen, except percentages)

		March 31, 2018	June 30, 2018	Increase/(Decrease)
Tier I	(A)	616,726	626,217	9,490
Tier II	Valuation and translation adjustments	31	—	(31)
	Statutory reserves	21,856	21,856	—
	Allowance for doubtful accounts	—	—	—
	Subordinated debts	360,000	350,000	(10,000)
Total (B)		381,888	371,856	(10,031)
Illiquid asset	(C)	48,872	78,831	29,958
Net capital	(A) + (B) - (C) = (D)	949,742	919,242	(30,500)
Risk	Market risk	92,856	109,545	16,688
	Counterparty risk	137,374	138,797	1,422
	Basic risk	140,198	138,592	(1,606)
Total (E)		370,429	386,934	16,504
Capital adequacy ratio	(D)/(E)×100	256.3%	237.5%	(18.8%)